

Tuesday | July 16, 2024

Business Engagement and Compliance

Transportation Board OKs Five-Year Construction Program Update

The State Transportation Board has approved the 2025-2029 Five-Year Transportation Facilities Construction Program, which emphasizes pavement and bridge improvements and expanding several key highways.

The final 2025-2029 Five-Year Transportation Facilities Construction Program is available for review at azdot.gov/FiveYearProgram.

The \$8.2 billion program puts a major emphasis on improving highway pavement and bridge infrastructure throughout greater Arizona, which encompasses areas outside of Maricopa and Pima counties. The plan provides more than \$2.5 billion for these high-priority improvements during the next five years. This amounts to an average investment of approximately \$500 million per year to preserve, rehabilitate and replace pavement and bridges.

The program provides a total of \$800 million over five years for projects that improve highway safety, efficiency and functionality, such as intersection improvements; smart technology; freight mobility and signs, signals and lighting.

It also allocates \$780 million for projects that widen highways or improve interchanges across greater Arizona, including:

- Widening and improving US 93 between Wickenburg and I-40 in Kingman, including expanding three segments of the highway from two to four lanes. The US 93 improvements include the ongoing widening project near Wickenburg, along with new projects near Cane Springs, Vista Royale and Big Jim Wash.
- Widening the last two-lane section of State Route 260 in the Lion Springs area between Payson and Heber-Overgaard. This will complete a four-lane divided highway along the entire SR 260 corridor.
- Constructing a new I-40 interchange at Rancho Santa Fe Parkway in Kingman.



- Brenton Keye
- Construction Recruiters America Staffing
- Detail X Perts Franchise Systems LLC
- EVARI GIS Consulting Inc.

- Gill Berry and Associates
- JavaBean LLC
- Marathon Reprographics
- Sundry Trucking LLC
- TrendTeck Logistics



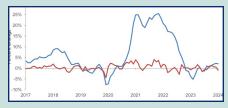
Transform Your Business with Key Connections



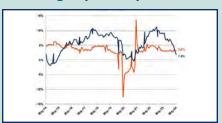
DBE Spotlight: J.C. Welding LLC



Plans Advance for Douglas Port of Entry Projects



Materials Prices Down Slightly in May 2024



Arizona Construction Down 400

Jobs in May 2024

- EVENTS
- OPPORTUNITIES
- USDOT FINAL RULE UPDATE
- ► I-17 FLEX LANES OUTREACH



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Transportation Board OKs Five-Year Construction Program Update (Cont'd)

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In the Maricopa County region, the program features approximately \$2 billion in construction projects planned in conjunction with the Maricopa Association of Governments. Those projects include:

- Widening Interstate 10 between Phoenix and Casa Grande.
 The I-10 Wild Horse Pass Corridor will have four projects, including the construction of the I-10 Bridges Over the Gila River that began this spring.
- Extending Loop 303 between Van Buren Street and Maricopa County 85.
- Providing new HOV ramp connections between I-10 and Loop 101.
- Reconstructing the intersection of Grand Avenue, 35th Avenue and Indian School Road to separate traffic.

In Pima County, in coordination with the Pima Association of Governments, the program includes \$849 million toward:

- Improvements to I-10: Kino to Country Club, which includes building a new interchange at I-10 and Country Club Road, reconstructing the interchange at Kino Parkway and also widening I-10 in the area.
- Reconstructing the I-19 interchange at Irvington Road.

The program also includes more than \$57 million for airport projects throughout the state.

Funding for the statewide program comes from federal, state and local dollars in addition to money generated by users of transportation services in Arizona, primarily through gasoline and diesel fuel taxes and the Arizona vehicle license tax. Both the Maricopa and Pima County regions have voter-approved sales taxes for transportation that fund expansion projects.

The Arizona Department of Transportation's (ADOT) five-year program is developed by working closely with local governments, regional transportation planning organizations and tribal communities to prioritize projects that are ready to build or design. ADOT also receives guidance from the Arizona Division Office of the Federal Highway Administration while developing and implementing the program.

Changes to the five-year program may occur throughout the year and can be viewed at estip.azdot.gov. (Source)





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Transform Your Business with Key Connections

Building Vital Industry Partnerships: A Guide for Small Firms

Imagine you are sitting at your desk, reviewing yet another proposal due tomorrow at noon, while your email inbox overflows with urgent messages. The phone rings with a client request and you have a team meeting in 10 minutes. Amidst this daily whirlwind, dedicating time to building industry partnerships might seem daunting. However, these partnerships can be the key to sustaining and growing your business in the competitive design and construction industry.

Here is a guide to help you prioritize and manage this crucial aspect without feeling overwhelmed.

Types of Industry Partnerships

Professional Service Providers: Collaborate with engineering firms, consultants and specialists to expand your service offerings and bid for larger projects. These partnerships can provide the expertise you might not have in-house.

Government and Non-Profit Organizations: Work with local government agencies and non-profits on community development projects. These partnerships can provide steady work and enhance your firm's reputation for social responsibility.

Suppliers and Vendors: Building strong relationships with material suppliers and equipment rental companies can lead to better pricing, priority access to resources and collaborative innovation.

Technology Providers: Partner with software companies and tech startups that offer innovative solutions, such as project management tools, BIM software and other construction technologies to enhance your operational efficiency.

Educational Institutions: Partner with universities and vocational schools to access fresh talent and collaborative opportunities. These institutions can also provide training programs that help upskill your workforce.

Financial Institutions: Engage with banks, credit unions and insurance providers to secure better financing options and risk management solutions tailored to the construction industry.

Industry Influencers and Thought Leaders: Connecting with well-known industry experts and participating in professional associations can boost your firm's credibility and open networking opportunities. Check out podcasts where you can be a featured guest and build your own position as an expert in your area of expertise.

Clients and End-Users: Build long-term relationships with corporate clients, facility managers and operational staff. These partnerships can lead to repeat business and referrals, providing a steady stream of projects.

Prioritize Your Efforts

Start Small and Focused. Begin with one or two partnerships that align closely with your immediate business needs. For instance, if securing materials at better prices is a priority, focus on building relationships with suppliers and vendors. If winning different types or sizes of projects will balance difficult workload fluctuations, expand your opportunities by attending events where you will find more prime firms.

Dedicate Time. Set aside specific times each week for partnership activities. Even one or two hours can make a significant difference over time. Use this period for networking, attending industry events or engaging on professional platforms like LinkedIn.

Delegate Tasks. Leverage your team's strengths by delegating partnership-building tasks. Assign one team member to manage supplier relationships and another to attend local industry meetings. This approach ensures you are not shouldering the entire burden.

Leverage Existing Projects. Identify opportunities within your current projects to build partnerships. Collaborating with other firms or involving new suppliers in ongoing work can be a practical and time-efficient way to establish new relationships.

Invest in Technology. Use Customer Relations Management systems and project management tools to track interactions and progress with potential partners. Automation can help streamline communication and ensure you stay on top of follow-ups.

By strategically prioritizing and managing your efforts, you can build valuable industry partnerships that will help sustain and grow your business without overwhelming your schedule. Remember, small, consistent steps can lead to significant long-term benefits.





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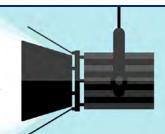


DBE SPOTLIGHT

J.C. Welding LLC

JCWeldingllc.com | (928) 344-5433

Certifications: DBE





COMPANY HISTORY:

J.C. Welding LLC is a welding and fabrication company with over 25 years of experience in the industrial, commercial and residential sectors. With a proactive approach to all projects, the company focuses on delivering exceptional quality, cost-effective solutions and timely delivery while maintaining safety standards.

Their team is dedicated to meeting and exceeding the expectations of its clients and ensuring that each project is completed to the highest standards. The company's expertise includes structural steel fabrication, custom fabrication and repair services.

PROJECT HIGHLIGHTS:

Harper China Lake Michelson Mission

Fabrication and Installation of Shades and Stairway. They were the subcontractor for this project. Contract Amount: \$305,528

P612 Building Canopies/MCAS

Fabrication and Installlation of I-Beams with Canopies. They were the subcontractor for this project. Contract Amount: \$163,310.63

Xeriscape Yuma Area Office Landscape Project

Fabrication and installation of custom metal gate with security system. They were the subcontractor for this project.

Contract Amount: \$115,398.65

MEET THE KEY STAFF:

Juan Castillo, Owner

Juan determines the specific welding requirements for any job and supervises employees to ensure high quality standards are met. He has knowledge of all in-house machines and tools, including their design and uses. His deep understanding of raw materials, production processes, quality control, costs and other techniques maximizes the effective manufacture and distributions of goods.

Juan D. Castillo, Project Manager

Juan D. is an experienced welder specializing in TIG and MIG welding of stainless-steel tubing, brackets and assemblies. He manages every project with a 100% customer-focused view. He contributed to 25% of company profits by collaborating on six projects with three welders. He is proficient in blueprint interpretation, resolving weld flaws and maintaining a clean and organized shop.

Jose Castillo, Project Manager

Jose is a versatile professional with experience as a Project Manager, Shop Manager, Designer, Fabricator, CNC Machines Operator and Welder. He is proficient in initiating and overseeing projects, guiding employees and ordering materials while being skilled in CNC machine operations, including shearing, bending, sheet metal design cutting and metal fabricating.

Nayeli Castillo, Manager

Nayeli is experienced in fabricating fences and stair rails by interpreting blueprints and utilizing welding machines and power tools. She is proficient in preparing materials for welding using power tools and is familiar with office tasks, contributing to the company's overall operations.



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Plans Advance for Douglas Port of Entry Projects

The U.S. General Services Administration (GSA) has announced commercial inspections at the U.S.-Mexico border at Douglas will relocate from the existing Raul H. Castro Land Port of Entry (POE) to a new facility 4.5 miles away once it is built.

News reports <u>say</u> the Castro POE only has five inspection bays and cannot meet the needs of Customs and Border Protection. GSA will work to construct the new POE while simultaneously modernizing and renovating Castro.

The decision comes after a nearly two-year environmental review of the new location.

The new port will be funded under the Infrastructure Investment and Jobs Act and will cost between \$170 million and \$220 million, according to reports. When completed, it will serve as the new permanent home for commercial inspections.

According to the description in the DATABEX project database, the project consists of: "A new commercial port which includes construction of a Main Building, Commercial Primary Inspection Lanes, Commercial Inspection Building and Loading Docks, Vehicle Exit Booth, Kennel Building, Vault, Federal Motor Carrier Safety Administration Facility and Firearms Simulation Building, totaling approximately 180,000 gross square footage."

Douglas Mayor Donald Huish told a <u>local news outlet</u> plans have been in the works for between 15 and 20 years. Trucks currently using the Castro POE have to make a 90-degree turn to enter the facility for inspection, causing frequent traffic backups on the Mexico side and forcing hazardous materials transporters to travel through the town itself.

In addition to improving processing at the ports, Huish expects additional economic development activity in terms of hospitality and supporting services for travelers.

GSA officials confirmed to area news outlets construction is planned to begin in the spring.

No Funding for Connector Road Yet

In related news, the Department is currently seeking funding for a connector road that will serve as the thoroughfare for trucks at the new port to the state highway system. The Department is working with federal and local partners to identify and secure federal discretionary funding to design and construct the connector road.

The planned connector is currently included only as an "illustrative project" for fiscal year 2027, according to ADOT officials. That means it is a candidate for inclusion in the plan when and if funding becomes available. Officials say funding will be prioritized with other transportation needs through the construction programming process.

ADOT is currently preparing a design concept report and environmental assessment for the connector in cooperation with the City of Douglas, Cochise County and the Federal Highway Administration. There are three potential routes under consideration, each of which starts at State Route 80.





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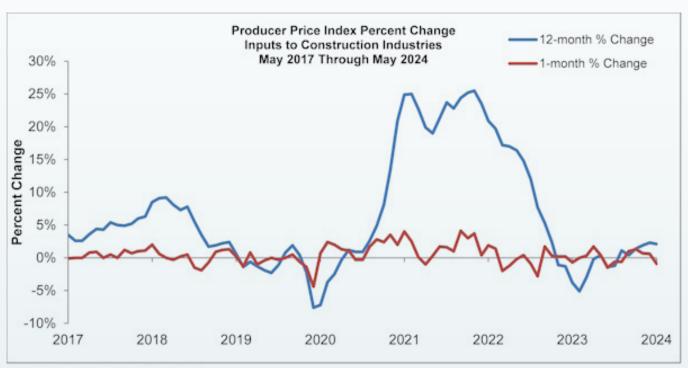
Materials Prices Down Slightly in May 2024

Construction input prices decreased 0.9% in May 2024 compared to the previous month, according to an Associated Builders and Contractors (ABC) analysis of U.S. Bureau of Labor Statistics' Producer Price Index data. Nonresidential construction input prices decreased 0.8% for the month.

Overall construction input prices are 2.1% higher than a year ago, while nonresidential construction input prices are 2.2% higher. Prices decreased in two of the three energy subcategories in May 2024. Crude petroleum prices were down 8.7%, while unprocessed energy materials prices decreased 6.6%. Natural gas prices were up by 1.7%.

"For contractors, this data provides excellent news along two fronts," said ABC Chief Economist Anirban Basu.

"First, construction input prices fell for the first time since December 2023 and, despite rising somewhat sharply over the first four months of 2024, are up just 2.1% year over year. Second, the Producer Price Index's economywide measure of final demand prices fell in May 2024. This, along with... cooler than expected Consumer Price Index data, signals slowing inflation and that the Federal Reserve may begin to cut rates sooner than expected. With contractor confidence regarding profit margins at the lowest level in seven months, according to ABC's Construction Confidence Index, falling materials prices and the prospect of lower interest rates in 2024 are welcome developments for the construction industry." (Source)



Source: U.S. Bureau of Labor Statistics



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Arizona Construction Down 400 Jobs in May 2024

Arizona's seasonally adjusted unemployment rate fell to a record low of 3.4% in May 2024, down from 3.6% in April 2024, according to the latest <u>report</u> published by the Arizona Office of Economic Opportunity.

The national unemployment rate increased over the month, rising to 4.0% from 3.9%. Last May, Arizona had a seasonally adjusted rate of 3.7%. The national rate was also 3.7%.

The Arizona construction sector lost 400 jobs in May 2024.

Arizona had a not-seasonally adjusted (NSA) loss of 10,300 in nonfarm employment jobs. "Prior to the pandemic (2010-2019), NSA nonfarm employment lost 6,700 jobs on average in May," the report states.

The private sector lost 4,900 jobs over the month, led by leisure and hospitality falling by 4,600 and professional and business services losing 3,000 jobs. Government lost 5,400.

Of the 11 sectors tracked, only four reported gains over the month. Health care and social assistance increased by 3,700 jobs. Manufacturing was second with gains of 1,600. In addition to construction's loss of 400 jobs, natural resources and mining also dipped, falling by 100. Trade, transportation and utilities was the only sector unchanged for the month.

Year-over-year, nine of the 11 sectors reported gains, including construction's addition of 3,900 jobs.

Construction Employment

Statewide construction employment totals 215,800 jobs. In May 2023, the sector reported 211,900.

The Arizona construction sector features three major segments: buildings, heavy and specialty trades. There are currently 46,600 jobs in buildings, which is down 500 from April 2024 and up 2,300 from May 2023. Heavy construction was unchanged in May 2024 with 25,200 but added 800 over the year. Specialty trades gained 100 over the month for a total of 144,000, and the segment gained 800 year-over-year.

Construction jobs in the Phoenix Metro Area (Phoenix-Mesa-Scottsdale) lost 800 over the month for a total of 170,700. The May 2023 number was 169,000. Metro Tucson gained 100 construction jobs over the month at 20,900, which is an increase of 800 year-over-year.

Yuma, Flagstaff, Prescott, Lake Havasu City-Kingman and Sierra Vista-Douglas combine mining and construction jobs in reporting their job sector totals. Of these, Yuma and Lake Havasu City-Kingman reported losses of 100 each. Yuma reported a decrease to 3,700, while Lake Havasu City-Kingman dropped to 4,700. Of the unchanged metro areas, Flagstaff reported 3,100. Prescott was at 7,200, and Sierra Vista-Douglas closed the month at 2,100.

Arizona & U.S. Construction Employment





INDUSTRY EVENTS

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Business Engagement and Compliance





ATTENTION TO ALL FIRMS

Need help preparing DBE affidavits? Please see our tutorial video below:

"Preparing DBE Affidavits"







JULY

AGC: A.I. + Digital Excellence in Construction Virtual Summit

9:30 a.m. - 3 p.m. Location: Virtual Lifetime - An Exploration of 10 Key
Lessons on Leadership from a Top 10
Leader

11:30 a.m. - 1 p.m.

APWA: Leadership Lessons for a

Location: Phoenix Country Club 2901 N. Seventh St., Phoenix

AGC: Webinar: How Work in Progress Can Work for You

2 p.m.

Location: Virtual

18 AMCA: Education Series – Financial Awareness & Bonding

9 - 11 a.m.

Location: Virtual

18 AAED: Golden Prospector Awards Info Session

12 - 12:30 p.m. Location: Virtual **18** ACE: Lessons of Leadership

11 a.m. - 1 p.m.

Location: Small Giants

5555 E. Van Buren St., Ste. 115,

Phoenix

CJE: Southwest Chapter Meeting and Luncheon: Civil JOC with Town of Gilbert

11 a.m. - 12 p.m.

Location: Ames Construction 8333 E. Hartford Dr., Scottsdale 19 MPA: Member2Member Event

4:30 - 6 p.m.

Location: The Eddy Hotel 4626 N. Campbell Ave., Tucson



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Featured Federal-Aid Projects

CURRENT OPEN SOLICITATIONS						
Due Date	Project Valuation	DBE Goal	Solicitation / Project Number	Туре	Project Owner and Description	Contact
7/19/24 11:00 a.m. MST	\$2.96 million	9.57%	077-B-(216)T; F071701C	<u>IFB</u>	ADOT - Install Sidewalk, Curb and Gutter, Show Low to Holbrook Highway (SR 77) from Town of Taylor to Rodeo Road. The work consists of new curb and gutter, sidewalk, concrete scuppers, riprap, signing and other related work.	Iqbal Hossain, Deputy Director of the Multimodal Planning Division, at ihossain@azdot.gov.
7/19/24 11:00 a.m. MST	\$2 million	1.47%	010-F-(229)T; F029101C	<u>IFB</u>	ADOT - Bridge Rehabilitation, Benson to Steins Pass Hwy (I-10) East Willcox TI Up Bridge. The work consists of bridge rehabilitation and reconstruction of the embankment curb and roadway approaches	Iqbal Hossain, Deputy Director of the Multimodal Planning Division, at ihossain@azdot.gov.
8/2/24 11:00 a.m. MST	\$1.18 million	7.24%	KNG-0-(212)T; T042101C	<u>IFB</u>	ADOT - Street Improvements, Andy Devine Ave and Var, Kingman. The work consists of removing the existing jog at the intersection of Andy Devine Avenue at 1st Street/museum entrance by closing the existing museum entrance and constructing a new concrete driveway aligning with 1st Street	Iqbal Hossain, Deputy Director of the Multimodal Planning Division, at ihossain@azdot.gov.
8/2/24 11:00 a.m. MST	\$5 million	6.1%	060-D-(224)T; F045401C	<u>IFB</u>	ADOT - System Enhancement, Phoenix to Globe Highway (US 60) from Schulze Ranch to the Town of Miami. The work consists of drainage improvement, guardrail and guardrail end terminals replacement and other related work.	Iqbal Hossain, Deputy Director of the Multimodal Planning Division, at ihossain@azdot.gov.

External Links:

ADOT Current Advertisements

ADOT Engineering Advertisements

ADOT Public-Private Partnership Initiatives

ADOT Advertised Alternative Delivery Projects

Bidding Opportunities Around the State

DBE SUPPORTIVE SERVICES PROGRAM

1801 W. Jefferson St., Ste. 101, Phoenix AZ 602.712.7761 DBESupportiveServices@azdot.gov



USDOT IMPORTANT UPDATE



The <u>DBE and ACDBE Final Rule</u> went into effect on May 9, 2024. The rule updated personal net worth and program size thresholds for inflation; modernized rules for counting of material suppliers; formalized COVID-19 flexibilities; added new program elements to foster greater usage of DBEs and ACDBEs with concurrent, proactive monitoring and oversight; updated certification provisions with less prescriptive rules, giving certifiers flexibility when determining eligibility; and made technical corrections that have led to substantive misinterpretations of the rules by recipients, program applicants, and participants.

ADOT's Business Engagement and Compliance Office (BECO) is dedicated to communicating these changes and ensuring you are informed as they are implemented. BECO and the DBE Supportive Services team will update ADOT's DBE program plan and offer ongoing education and guidance to subrecipients, DBE firms, primes and subcontractors through upcoming events, regular meetings and biweekly communications. We encourage you to stay connected.

RESOURCES

- Final Rule Overview
- Final Rule Summary
- Federal Register Notice
- View and Register For Training
 Sessions
- Implementation Guidance
 - DBE Program
 - ACDBE Program
- List of New Rule Timelines
- New Personal Net Worth Cap
- Read PDF of the Final Rule
- Read the Regulatory Impact Analysis
- Learn about the Rulemaking Process at USDOT

Missed the April 9th live event? Click here to watch the recording.

