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August 2009

Future Events

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9/28-29
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10/15
Dallas, TX

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Bob James
Director of Marketing and Technical Standards
Texas Aggregates and Concrete Association
900 Congress Avenue, Suite 200
Austin, TX 78701
512.451.5100



TxDOT Considering Special Provision for Soundness Testing

Lisa Lukefahr reports that the TxDOT Specification Committee will be considering a special provision that would allow the 5-cycled Mg sulfate soundness loss to go to 25% on projects where air entrainment has been waived (and thus freeze-thaw durability is not a concern). This provision was initiated and authored by Ms. Lukefahr and Caroline Herrera of TxDOT. The geographic impact of this provision, if finalized, would be those projects south of I-20 across all of Texas.

"The higher limit of 25% should still provide reasonable durability performance in the concrete matrix (25% is the same requirement for seal coat rock). This is part of our continuing effort to shave the extra belt-and-suspenders out of our specifications so that we can get better prices", says Lukefahr.

"There could be some ancillary effects on ASR, both positive - less chert included to help soundness and LA values, and negative - greater absorption potential."

TACA Specification Committee is reviewing the provision and has agreed, conceptually, that this is a very positive step for the aggregates segment of our industry. Further details will be reported as this process develops.

July PPI: Steel Prices Break 11-Month Downward Trend

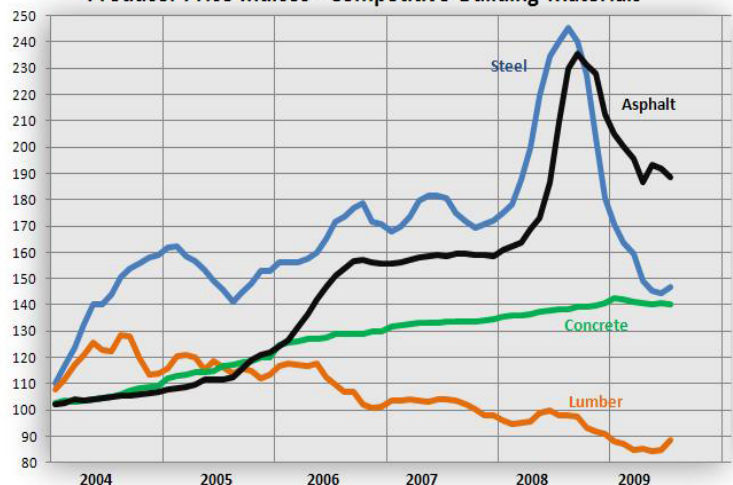
Steel prices increased for the first time in eleven months, rising 1.7 percent from June to July, according to the Department of Labor's monthly Producer Price Index (PPI). Asphalt prices decreased 1.8 percent from the previous month, and lumber rose 4.3 percent from June to July. Concrete prices decreased by 0.4 percent.

Steel prices have decreased 38.9 percent within the last year. Asphalt prices have decreased 10.1 percent, and lumber prices dropped by 9.4 percent.

Concrete prices have increased slightly (1.4 percent) during the last 12 months.

Source: Department of Labor, Bureau of Labor Statistics. PCA provides this information to aid in the promotion of concrete and cement-based products.

Producer Price Indices - Competitive Building Materials



TxDOT Reviewing Flexible Base Sampling and Testing Procedures

TxDOT has initiated an intense review of flexible base procedures and subsequent discussions with industry, including TACA, AGC and others, according to Caroline Herrera, P.E., Construction Division, Materials and Pavements Geotechnical, Soils and Aggregates Branch Director.

Some issues being addressed in this review include:

- 1) Performance of Rainhart compactors and a method to make sure samples are receiving 100% of the compactive energy dictated by Tex-113-E
- 2) Detailed procedures for sampling flexible base stockpiles
- 3) Establishment of an approved list of laboratories for performing Tex-113-E and Tex-117-E
- 4) Special Provision to Item 247 adding Grade 5 (requires compressive strength at lateral pressures of 3 and 15 psi and allows coarser gradation) and eliminates triaxial classification requirement for Grades 1 and 2
- 5) Flexible base selection guidance document to help districts determine what type of flexible base is appropriate for specific situations. This document also emphasizes the fact that the number associated with the grade of base is not meant to indicate that one is necessarily better than another. Rather, the grade is tied to pavement design.

TACA Specification Committee has received various documents for review including revised test procedures for sampling and molding flexible base (Tex-400-A and Tex-113-E), a draft procedure for establishing a list of approved commercial laboratories for performing Tex-113-E and Tex-117-E, the research project summary report for research project 0-5135, 'Improving Correlation Between Field Construction of Soils and Bases and Laboratory Sample Construction Techniques,' the draft Soil Compactor Analyzer (SCA) Reference Guide, the special provision to Item 247, and the base selection guidance document. The committee has these items under discussion and welcomes the review.

TxDOT Economic Stimulus Projects

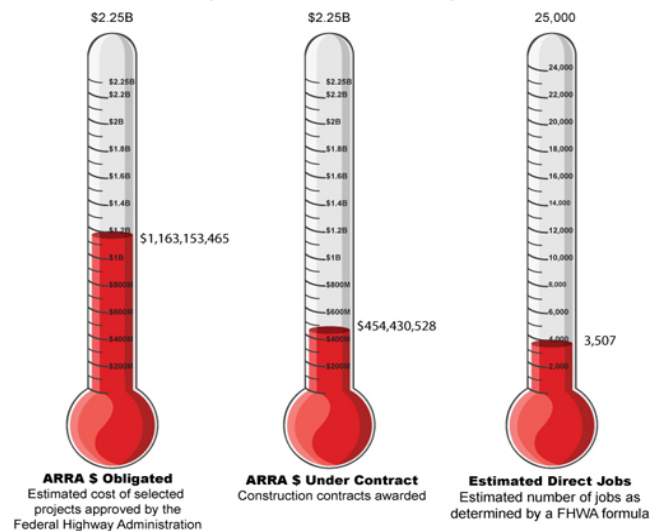
This report lists districts with projects approved by the Texas Transportation Commission using funds available to the state under the American Recovery and Reinvestment Act, commonly known as the Economic Stimulus Package. The totals include monies contributed from other agencies to fund the project as planned.

<u>Districts</u>	<u>Estimates Total</u>
Abilene	\$14,916,449.25
Amarillo	\$70,395,499.28
Atlanta	\$27,225,860.10
Austin	\$220,814,708.08
Beaumont	\$76,125,523.43
Brownwood	\$16,098,898.41
Bryan	\$58,661,486.64
Childress	\$9,075,041.84
Corpus Christi	\$105,292,143.39
Dallas	\$136,662,315.95
El Paso	\$146,987,118.85
Fort Worth	\$1,352,042,637.67
Houston	\$873,842,965.10
Laredo	\$97,342,607.15
Lubbock	\$83,924,449.10
Lufkin	\$21,991,796.40
Odessa	\$26,857,918.86
Paris	\$30,673,550.90
Pharr	\$259,587,673.60
San Angelo	\$28,841,481.60
San Antonio	\$258,252,180.23
Tyler	\$94,434,503.76
Waco	\$195,867,866.14
Wichita Falls	\$21,545,978.01
Yoakum	\$37,737,491.83
Grand Total	\$4,265,198,145.57

TxDOT Stimulus Thermometer

TxDOT reports as of June 26, 2009 that ARRA (Stimulus) Funds obligations approved by FHWA are at \$ 1.15B with \$454 M under contract. This comprises almost 52% of the \$2.25 B awarded in ARRA funds. 3,507 direct jobs, estimated by FHWA, have been created by these projects.

ARRA Highway/Rail/Enhancement
(as of June 26, 2009)



TxDOT Construction Division Director Addresses TACA Chat N Chew

Thomas Bohuslav, P.E. TxDOT Construction Division Director, spoke during the August 18 TACA Chat N Chew held in Austin regarding TxDOT funding levels that can be expected during the 2010-2011 Fiscal Year. Overall summaries are listed below.

Contracting Summary FY 2010-11	TOTAL -	<u>\$ 9.5 B</u>
PROP 14 -		\$ 1.1 B
ARRA (Stimulus) -		\$ 0.7 B
RTR (SH 121; DAL) -		\$ 1.5 B
Concession (SH 130; SAT, AUS) -		\$ 0.004 B
FUND 6, Normal Letting (Cat 1-12) -		\$ 3.20B
Prop 12 -		\$ 1.9 B
CDA/Toll Equity -		\$ 1.1 B

During question and answer and following the meeting, a number of other questions were raised. Mr. Bohuslav, subsequently provided the following answers:

- Q. "How much does \$0.01 increase in state gas tax generate?"
A. "\$110 M plus another ¼ cent (\$37 M) goes to education for a total of \$147 M."
- Q. "Could you give some assistance with the numbers on Project Tracker, PDMS (Project Development Management System) or the future P6?"
A. "You can look at the current version of Project Tracker, uses PDMS currently, at the following Web site: http://www.dot.state.tx.us/project_information/project_tracker.htm
If you go to the TxDOT Web site and click "Project Tracker" on the main page, you can get there, as well. If you want to look at a district, just click on the map for the district. You can download in Excel and do all kinds of filtering."
- Q. "Can you tell us more about the CDAs in the Dallas area and their status? Also is the North Tarrant Expressway (NTE) approved by the Attorney General?"
A. "DFW Connector - This is a CDA but there is no private equity, essentially a Design Build project. There is \$917 M in state funds. The project still requires Legislative Budget Board and Attorney General approval and ultimately contract execution by TxDOT Executive Director Amadeo Saenz. It has been conditionally awarded by the Commission to Kiewitt.
North Tarrant Expressway (NTE) - This is a CDA and has been fully approved and executed. Notice to Proceed 1 has been issued. Cost for Construction is \$2 B. There is \$560 in state equity in that amount, and the rest being private including added cost for operation and maintenance. Cintra is the developer.
IH 635 LBJ Freeway - This is a CDA and it still requires Legislative Budget Board and Attorney General approval and ultimately contract execution by Saenz. It has been conditionally awarded by the Commission to Cintra. Cost for Construction is \$2 B. There is \$460 in state equity in that amount, with the rest being private including added cost for operation and maintenance.
Essentially, (these above three projects) is where the \$1.1 B in equity is for the next two years. Though we have \$2 B in equity here, over the next 2 years, it will be about \$1.1 B in pay outs with the rest in later years.
All together with ROW, engineering, construction, operation and maintenance, there is \$8 to \$9 B in cost here, and the state pays only \$2 B."

As an additional note, Mr. Bohuslav has announced his retirement, effective September 30, 2009 from TxDOT after 33 years. Joining TxDOT's Brownwood District as a summer employee in 1976, Bohuslav began his career as a seal-coat inspector and laboratory technician. He worked in the Lubbock District Maintenance Office before accepting a full-time position in Brownwood District's Brown County Area Office in 1983. Bohuslav was assigned area engineer of the Lampasas Area Office in 1987, and became Abilene District's director of operations in 1993. On Nov. 1, 1996, Bohuslav became director of the Construction and Maintenance Division in Austin. A reorganization of TxDOT in the spring of 1998 resulted in a separation of construction and maintenance activities. He was named director of the Construction Division effective April 1998.

A reception honoring Mr. Bohuslav will be held Friday, September 25, 2009 from 2:00 pm-4:00 pm in the TxDOT Auditorium in Austin, TX. In lieu of gifts, a donation to "VinCare Services" Charity would be greatly appreciated. Donations can be made through Judy Broussard or directly at www.vincare.org

"TACA wishes to express our heartfelt thanks for the service to our industry and TxDOT and we sincerely wish the best for you during your retirement", said Bob James, TACA Director of Marketing and Technical Standards.

Texas Aggregates and Concrete Association

900 Congress Avenue
Suite 200
Austin, Texas 78701

PHONE:
512.451.5100

FAX:
512.451.4162

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<http://www.tx-taca.org>

Ingram Concrete Hosts Luncheon for Lubbock Specifiers

Ingram Concrete, LLC of Brownwood held a Concrete Solutions Luncheon for engineers, architects, contractors, inspectors, developers and owners at Hillcrest Country Club. Troy Rodgers, Director of Technical Services/Marketing for Ingram provided the group a presentation on the "Top Ten Myths of Concrete" with compelling answers to the common place misunderstandings regarding specifications and ordering practices for concrete products. Russ Collins, General Manager, North America - Rich Fiber and Systems presented "Fiber Reinforced Concrete Pavements" to the crowd of 30-35 in attendance. TACA Director of Marketing and Technical Standards began the luncheon with "Concrete Decisions" presentation, an in-depth look at the economic, environmental, safety and constructability advantages of concrete parking lots and pavements.



Stimulus Funds Will Have Little Impact on Cement Consumption This Year



Bureaucratic delays in releasing funds coupled with long lags between outlays and construction activity for American Recovery and Reinvestment Act (ARRA) projects will lead to very little stimulatory impact on cement consumption in 2009, according to PCA chief economist Ed Sullivan in his most recent economic forecast.

PCA expects total cement consumption to decline 22 percent during 2009 to 75 million metric tons. The meeting of total

ARRA obligations in 2010 combined with the beginning of a sustained pick-up in the residential sector will contribute to a 10.9 percent increase in total cement consumption in 2010, followed by a 13.1 percent gain in 2011.

"The letting of ARRA dollars has been slower to develop than expected," said Sullivan. "A sustained and dramatic escalation of outlays must occur if a sizeable increase in highway construction is going to materialize in 2009."

The public construction sector, which typically accounts for 50 percent of cement consumption, also is hampered by large state deficits caused by a perfect storm of adverse economic conditions and job layoffs, leading to declines in state tax revenue. Sullivan expects as jobs are created and consumer spending returns, public construction spending will rebound, but not until 2011.

"The residential sector has largely run its course as a significant cause of cement consumption declines and will start to be a strong contributor to growth in late 2010, early 2011. Nonresidential construction will continue to be a drag until the end of 2011," Sullivan said.

Source: PCA Executive Report August 24, 2009