

Florida Department of Transportation Monthly Performance Review Meeting November 21, 2013

1. Acknowledgement of Visitors: No visitors were introduced.
2. Review of Minutes: The October minutes were reviewed and approved.
3. Monthly Reports:

Performance Report – Freddie Simmons

CONSULTANT ACQUISITION:

- Executed 107% of the plan in dollars with \$294M total.
- Executed 111% of the plan in numbers with 482 total.
- There are 13 projects at \$8.4M that have not been executed to date.
- Districts 1, 5 and the TE have executed all their planned projects to date.

RIGHT-OF-WAY:

CERTIFICATIONS:

- Certified 95% of the plan plus 8 extras for 28 total.

PROGRAM EXPENDITURES:

- Acquired 102% of the dollar value of parcel acquisitions for \$110.3M.
- Two districts are below target with D6 and D7 in the red.

ACQUISITIONS:

- Completed 139% of the YTD number plus 126 extras for 450 total.

METHOD OF ACQUISITIONS:

- Statewide Negotiation rates are at 74% with the 70% target.

EMINENT DOMAIN/PARCEL INVENTORY:

- Began the year July 1, 2013 with 287 parcels in the inventory and now at 366.
- Note: D6 has no parcels in the > 24 months inventory. D1 and D3 have just 1.

EXCESS PROPERTY SUMMARY REPORT:

\$2.6M in sales and \$3.9M in lease revenue for the year.

SECRETARY'S EXCESS PROPERTY SUMMARY REPORT										
OCTOBER 2013										
CATEGORIES IN FY 2013/2014	D1	D2	D3	D4	D5	D6	D7	TURNPIKE	STATEWIDE	END OF FY 2013
# of Parcels Identified as Excess	44	61	42	52	423	36	117	260	1035	946
# of Parcels Under Review for Sale	2	9	0	0	24	10	38	2	85	69
# of Parcels Available for Sale	36	127	14	18	4	69	53	15	336	299
# of Parcels with Conveyance Pending	0	2	1	14	1	3	6	0	27	32
# of Parcels Under Review for Lease	0	0	0	0	0	6	4	1	11	7
# of Parcels Available for Lease	4	0	0	19	2	56	15	3	99	95
# of Parcels Sold	1	7	0	0	4	1	2	3	18	41
Sales Revenue	\$32,201	\$191,200	\$	\$	\$21,700	\$11,602	\$375,900	\$1,010,500	\$1,643,103	\$2,606,954
# of Leases with Revenue	13	3	12	40	21	74	41	8	212	301
Lease Revenue	\$31,712	\$6,538	\$71,783	\$430,607	\$142,062	\$510,254	\$231,412	\$32,806	\$1,457,174	\$3,891,634

NOTE: This report is subject to change upon reconciliations with the Comptroller's Office.

Secretary Prasad asked Tom Byron to look into the excess parcel inventory with Right of Way.

PRODUCTION ISSUES:

ADVANCED PRODUCTION (APP) as of Nov. 12, 2013:

DIST	2014	2015	2016	2017	2018
1 Total	91,561,800	99,612,661	157,602,163	262,869,601	195,393,299
2 Total	33,555,002	230,419,615	151,999,529	291,868,308	189,685,832
3 Total	5,220,000	44,148,360	63,644,690	76,296,707	94,260,057
4 Total	14,043,665	38,216,402	92,547,821	0	0
5 Total	1,250,000	95,075,828	155,829,136	290,734,931	50,226,614
6 Total	0	5,712,687	0	0	87,740,400
7 Total	142,104,171	7,454,414	152,000,131	70,116,048	179,786,980
8 Total	21,355,371	82,070,550	259,752,271	53,767,024	39,878,986
Grand Total	309,090,009	602,710,517	1,033,375,741	1,045,652,619	836,972,167

AMENDMENTS for FY 2013:

- We had a total of \$190.4M in 53 amendments through October 31. This includes 74 phase actions.

REVISIONS AND ADDENDUMS:

- There were 86 Contract Class 1 lettings in Central Office in
Addenda 85
Addenda 15 days 33
Revisions 84
Mandatory 58

CONTRACT LETTINGS:

- Let to contract 91% of the dollar plan for \$657M total.
- Let to contract 97% of the adopted number for 155 total to date.
- Last October 2012 we were at 78% dollar and 107% number.
- Five projects have not been let as planned to date for about \$10.6M.

BID ANALYSIS:

- The adopted estimate of the 155 projects let to date was \$719.2M with the low bid of \$657.4M for \$61M in savings or 9%.
- Last FY through October we were at \$50M in savings at 9.5%.
- The difference between official estimate and low bid was 8%.
- Bids for this fiscal year are shown with high or low bids highlighted. 55% lettings have been below adopted, 23% above, and 23% same. Average of those under was \$6.4M, those above \$4.2M and the \$0.7 for those same as adopted.

CONSTRUCTION:

- YTD at 4.8% cost increase with target of $\leq 10\%$ on 121 active contracts.
- YTD at 9.3% time increase with target of $\leq 20\%$ on 121 active contracts.
- YTD with 88.4% of the contracts having final contract costs less than 110% of original, with a target of $\geq 90\%$ (contract status 6, 7 or 8)
- YTD with 80.2% of the contracts having final contract times less than 120% of original, with a target of $\geq 80\%$ (contract status 6, 7 or 8).
Both of these measures are trending down either below or near targets.
- Contracts not meeting these targets are shown.

VALUE ENGINEERING:

VALUE ENGINEERING (VE) PROGRAMS

- Statewide 4 VE Study to date.
- \$231M in Cost Avoidance/Savings recommendations with \$32M approved.
- \$6.6M in Value Added recommendations with \$3.8M approved.
- 58 recommendations with 15 approved or 26% with a target of > 40%.
- 2.01% projects saved and 3.97% program saved.

COST SAVINGS INITIATIVE (CSI) PROGRAM

- 14 CSI acted upon with 11 approved.
- \$4.9M acted upon with \$3.9M approved.
- 1.40% projects saved and 0.48% program saved.

Kurt Lieblong advised, since the last report in October 2013, there were 2 VE studies conducted and 5 Value Engineering recommendations approved worth \$12.48 million in project cost avoidance. There were also 4 Cost Savings Initiative proposals approved totaling \$1.89 million in project savings.

Through October 2013, there were 4 Value Engineering Studies conducted statewide. The Department approved 15 of 58 (26%) Value Engineering recommendations worth \$31.61 million in project cost avoidance and \$3.78 million in value added. This resulted in a 2.01% project savings and a 3.97% program savings. During this same period, 11 Cost Savings Initiative proposals were approved worth \$3.86 million in project savings. This resulted in a 1.40% project savings and a 0.48% program savings.

Secretary Prasad requested that an additional measure be reported for a combined % Program Saved (VE & CSI) and that the initial target be 2%.

CONTRACT MAINTENANCE:

- \$ Contracted statewide 113% of plan - \$280M or \$23M above plan.
- # Contracted statewide 121% of plan - 835 or 145 above plan.

FREIGHT, LOGISTICS, AND PASSENGER OPERATIONS (FLP):

- FLP YTD at 118% of plan - \$328M or \$51M above plan.
- FRE YTD at 428% of plan - \$43M or \$33M above plan.

LAP PROGRAM:

CONSULTANT LAP ACQUISITIONS

- Executed 123% dollars and 125% number to date.

CONTRACT LAP LETTINGS

- Let YTD 128% of dollars and 144% of number to date.

FEDERAL AID:

- Total OA for this FED FY is \$1,721,485,000
- Total Obligation for first month of the FED FY 13/14 = \$89,080,000
- Unexpended balance is at 0.64% with target of < 2.00%.

James Jobe presented the Federal Aid report.

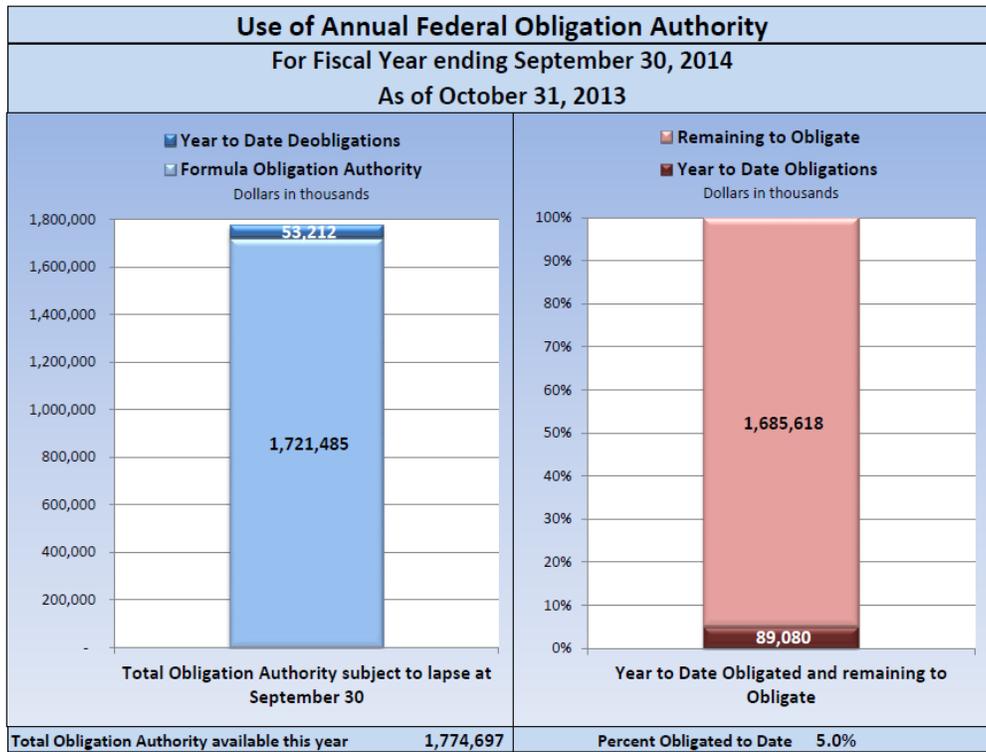
Federal Legislation:

We are operating under a Continuing Resolution which takes us through January 15th. We were provided with \$490 million in annual Obligation Authority, which represents about 30% of the annual amount for federal FY2014.

We've heard nothing in the last six weeks about how or when Congress intends to address transportation appropriations beyond January 15th. Perhaps we'll know more by this time next month.

Obligation Authority Plan:

In the first month of the new federal fiscal year, we had total obligations of \$89 million, which represents 5% of our total OA for the year, and includes about \$53.2 million in year-to-date deobligations which must be reobligated before year end.

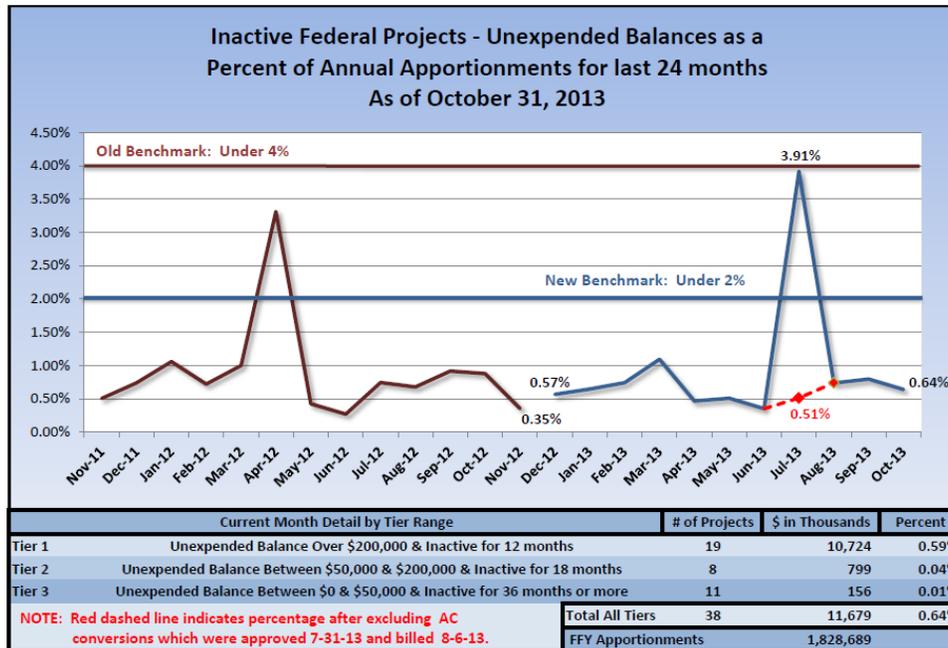


Financially Inactive Federal Aid Projects:

This next chart is the statewide summary of our financially inactive federal aid projects. It shows the current status of these obligated, but unexpended, balances as of month end, and also shows a trend line of the percentage obligated, but still unexpended, at the end of each of the last 24 months.

Also noted on the chart is the national benchmark used by FHWA, which was recently reduced in December 2012 from 4% to 2% of each state's annual federal apportionments.

Florida is still below the 2% benchmark at the end of October with an overall inactive rate of .64%.



TRANSPORTATION COMMISSION MEASURES:

- All measures were met except the 88.4%. For all construction contracts completed during the year, the percentage of those contracts that were completed at a cost within 10% above the original contract amount with a target of > 90%.
- The other related measure - For all construction contracts completed during the year, the percentage of those contracts that were completed within 20% above the original contract time, is at 80.2% with a target of > 80%.

GOVERNOR'S PERFORMANCE REPORT MEASURES:

FLORIDA DEPARTMENT OF TRANSPORTATION KEY PERFORMANCE STANDARDS FOR FY 2014 (THROUGH OCTOBER 31, 2013)					
PERFORMANCE MEASURES	DESCRIPTION OF STANDARD	DESIRED PERFORMANCE OR STANDARD		ACTUAL PERFORMANCE FISCAL YEAR TO DATE	
CONSTRUCTION CONTRACT LETTINGS	Monthly the Department tracks projects let to contract compared to the July 1 Adopted Plan for the current fiscal year. These are for Highway and Bridge Programs only, which includes Resurfacing, Bridges, Roadway, Safety, and Traffic Operations. The desired standard is to let to contract 95% or more of the planned projects for both number and dollar amount.	Lettings		Lettings	
		Number	Amount	Number	Amount
		≥ 95%	≥ 95%	97% 153 Plan 148 Performance 155 Production	91% Plan \$716 M Performance \$648 M Production \$657 M
CONSTRUCTION CONTRACT COST AND TIME ADJUSTMENTS	When projects reach a status of being conditionally, materially, and finally accepted (status 6, 7 or 8), the time and cost changes are determined. The desired standard is for contracts to be completed within 10% of the original contract amount and within 20% of the original contract time.	Cost	Time	Cost	Time
		< 10% Increase	< 20% Increase	4.8%	9.3%
		Acquisitions		Acquisitions	
CONSULTANT PROJECT ACQUISITIONS	These represent the number and dollar amounts of projects included in consultant contracts secured for the performance of preliminary engineering (PE), right-of-way (R/W), or construction engineering & inspection (CEI) services for the Department. They are compared to the July 1 Adopted Plan for the current fiscal year. The desired standard is to execute to contract 95% or more of those planned number and dollar amount.	Number	Amount	Number	Amount
		≥ 95%	≥ 95%	111% 376 Plan 418 Performance 482 Production	107% Plan \$273 M Performance \$273 M Production \$294 M
		Contracts		Contracts	
HIGHWAY MAINTENANCE PROGRAM EXPENDITURES	Highway maintenance contracts are compared to the July 1 Adopted Plan for the current fiscal year and are tracked monthly. The desired standard is to execute to contract 90% or more of the planned number and dollar amount.	Number	Amount	Number	Amount
		≥ 90%	≥ 90%	121% 690 Plan 835 Performance	113% Plan \$248M Performance \$280M
		Amount of Contracts		Amount of Contracts	
FREIGHT LOGISTICS AND PASSENGER OPERATIONS PROGRAM EXPENDITURES	Monthly the Department tracks freight, logistics and passenger operations contracts compared to the July 1 Adopted Plan for the current fiscal year. The desired standard is to execute to contract 90% or more of the planned amount.	≥ 90%		118% Plan \$277 M Performance \$328 M	

MEASURES SUMMARY:

- The Turnpike met or exceeded all measure targets for the third month in a row.

Salary Projections and Operating Budget – Pam Kuester

The Fiscal Year 2013/14 (FY14) Budget Review was presented to the attendees. Select Operating Budget categories (OPS, Expenses, OCO, Acquisition of Motor Vehicles, Consultant Fees, Contracted Services, FHP Services, HRD, OT, TME and Lease Purchase of Equipment) were featured which indicated (as of 10/31/13) a 60.4% overall commitment level of the selected categories. Potential Roll Forward by District (as of 11/15/13) was also presented which reflected an overall 43.2% level of commitment of Work Program Budget. Fixed Capital Outlay – Buildings & Grounds Budget data was included in the presentation which provided information for FY13 as well as FY14. Additional slides featured the select Operating Budget categories mentioned above by District/Unit, as well as Salaries & Benefits Budget data. As of 10/31/13, there was a 29.0% overall commitment of Salaries & Benefits budget.

Currently, we are approximately 37.8% through the fiscal year. Looking at the commitment levels of the budget authority, it's shown that we are appropriately ahead in some categories while other categories lag behind in commitment.

In addition to the previously posted state budgeting system reversion data, the FLAIR FY13 budget reversion report (which drills down to the district level) has been posted to the Budget's SharePoint site. It was noted that, while the district reversion detail is now available, it's the intent of the Budget Office to manage reversions on a budget entity level.

There have been no 5% transfers of budget authority during the current fiscal year, which is a substantial improvement over last year. This indicates that the department is doing a great job of internally managing budget needs via allotment transfers.

Personnel Reports – Irene Cabral gave a report on personnel issues and the vacancy report.

Economic Parity – Art Wright

In the October Economic Parity report for Females, the Department had 49 opportunities in the Professionals category and we hired 2 Hispanic Females. We had 6 opportunities in the Office/Clerical category and were able to hire 1 Hispanic Female. We also had 3 opportunities in the Skilled Craft and 2 opportunities in the Service Maintenance categories, but were not able to fill those positions with a group where a need exists.

In the report for Males, the Department hired 7 Hispanic Males in the Professionals category, but was not able to hire a minority where a need exists in the other categories.

The report shows the breakdown by district where you can see that Districts 1, 4, 5, 6 and the central office were able to help the Department in our efforts to achieve economic parity among the EEO job categories.

Disadvantaged Business Enterprise (DBE) Report – Art Wright

The final DBE report for the federal fiscal year will be sent out to you on Wednesday of next week. As you have seen in all the previous monthly reports, the Department will far exceed our 8.6% DBE goal. The preliminary report as of today shows 11.71% DBE participation of federally funded contracts, 10.63% on state funded contracts, and 11.23% on the combined funds.

Minority Business Enterprise (MBE) Report – Art Wright

In the Minority Business Enterprise Report, the Department is four months or 33% through the state fiscal year and has expended 40.6% of the dollars spent last year. We continue to move on a very good steady pace to achieve the MBE goal again this year.

4. Additional Comments

Secretary Prasad said we've had a busy fiscal year, and as we get to the end of the calendar year, remember to thank employees; spend time with your family during the holidays. We have much to be thankful for – we met all 20 of the Transportation Commission's performance measures for the first time in history; we had the largest work program; we have the biggest infrastructure; Florida's bridges are the best in the country.

We are one year away from an election. Our goal is to continue to govern. High Speed Rail will again be a topic of the election. Governor has stressed to agency heads there will be no silly mistakes. The Public Information Offices put out good stories on FDOT.

The Governor has three priorities; \$500M tax and fee cuts; continue to reduce the state debt; and cut government waste of \$200M. The Governor's agenda is our agenda. We need to be a reflection of our Governor.

Richard Biter advised a crowning moment was when the commissioners applauded FDOT at the Step Up meeting. District and Assistant Secretaries thanked staff. All agreed we should celebrate our successes!

The meeting adjourned at 9:55 a.m.