

Florida Department of Transportation
Monthly Performance Review Meeting
July 17, 2014
DRAFT

1. Acknowledgement of Visitors: Visitors introduced included Paul Wai, Kim Poulton, Pete Nissen, Maria Connolly, Nicola Liquori, Sheree Merting, Judi Fernandez, Mike Shannon, Bren Dietrich, Brett Hartzog, Joe Jeffers Michael Wickersheim, Tanya Webb.
2. Review of Minutes: The may minutes were approved.
3. Monthly Reports:

Performance Report – Freddie Simmons gave the July 2014 Performance Report which is a summary of the Performance for FY 2014.

CONSULTANT ACQUISITION:

- \$ 99% of the planned projects in dollars at \$639M plus \$102M added or advanced for \$741M total for the year.
- # Executed 98% of the plan in numbers at 849 plus 265 added or advanced for 1114 YTD.
- 15 planned projects were not executed @ \$6.6M. A list of these was included.

RIGHT-OF-WAY:

CERTIFICATIONS:

- 56 planned projects were certified for 92% of the plan plus 21 extras for 77 certification total for the year.

PROGRAM EXPENDITURES:

- 73% of the plan program expenditures for \$334.5M; \$124M was not used.

ACQUISITIONS:

- Completed 108% of the planned number plus 109 extra for 1,489 total.

METHOD OF ACQUISITIONS:

Negotiation rates are at 68% with the 70% target.

EMINENT DOMAIN/PARCEL INVENTORY:

- Began the year 7/1/13 with 287 parcels in the inventory and now at 472.
- 12% are > 24 months with a target of ≤ 40%.

EXCESS PROPERTY SUMMARY REPORT:

- \$2,496,720 M in sales and \$4,376,411 M in lease revenue for the year.

PRODUCTION ISSUES:

ADVANCED PRODUCTION (APP) as of 7/7/14:

ALL PHASES – APP 7-7-14					
DIST	2015	2016	2017	2018	2019
01	80.82	107.57	216.79	206.05	390.36
02	89.03	171.51	196.98	69.67	157.52
03	18.84	53.86	81.07	48.23	43.71
04	56.58	74.20	41.65	27.97	
05	117.43	95.01	218.80	77.37	103.79
06	10.83	237.03	151.42	199.31	
07	86.68	445.49	52.78	214.99	50.39
08	63.89	253.89	296.91	3.00	4.18
Total	524.10	1438.56	1256.40	846.60	749.94

- A breakout of these totals by phase was provided.

AMENDMENTS for FY 2014:

- We had a total of \$490.5M in 149 amendments for FY2014.

AMENDMENTS FOR FY 2014 SUMMARY						
DISTRICT	TOTALS FOR FY		ACTION \$			
	NUMBER	AMOUNT \$	DELETE	DEFER	ADDED	ADVANCED
1	15	33,408,471	13,230,509		20,177,962	
2	21	48,471,718	15,822,329		26,874,277	5,775,112
3	20	40,646,277	19,538,768		18,959,209	2,148,300
4	22	48,124,479	30,474,793	9,422,018	8,227,668	
5	37	120,491,733	16,800,303	1,542,000	98,519,430	3,630,000
6	8	22,836,038	4,236,449	6,162,469	12,437,120	
7	15	20,928,460	3,234,607	2,379,386	15,314,467	
TE	6	132,178,095		59,864,771	45,678,454	26,634,870
CO	5	23,419,454	190,454	18,129,000	5,100,000	
SW	149	490,504,725	103,528,212	97,499,644	251,288,587	38,188,282

- A breakout by phase and action was also provided.

REVISIONS AND ADDENDUMS:

- There were 238 Contract Class 1 lettings in Central Office.

213 Addenda
 96 Addenda 15 days
 175 Revisions
 99 Mandatory

- Many of the addenda were caused by two split lettings due to weather issues.

CONTRACT LETTINGS:

- \$ - Let to contract 95.3% of the planned projects at \$2,657M plus \$72M added or advanced for a \$2,729M for the year.

- # - Let to contract 98.3% for 463 plus 82 added or advanced for 545 projects let for the year.
- A list of the 8 projects @ \$63.8M not let in the FY was also provided.

BID ANALYSIS:

- The adopted estimate of the 545 projects was \$2,787.1M with the low bid of \$2,729.2M for \$57.9M in savings or -2.1%. This is the lowest savings since 2007.
 - Note: However, D4 had a job in June with a scope changed. Adopted was \$37.7M and low bid was \$152.0M or savings of \$114.3M which skewed the end of the year totals. With this project removed, the savings for the year would have been \$172.2M or -6.3%.
- Low bid savings have decreased from -13% in July to -2% (or -6% with D4 removed) at the end of the FY.
- The difference between official estimate and low bid was -5.9%.
- Bids for this fiscal year are shown with high or low bids highlighted. D6 and D7 had more higher bids for the year than lower.
- An analysis of under/over/same bids is included for each district. Statewide we had:
 - 43% projects had bids below adopted.
 - 24% projects had bids above adopted.
 - 33% projects had bids same as adopted.
- A chart of bids by quarter was provided showing typically higher bids occur for projects let in the last quarter as compared to earlier in the FY. For FY2014 this was 20% higher.
- A chart showing the trend of heavy last quarter was provided. These two charts together show the need for earlier lettings.
- Another graph showing low bids by Contract Class. The trend is downward indicating higher bids or tighter estimates.
- In 2014, higher bids less savings were experienced on CC7 projects. In the past year there has been a decrease in savings of 3% on CC1 lets, 8% on CC7 lets, 15% on CC9/DB, and 8% for all lets.
- We ended the year at 2% savings @ \$57.9M. This is the lowest since 2007.

CONSTRUCTION:

- 2.9 % cost increase with target of \leq 10% on 108 active contracts.
- 10.4% time increase with target of \leq 20% on 108 active contracts.
- 91.7% of the contracts having final contract costs less than 110% of original, with a target of \geq 90% (contract status 6, 7 or 8).

- 72.2% of the contracts having final contract times less than 120% of original, with a target of $\geq 80\%$ (contract status 6, 7 or 8). This is below the target.

6 districts were below target.

- A list of those contracts not meeting the targets was provided.

VALUE ENGINEERING:

VALUE ENGINEERING (VE) PROGRAMS

- Statewide 26 VE Study to date.
- \$532.9M in Cost Avoidance/Savings recommendations with \$140.9M approved.
- \$16.8M in Value Added recommendations with \$7.7M approved.
- 212 recommendations with 112 approved or 53% with a target of $> 40\%$.
- 3.86% projects saved and 6.85% program saved.

COST SAVINGS INITIATIVE (CSI) PROGRAM

- 37 CSI acted upon with 31 approved.
 - \$8.62M acted upon with \$8.22M approved.
- 0.69% projects saved and 0.40% program saved.

TOTAL PROGRAM SAVINGS VE AND CSI COMBINED

- \$149.09M in total savings and 7.25% in total program saved with a target of $\geq 2\%$.

Kurt Lieblong reported during the month June 2014, there were 6 Value Engineering studies conducted and 12 recommendations approved worth \$23 million in project cost avoidance and \$2 million in value added. There was also 1 Cost Savings Initiative proposal approved totaling \$600,000 in project savings.

During fiscal year 2014, there were 26 Value Engineering Studies conducted statewide. The Department approved 112 of 212 (53%) Value Engineering recommendations worth \$140.87 million in project cost avoidance and \$7.71 million in value added. This resulted in a 3.86% project savings and a 6.85% program savings. During this same period, 31 Cost Savings Initiative proposals were approved worth \$8.22 million in project savings. This resulted in a 0.69% project savings and a 0.40% program savings.

The total combined savings of the VE & CSI programs for fiscal year 2014 is \$149.09 million and the combined % program saved is 7.25%.

CONTRACT MAINTENANCE:

CONTRACT MAINTENANCE DISTRICT SUMMARY FOR FY 2014 IN \$M (TARGET 90-110%)			
District	Plan	Performance	% Performance
D1	47.3	47.8	101%
D2	63.8	62.5	98%
D3	47.8	46.8	98%
D4	55.1	53.1	96%
D5	54.7	55.8	102%
D6	27.1	28.2	104%
D7	37.2	36.0	97%
TE	39.1	35.5	91%
CO	27.0	28.1	104%
SW	399.0	393.8	99%

- Programs not meeting the target were included in a separate table.

FREIGHT, LOGISTICS, AND PASSENGER OPERATIONS (FLP) and FLORIDA RAIL ENTERPRISE (FRE):

FREIGHT LOGISTICS AND PASSENGER OPERATIONS (FLPO) PROGRAM			
DISTRICT	PLAN	PERFORMANCE	% PERFORMANCE
D1	42.5	47.3	111%
D2	108.7	113.6	105%
D3	37.8	35.0	93%
D4	126.8	138.8	110%
D5	87.3	131.3	151%
D6	97.7	99.7	102%
D7	60.3	60.8	101%
TE	NA	NA	NA
CO	106.4	91.0	86%
SW	667.4	717.5	108%
FLORIDA RAIL ENTERPRISE (FRE) PROGRAM			
DISTRICT	PLAN	PERFORMANCE	% PERFORMANCE
D4	45.7	56.4	123%
D5	262.9	*80.9	*31%
SW	308.6	137.3	45%

- D5 has \$192M in the month of June in FRE. It is for Phase 2 of Sun Rail. D5 was ready to proceed in December 2013 to apply for a full funding grant agreement, but the FTA wouldn't let them apply until they saw it in the presidential budget. It takes five months to process, so we would have been able to encumber the funds in May 2014. This didn't

happen, so now the plan is to advertise the Sun Rail Phase 2 construction contract in December 2014 and encumber funds in February 2015.

- Programs not meeting the target were included in a separate table.

LAP PROGRAM:

CONSULTANT LAP ACQUISITIONS

- 90.7% of dollars plus \$14.3M for \$23.1M total.
- 95.1% of number plus 37 for 79 total.

CONTRACT LAP LETTINGS

- 105.2% of dollars plus \$30.8M for \$233.5M total.
- 96.3% of number plus 31 for 109 total.

FEDERAL AID:

- Total OA available for this FED FY 13/14 is \$1,917,549,000
- Total Obligation through June 30, 2014 for FED FY 13/14 = \$1,132,140,000
- Unexpended balance is at 0.38% with target of < 2.00%.
- The number of financially inactive federal projects has decreased from 309 in January to 100 in June.

James Jobe gave the federal aid report.

Federal Legislation:

Last week in the House, a bill was introduced to extend MAP-21 authorizations and Highway Trust Fund expenditure authority for eight months (October 2014 through May 2015) and transferring almost \$10 billion from the General Fund to the Highway Trust Fund (about \$8 billion to the Highway Account and \$2 billion to the Transit Account), and an additional \$1 billion to the Highway Account from the Leaking Underground Storage Tank Trust Fund, for a total Trust Fund bailout of \$11 billion.

Yesterday the bill passed the House and has now been passed to the Senate. The President has also expressed reluctant support for the House bill, even though it's only a short-term fix.

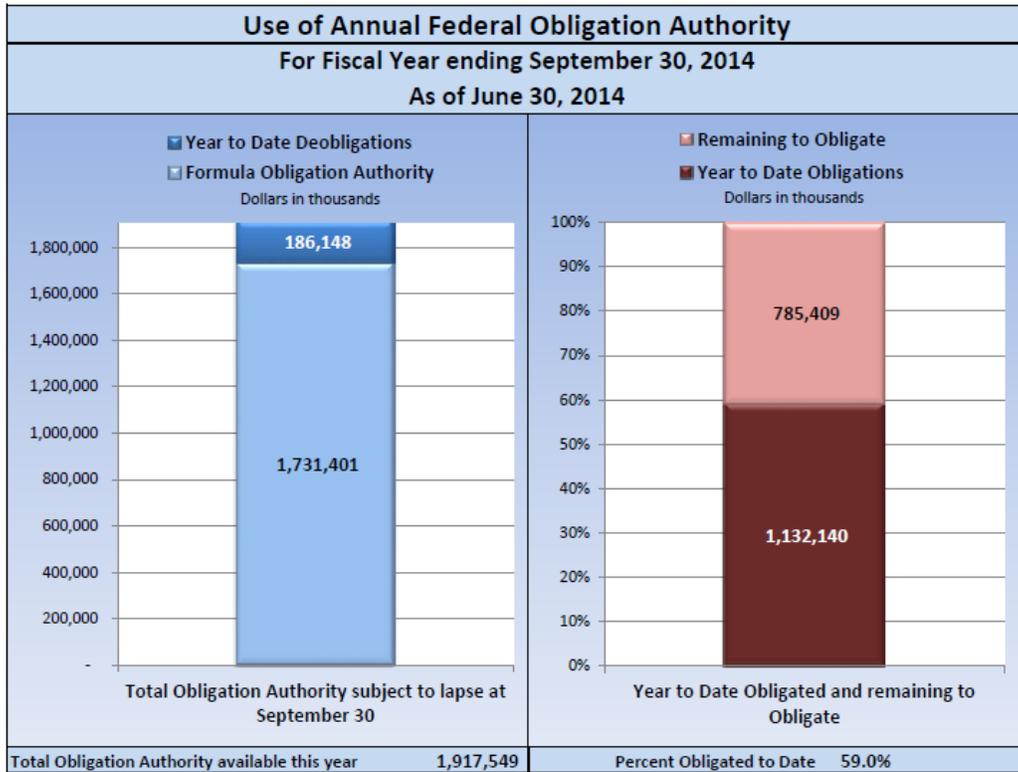
The Senate is preparing their own version of the bill, which will likely be very similar to the House bill, but may have differences related to:

1. The length of the bill, which could be for only three months (through December), compared to the House's eight month extension.
2. The budgetary offsets to pay for the bailout. Offsets in the House bill deal with corporate pension smoothing and customs duty extensions, and the Senate may adopt these same offsets or come up with different ones in their bill.

So it appears that a consensus is finally coming together, which strengthens the likelihood that some version of a MAP-21 extension and Trust Fund bailout will be passed into law before the August congressional recess. If this bill becomes law, it will avoid (or at least postpone) the need for FHWA to start rationing cash reimbursements to the states beginning in August.

Obligation Authority Plan:

At the end of last month we had total obligations of \$1.13 billion, which represents 59% of our total OA for the year, and includes about \$186 million in year-to-date deobligations that must be reobligated before year end.

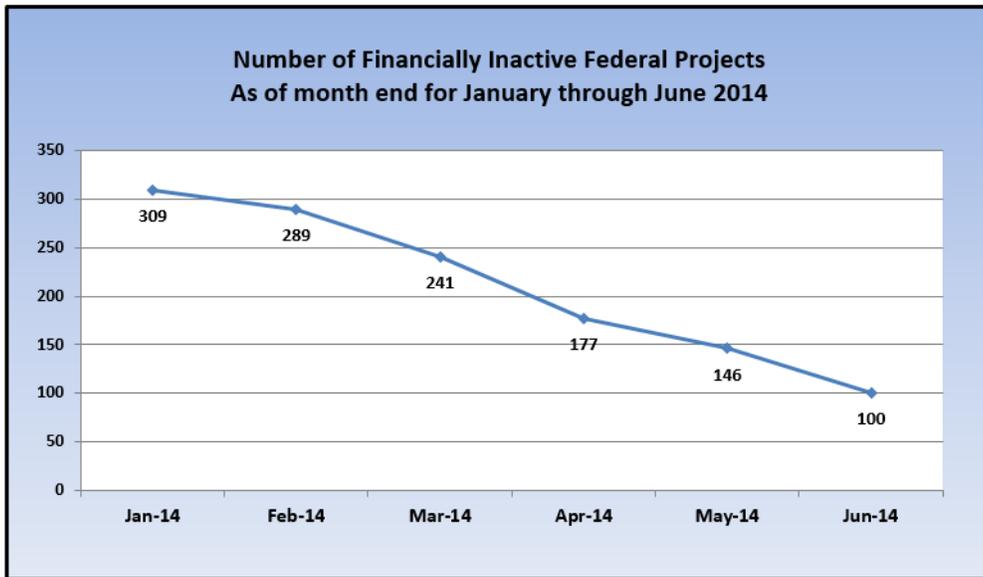
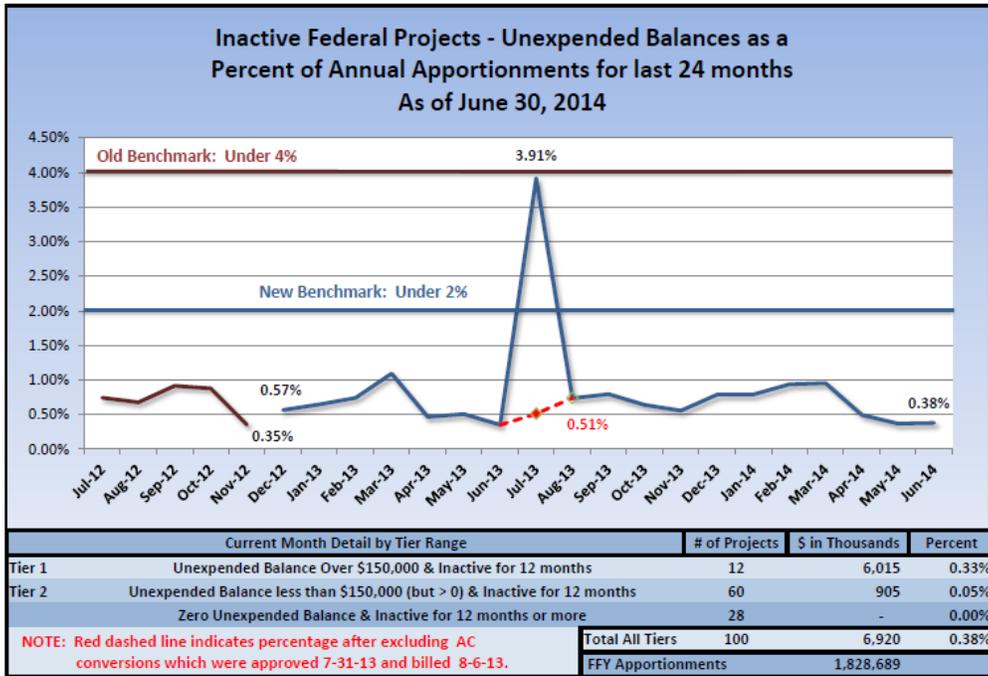


Financially Inactive Federal Aid Projects:

The current official FHWA definition of a financially inactive federal aid project is one with no financial activity for one year or more. This is the criterion which is used when comparing against the national benchmark of 2% of each state’s annual federal apportionments.

Despite FHWA’s recent implementation of more stringent rules and metrics for addressing inactive federal projects, the districts still continue to step up to the challenge and are doing an outstanding job in monitoring and taking action on these financially inactive projects.

We are still maintaining our inactive percentages well below the national benchmark, as shown in the chart. Last month our overall inactive percentage was .38%, well below the national benchmark of 2%. The number of inactive projects also continues to be reduced from its high point in January of 309 down to just 100 at the end of last month. Kudos to all involved in achieving these noteworthy results.



TRANSPORTATION COMMISSION MEASURES:

- All measures were met except Construction Contract Time Adjustments at 72.2%.
- Looking at the TC Report data, the Contract Cost Adjustments at 89.1% with a target of $\geq 90\%$ does not meet the target for Status 9 & 10 contracts for FY2014.
- Individual measure not meeting target in the districts are highlighted.

GOVERNOR'S PERFORMANCE REPORT MEASURES:

These measures are no longer reported to the Governor's Office.

MEASURES SUMMARY:

- No one met or exceeded all measure targets.
- D6 @ 88% met the most of number of measures.

REVIEW OF FY2015:

A review of the program for consultant and contracts was provided.

Human Resources Reports – Irene Cabral

The vacancy report showed are at a rate of 8%. In the last six months, 1,900 RPAs and 900 position descriptions were processed.

Managers are reminded that performance evaluations are due no later than July 31st. We will let you know if signed, hard copies are required.

Economic Parity – Victoria Smith

In the June Economic Parity Report for Females, the Department had new hires in most of the EEO categories where we have a need. We were able to hire 3 female Hispanics in the Professional category.

In the report for Males, the Department was able to hire 4 Hispanics in the Professional category.

The chart shows the breakdown by district. Thanks to Districts 2, 4, 5, 7 and the Central Office for the 7 Hispanic new hires in the Professional category.

Disadvantaged Business Enterprise (DBE) Report – Victoria Smith

The DBE report through June shows 10.07% DBE participation on federally funded contracts. The charts show the DBE participation by district and type of work, the DBE participation on state funded contracts at 11.91%, the DBE participation on state and federal funds combined at 10.97%

Some highlights over the last 2 months in construction include: District 1 - Preferred Materials reported 10.34% participation on a \$2 million contract. District 2 - Archer Western reported 12.24% on a \$44 million contract. District 4 - JW Cheatham reported 10.89% on a \$15.5 million contract.

Minority Business Enterprise (MBE) Report – Victoria Smith

In the end of the state fiscal year report for the Minority Business Enterprise Report, the Department expended 114.6% of the dollars spent last year to certified MBEs. This is one of the Transportation Commission's primary measures and the Department has achieved the goal again this year.

Business Development Initiative (BDI) Report – Victoria Smith

This is the end of the year report for the Business Development Initiative where we are tracking efforts to reserve 10% of our contracts for small businesses. For construction and maintenance contracts, 8.51% of the contracts were reserved, falling short of the 10% goal. In professional services contracts, 10.56% of the contracts were reserved for small businesses. For a year end

total, there were 99 contracts that were reserved for BDI. Of these 99, 43% were awarded to DBE's. Fourteen firms were awarded FDOT contracts for the first time as a prime.

The chart from the Professional Services Information System shows all contracts and dollars awarded to small businesses. This includes contracts that were reserved and those that were not reserved for small businesses. The two columns on the far right show 31% of the executed contracts were awarded to small businesses. The last column shows 22.60% of the total dollars were awarded to small businesses as primes and as subconsultants. This exceeds the 20% goal.

For the 2014-15 fiscal year, we will change how the construction and maintenance contracts will be counted. Instead of using the execution date, the report will be based on the letting date. This last chart shows the BDI report for last year if it was based on the letting date. The goal this fiscal year for construction and maintenance will remain at 10%, but the goal for professional services contracts will increase to 15%.

4. Additional Comments

The meeting adjourned at 9:30 a.m.