

# Florida Department of Transportation Monthly Performance Review Meeting March 21, 2013

1. Acknowledgement of Visitors: Brian Delburn was introduced as the new Legislative Liaison in District 2.

The following Professional Engineer Trainees (PETs) introduced themselves:

William Sasser (SMO-G), Joel Hobbs (D1), Brian Zimmerman (D1), Ashley Poole (D2), Bill Worner (D2), Brett Hartzell (D4), Claudia Olarte (D4), Fidel Vargas (D4), Steven Fisher (D5), Edward Mercado (D7), Menna Yassin (D7), Erich McCartney (D7).

Brian Blanchard introduced the Executive Team to them and explained the format of this meeting.

2. Review of Minutes: The February minutes were reviewed and approved.
3. Monthly Reports:

**Performance Report** – Freddie Simmons presented the Performance Report for FY 2013 for actions through February 2013. A final copy of the Report will be posted on line after the meeting.

#### CONSULTANT ACQUISITION:

- Executed 92% of the year-to-date (YTD) plan statewide in dollars (\$445 of \$483M) plus an additional \$39M for \$484M YTD total.
- Executed 104% of the YTD plan statewide in numbers (681 of 653) plus an additional 102 for 783 YTD total.
- 19 projects at \$16M in the YTD plan have not been executed.
- We are on track to execute 1,098 projects at \$764M (less negotiated savings).

#### RIGHT-OF-WAY:

##### CERTIFICATIONS:

- Certified 106% of the YTD plan in all districts (34 of 32) plus an additional 26 for 60 certifications YTD total.

##### ACQUISITIONS:

- Completed 129% of the YTD number of parcel acquisition actions (805 of 623).
- Of the 805 parcel acquisition total,
  - 478 (59%) were negotiated
  - 212 (26%) were acquired by order-of-taking
  - 108 (14%) were voided.

##### PROGRAM EXPENDITURES:

- Acquired 87% of the YTD dollar value of parcel acquisitions (\$165M of \$190M).

##### EMINENT DOMAIN/PARCEL INVENTORY:

- Began the year July 1, 2012 with 287 parcels in the inventory with 360 on February 28, 2013.
- 58 parcels (16%) are in the > 24 month category with a target of ≤ 40%.
- Negotiation rates are at 69% with the 70% target.
- % parcels negotiated within 20% of initial offer is at 68% with a target of ≥ 50%.
- % condemned parcels acquired with final judgment ≤ 50% of range of contention is at 80% with a target of ≥ 50%.

**EXCESS PROPERTY SUMMARY REPORT:**

SECRETARY'S EXCESS PROPERTY SUMMARY REPORT										
FEBRUARY 2013										
CATEGORIES	D1	D2	D3	D4	D5	D6	D7	TURNPIKE	STATEWIDE	END OF FY 2012
# of Parcels Identified as Excess	76	65	32	51	251	73	158	262	968	955
# of Parcels Under Review for Sale	0	0	14	0	5	7	18	2	46	6
# of Parcels Available for Sale	5	132	0	12	1	56	47	9	262	260
# of Parcels with Conveyance Pending	1	0	1	13	1	2	5	12	35	38
# of Parcels Under Review for Lease	0	0	0	1	0	3	7	0	11	3
# of Parcels Available for Lease	2	0	0	15	2	56	13	0	88	95
# of Parcels Sold in FY 13	0	8	0	1	1	12	3	5	30	36
Sales Revenue for FY 13	\$ 0	\$ 137,003	\$ 0	\$ 187,600	\$ 218,346	\$ 995,964	\$ 76,800	\$ 392,260	\$ 2,007,973	\$ 2,856,329
# of Leases with Revenue in FY 13	11	6	7	51	39	85	35	10	244	281
Lease Revenue for FY 13	\$ 23,065	\$ 24,310	\$ 45,584	\$ 1,022,445	\$ 248,565	\$ 1,144,010	\$ 378,891	\$ 86,154	\$ 2,973,023	\$ 6,014,956

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

**PRODUCTION ISSUES:**

**ADVANCED PRODUCTION (APP) as of FEBRUARY 13, 2013**

APP DATA BY DISTRICT IN \$M						
DISTRICT	2014	2015	2016	2017	2018	DISTRICT 3 YR AVG. TARGET
01 Total	\$ 50,768,127	\$ 84,903,073	\$ 64,572,884	\$ 399,994,433	\$ 171,307,670	\$ 85.6
02 Total	\$ 18,249,319	\$ 351,331,657	\$ 105,444,685	\$ 121,495,041	\$ 181,582,872	\$ 109.0
03 Total	\$ 42,902,400	\$ 44,518,711	\$ 59,852,321	\$ 163,754,933	\$ 72,452,136	\$ 135.6
04 Total	\$ 17,713,178	\$ 70,419,204	\$ 27,599,341	\$ 677,794,192	\$ -	\$ 101.0
05 Total	\$ 425,389,091	\$ 194,385,576	\$ 116,709,474	\$ 176,906,514	\$ 15,490,033	\$ 116.7
06 Total	\$ 4,113,690	\$ 464,318,906	\$ 17,350,406	\$ -	\$ 119,365,864	\$ 71.2
07 Total	\$ 127,832,810	\$ 191,197,885	\$ 86,721,304	\$ 32,586,765	\$ 41,619,556	\$ 142.0
08 Total	\$ 280,206,451	\$ 350,987,662	\$ 259,275,651	\$ 112,731,219	\$ 625,260,659	\$ 234.3
Grand Total	\$ 967,175,066	\$ 1,752,062,674	\$ 737,526,066	\$ 1,685,263,097	\$ 1,227,078,790	\$ 995.4

  

APP DATA BY CONTRACT TYPE IN \$M					
CONTRACT TYPE	2014	2015	2016	2017	2018
CONSULTANT	\$ 58,974,000	\$ 49,873,644	\$ 19,813,050	\$ 10,989,000	\$ 11,269,900
ROW	\$ 106,544,607	\$ 174,342,865	\$ 323,940,640	\$ 143,991,293	\$ 61,598,947
CONSTRUCTION	\$ 722,402,647	\$ 1,420,870,566	\$ 350,571,730	\$ 1,357,171,223	\$ 1,019,763,833
CEI	\$ 79,253,812	\$ 106,975,599	\$ 43,200,646	\$ 173,111,581	\$ 134,446,110
YEARLY TOTALS	\$ 967,175,066	\$ 1,752,062,674	\$ 737,526,066	\$ 1,685,263,097	\$ 1,227,078,790

**AMENDMENTS through JANUARY 31, 2013**

- Total: 131 amendments with 182 phase actions were processed totaling \$581.8 M.
  - 62 adds at \$352.9 M
  - 7 advances at \$56.3 M
  - 13 defers at \$59.2 M

- 49 deletes at \$113.4 M

#### REVISIONS AND ADDENDUMS

- There were 120 Contract Class 1 projects let through February in Tallahassee in FY2013 with:
  - 139 addenda
  - 82 were within 15 days
  - 85 revisions were processed
  - 62 were mandatory.

#### CONTRACT LETTINGS:

- Let to contract 87% of the YTD dollar plan budget (\$1,029M of \$1,188M), plus an additional \$39M for \$1,068M total.
- Let to contract 102% of the adopted number plan (262 of 257) plus an additional 24 for 286 total lettings.
- 11 projects at \$73M in the YTD plan have not been executed.
- Projected lettings March-June is \$1,317 M with 231 projects
  - 55 projects at \$253.2M are planned for March.
  - 61 projects at \$330.5M are planned for April.
  - 59 projects at \$537.3M are planned for May.
  - 56 projects at \$196.1M are planned for June.
- We are on course to spend 97% of the adopted if we continue at 8.5% low bid savings. This would end the FY at \$2,273M (\$2.3B) with 517 projects or 118% of the total number planned.

#### BID ANALYSIS:

- Through February, we received bids on 286 projects for \$1,068M.
- The adopted/advanced/added estimate of these was \$1,167M.
- That resulted in \$99.6M in low bids averaging -8.5% statewide below the July 1, 2012 adopted plan.
- The difference between official estimate and low bids was -6.4%.
- Through last February, we were at \$223M in savings and 19.2% low bids.

#### CONSTRUCTION:

- YTD at 2.5% cost increase against a target of  $\leq 10\%$  on 131 active contracts.
- YTD at 4.3% time increase against a target of  $\leq 20\%$  on 131 active contracts.
- YTD with 94.7% of the contracts having final contract costs less than 110% of original, with a target of  $> 90\%$  (contract status 6, 7 or 8).
- YTD with 85.5% of the contracts having final contract times less than 120% of original, with a target of  $> 80\%$  (contract status 6, 7 or 8).
- A list of projects not meeting these measures is included.

#### VALUE ENGINEERING:

##### VALUE ENGINEERING (VE) PROGRAMS

- Statewide 13 VE Studies
- \$216.0M in Cost Avoidance/Savings recommendations with \$103.9M approved.
- \$48.4M in Value Added recommendations with \$27.5M approved.
- 93 recommendations with 53 approved or 57% with a target of  $> 40\%$ .
- 4.5% projects saved and 10.4% program saved.

COST SAVINGS INITIATIVE (CSI) PROGRAM

- 26 CSI acted upon with 14 approved.
- \$2.3M acted upon with \$1.9M approved.
- 0.44% projects saved and 0.17% program saved.

Kurt Lieblong provided the Value Engineering Report. Since the last report in February 2013, there were 2 Value Engineering studies conducted and there was 1 Cost Savings Initiative proposal approved totaling \$160,000 in project savings.

Through February 2013, there were 13 Value Engineering Studies conducted statewide. The Department has approved 53 of 93 (57%) Value Engineering recommendations worth \$103.85 million in project cost avoidance and \$27.51 million in value added. This resulted in a 4.51% project savings and a 9.15% program savings. During this same period, 14 Cost Savings Initiative proposals were approved worth \$1.88 million in project savings. This resulted in a 0.44% project savings and a 0.17% program savings.

CONTRACT MAINTENANCE:

- \$ Contracted statewide 106% of YTD plan (\$325M of \$306M) or \$19M more.
- # Contracted statewide 120% of YTD plan (1,046 of 1,291) or 245 more.
- The specific program areas not meeting their plan are included.

FREIGHT, LOGISTICS, AND PASSENGER OPERATIONS (FLP)

- FLP YTD at 113% of plan (\$433M of \$385M), \$48M ahead of plan.
- FRE YTD at 223% of plan (\$78M of \$35M), \$43M ahead of plan.
- The specific program areas not meeting their plan are included.

LAP PROGRAM:

CONSULTANT LAP ACQUISITIONS

- Executed 105% on the adopted plan statewide in dollars (\$9.2M of \$8.8M) plus an additional \$3.4M for \$12.6M total.
- Executed 112% on the adopted plan statewide in numbers (46 of 41) plus an additional 14 for 60 total.
- 3 LAP Acquisitions have not been executed in the plan at \$1.2M.

CONTRACT LAP LETTINGS

- Let YTD 112% of the adopted statewide dollar plan (\$42.3M of \$37.7M) plus an additional \$6.8M for \$49.1M total.
- Let YTD 116% of the adopted statewide number plan (50 of 43) plus an additional 9 for 59 total.
- 3 LAP Lettings have not been executed in the plan at \$7.7M.

FEDERAL AID:

- Total Obligation available this year = \$1,866,762,000
- Obligations through February 28, 2013 = \$387,622,000...or...20.8%
- Unexpended balance is at 0.40% with target of < 4%.
- New method of reporting has unexpended balance at 0.74%

James Jobe advised we are still operating under a Continuing Resolution which provided \$827.5 million of Obligation Authority (OA) for the first six months of the new federal fiscal year, which takes us through March 27, 2013. We currently have \$377 million remaining on the books for obligation. This is more than sufficient to take us through the end of the month when we should

be receiving additional Obligation Authority, either through a USDOT Appropriations Act or another Continuing Resolution.

It appears that we will likely get a full year's Continuing Resolution, at funding levels slightly less than the prorated amounts we are currently operating under through the end of this month. We'll know for sure in about ten days.

### **Obligation Authority Plan:**

So far this year, we have \$1.87 billion to obligate, which includes \$115.5 million in deobligations year-to-date on projects that released funds and OA arising from low bids and closing projects under budget.

Through February, we obligated \$387.6 million, which is almost 21% of the total annual plan of obligation.

### **Financially Inactive Federal Aid Projects:**

The chart is a 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 is the national benchmark used by FHWA, which is a maximum of 4% of each state's annual federal apportionments.

At the end of February we were at .40%. This will be the last month we will report on inactive projects using the metrics of the old Tier structure.

Beginning at the end of this month, these reports will be based on the new Tier structure:

- **Tier I:**  
The threshold has been lowered from \$500,000 to \$200,000, and the inactive period remains at 12 months.
- **Tier II:**  
The threshold has also been lowered from \$500,000 to \$200,000, and the inactive period has been shortened from 24 months to 18 months.
- **Tier III:**  
Thresholds and inactive period remains the same at \$50,000 and 36 months.
- **Tier IV:**  
This tier, which reports on projects with less than \$5,000 of unexpended obligation, has been rolled into Tier III.

Also, the national benchmark has been cut in half, from under 4% to under 2%.

For today's presentation I've prepared a chart to illustrate the reporting impact to Florida over the last three months since the new requirements were retroactively put into effect.

Under the new criteria, our inactive percentages have essentially doubled in all three of the Tier categories. And the total number of projects for which we will need to research and report on to FHWA has increased by about 25%.

However, even with the lowered benchmarks, Florida is still well below half the level of the new benchmark of 2% of annual apportionments.

TRANSPORTATION COMMISSION MEASURES - All measures were met YTD

MEASURES SUMMARY - D6 met or was above all measure targets.

GOVERNOR'S PERFORMANCE REPORT MEASURES

FLORIDA DEPARTMENT OF TRANSPORTATION KEY PERFORMANCE STANDARDS FOR FY 2013 (THROUGH FEBRUARY 2013)					
PERFORMANCE MEASURES	DESCRIPTION OF STANDARD	DESIRED PERFORMANCE OR STANDARD		ACTUAL PERFORMANCE	
		Numbers of Lettings	Amount of Lettings	Numbers of Lettings	Amount of Lettings
CONSTRUCTION CONTRACT LETTINGS (Reported Monthly)	Monthly the Department tracks contract lettings 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 number and dollar amount.	≥ 95%	≥ 95%	102% Plan 257 Performance 262 Production 286	87% Plan \$1,188M Performance \$1,029M Production \$1,068M
CONSTRUCTION CONTRACT COST AND TIME ADJUSTMENTS (Reported Monthly)	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 < 10% Increase	Time < 20% Increase	Cost 2.5%	Time 4.3%
CONSULTANT PROJECT ACQUISITIONS (Reported Monthly)	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.	Numbers of Projects ≥ 95%	Amount of Projects ≥ 95%	Numbers of Projects 104% Plan 653 Performance 681 Production 783	Amount of Projects 92% Plan \$483M Performance \$445M Production \$484M
HIGHWAY MAINTENANCE PROGRAM EXPENDITURES (Reported Monthly)	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.	Numbers of Contracts ≥ 90%	Amount of Contracts ≥ 90%	Numbers of Contracts 120% Plan 875 Performance 1,046	Amount of Contracts 106% Plan \$306M Performance \$325M
FREIGHT LOGISTICS AND PASSENGER OPERATIONS PROGRAM EXPENDITURES (Reported Monthly)	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 plan.	Amount of Contracts ≥ 90%		Amount of Contracts 113% Plan \$385M Performance \$433M	

**Salary Projections and Operating Budget**

The Fiscal Year 2012/13 Budget Status report (featuring Projected Salaries & Benefits as of February 28, 2013) was presented. The prior month statistics have been added to the Projected Salaries & Benefits Surplus (Deficit) chart. Reserve vacancies were highlighted and it was explained that those vacant positions would not be available for use. Further information regarding vacancies was provided by Brian Peters, Assistant Secretary of Finance & Administration. The Other Operating Categories commitments were also highlighted, as well as the Fixed Capital Outlay (Buildings & Grounds) statistics, in comparison to the fiscal year calendar. Attendees were encouraged to work with their District Budget Coordinators as they participate in what have evolved into monthly video conferences to enhance the exchange of information/direction relating to the Department's budget.

**Personnel Reports**

The Personnel Office is now officially changed to Human Resources. We will adopt a statewide EPS effective July 1 for all agencies. Training will be provided. This is the right move for the state. DOT is ahead of the curve and we want to have some of our ideas adopted. We have a \$40M surplus in salaries and benefits. Last year, we gave up 150 positions and plan to give up another 150 this year. We have 262 in the holding pool. Be sure to fill those positions we really need.

### **Economic Parity**

In the Economic Parity Report for Females, the Department has a need for 25 in the Service/ Maintenance category and had 1 opportunity in February, but was not able to hire a female.

For minorities, the Department has a need of 45 in the Skilled Craft category, but did not have any opportunities to hire a minority. In the Service/Maintenance category where we have a need of 17, the Department had 1 opportunity, but was not able to hire a minority.

### **Disadvantaged Business Enterprise (DBE) Report**

In the DBE Report through February, the Department continues to be at a very high level of DBE participation. The DBE goal for our federally funded contracts is 8.60% and the reported DBE participation is 12.04% on federally funded contracts. The report shows the district breakdown on federally funded contracts. Our state funded contracts have 10.31% DBE participation and the federal and state funds combined shows 11.60% DBE participation.

In District 2, Sayar Enterprises reported 17.62% DBE participation on a \$3.2 million interchange improvement project. In District 6, American Bridge reported 13.79% participation on a \$5.9 million bridge replacement project. In District 7, Ajax Paving reported 13.61% participation on an \$8.3 million resurfacing project and Oldcastle reported 16.80% participation on a \$2.5 million resurfacing project.

### **Minority Business Enterprise (MBE) Report**

In the Minority Business Enterprise Report, the Department is at 67% through the state fiscal year and has expended 76.1% of the dollars spent last year. We continue to move at a good steady pace in spending more with MBEs than we did last year.

4. Additional Comments - None

The meeting adjourned at 9:30 a.m.