

Florida Department of Transportation
Monthly Performance Review Meeting
May 15, 2014
DRAFT

1. Acknowledgement of Visitors: Visitors included Javier Bustamante, Leigh Cann, Mark Croft, Chris Tavella, Debora Rivera, Yami Battle, and Kathy Simmons.
2. Review of Minutes: The April minutes were reviewed and approved.
3. Monthly Reports:

Performance Report – Freddie Simmons (to be added)

This is a summary of the Performance Report for Program activities through May for FY 2014. At the end of the report is an overview of the FY2015 letting and acquisition plans.

CONSULTANT ACQUISITION:

- Executed 108% of the plan in dollars at \$526M plus added or advanced for \$593M YTD.
- Executed 105% of the plan in numbers at 750 plus 200 added or advanced for 950 YTD.
- 19 projects @ \$13M have not been executed to date.
- 109 projects @ \$111M remain for the FY.

May	37 @ \$27.7
June	72 @ \$83.2
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TOTAL	109 @ \$110.9M

- PROJECTIONS FOR THE YEAR:

Performance 99% dollar and 99% number
Production 109% dollar and 123% number

RIGHT-OF-WAY:

CERTIFICATIONS:

- 49 projects certified - 94% of the plan plus 18 extras for 67 total.

PROGRAM EXPENDITURES:

- Acquired 73% of the program expenditures for \$225M.
- With only 2 months left in the FY, 44% or almost \$100M of expenditures remain.

ACQUISITIONS:

- Completed 112% of the YTD number plus 125 extras for 1,195 total.

METHOD OF ACQUISITIONS:

- Statewide Negotiation rates are at 69% with the 70% target.

EMINENT DOMAIN/PARCEL INVENTORY:

- Began the year 7/1/13 with 287 parcels in the inventory and now at 453.

EXCESS PROPERTY SUMMARY REPORT:

- \$2.2M in sales and \$3.9M in lease revenue for the year.

PRODUCTION ISSUES:

ADVANCED PRODUCTION (APP) as of 5/6/14:

SUMMARY BY AMOUNT- TOTAL APP (ADVANCED PRODUCTION PHASES) AS OF MAY 6, 2014 IN \$M						
DIST	2015	2016	2017	2018	2019	TARGET
D1	142	64	333	170	295	98
D2	97	212	149	70	158	201
D3	19	51	67	53	45	114
D4	81	72	4	28	0	151
D5	85	180	218	32	43	267
D6	11	295	166	183	3	131
D7	89	450	53	215	50	107
TE	147	149	299	5	4	136
SW	671	1473	1289	756	598	1,206

APP TARGET DISCUSSION:

HOW MUCH APP IS NEEDED?

- **PERFORMANCE: WE HAVE AVERAGED 81% PERFORMANCE OF THE DOLLAR AMOUNT FOR THE PAST 10 YEARS.**
- **PRODUCTION: WE HAVE NEEDED \$367.5M EXTRA PRODUCTION, OVER A 10 YR AVERAGE, TO CONSUME 95% OF THE ADOPTED PLAN FOR LETS.**
- **THIS HAS INCLUDED ALL THE ADVANCED PROJECTS, PROGRAMS, ETC. PRODUCED IN THE PAST 10 YEARS.**
- **TO USE 100% OF THE ADOPTED PLAN (\$2,620.7M) WOULD HAVE REQUIRED AN AVERAGE EXTRA PRODUCTION OF \$493.8 or \$500M.**
- **WE HAVE NEVER NEEDED MORE THAN \$500M AVERAGE TO PRODUCE 100% OF THE PLAN INCLUDING ALL PROGRAMS/PROJECTS ADDED OR ADVANCED.**
- **SO...WE HAVE NEEDED AN APP TARGET OF \$500M OR 19% (USE 20%) OF PLAN JUST TO PRODUCE 100% OF THE PLAN AMOUNT.**
- **WHY NOT CONSIDER A 20% APP TARGET ON TOP OF THE 100% PLAN AMOUNT OR \$500M APP FOR ABOVE THE PLAN USE, INSTEAD OF THE CURRENT 50% TARGET, AND WHY NOT JUST LOOK AT THE FOLLOWING FY, NOT 3 YEARS AS WE NOW DO AS SO MANY CHANGES OCCUR OVER A 3 YEAR PERIOD?**

AMENDMENTS for FY 2013:

- We had a total of \$512M in 141 amendments through April 30.

FY 2014 AMENDMENTS THROUGH APRIL 30, 2014											
TOTALS TO DATE			ACTION				PHASE				
DIST	#	TOTAL	DELETE	DEFER	ADDED	ADVANCED	PE (12, 22, 32, 38, C2, C8)	ROW (42, 43, 45, 48, 48)	CONST (52, 53, 54, 56, 57, 58)	CEI (62, 68)	MISC (72, 84, 94)
SW	141	\$511,982,347	\$110,000,767	\$99,299,644	\$264,493,654	\$38,188,282	\$73,880,747	\$27,539,333	\$251,998,609	\$15,617,646	\$142,946,012

REVISIONS AND ADDENDUMS:

- There were 179 Contract Class 1 lettings in Central Office.

Addenda	174
Addenda 15 days	79
Revisions	147
Mandatory	98
- Many of the addenda were caused by two split lettings due to weather issues.

CONTRACT LETTINGS:

- \$ - Let to contract 83% at \$1,620M plus added or advanced for a \$1,643M YTD.
- # - Let to contract 99% for 351 plus 37 added or advanced for a 388 YTD.
- 23 projects have not been let as planned to date for about \$248M.
- 127 projects at \$982M remain to be let in last 2 months.

May 61 projects @ \$553M (Last month total was 71 projects @ \$532M)
 June 66 projects @ \$429M (Last month total was 51 projects @ \$327M)
 Total 127 projects @ \$982M (Last month total was 122 projects @ \$859M)
So 5 projects and \$123M have moved to these last 2 months since April report.

- The breakdown by district is provided.

LAST REPORT REMIANING IN MAY AND JUNE							CURRENTLY REMAINING IN MAY AND JUNE								
DIST	MAY		JUNE		TOTAL REMAINING		DIST	MAY		JUNE		TOTAL REMAINING		CHANGE	
	AMT \$M	#	AMT \$M	#	AMT \$M	#		AMT \$M	#	AMT \$M	#	AMT \$M	#	\$M	#
1	17.2	9	11.0	7	28.2	16	1	14.2	7	48.0	18	62.2	25	+34.0	+9
2	107.7	7	104.3	11	212.0	18	2	108.4	8	104.3	11	212.7	19	+0.7	+1
3	5.0	8	30.1	6	35.1	14	3	4.8	7	18.6	8	23.4	15	-11.7	+1
4	242.9	22	34.7	2	277.6	24	4	194.3	16	34.7	2	229.0	18	-48.6	-6
5	19.1	7	17.7	6	36.8	13	5	19.3	6	90.9	6	110.2	12	+73.4	-1
6	24.5	9	27.4	10	51.9	19	6	22.6	7	30.5	12	53.1	19	+1.2	0
7	11.9	5	46.9	8	58.8	13	7	19.6	5	46.9	8	66.5	13	+7.7	0
8	103.5	4	54.9	1	158.4	5	8	169.9	5	54.9	1	224.8	6	+66.4	+1
SW	531.8	71	327.0	51	858.8	122	SW	553.1	61	428.8	66	981.9	127	+123.1	+5
WAS REMAINING: 31% OF DOLLARS...AND...26% OF NUMBER							NOW REMAINING: 35% OF DOLLARS...AND...27% OF NUMBER								

- PROJECTIONS FOR THE YEAR:

Performance	90% dollar (about \$2,504M) and 101% number (478)
Production	91% dollar (about \$2,527M) and 109% number (495)
- A list of 22 remaining projects > \$10M is also provided.
- Lettings by month are provided.

BID ANALYSIS:

- The adopted estimate of the 388 projects let to date was \$1,824M with the low bid of \$1,643M for \$180.9M in savings or -9.9%.
- Last FY through April we let 396 projects @ \$1,552M and were at \$155.5M in savings at -9.1% low bids.
- The difference between official estimate and low bid was -9.4%.
- Bids for this fiscal year are shown with high or low bids highlighted.
- An analysis of under/over/same bids is included for each district.

190 projects had bids below adopted (49%)

89 projects had bids above adopted (28%)

89 projects had bids same as adopted (23%)

CONSTRUCTION:

- YTD at 2.8% cost increase with target of $\leq 10\%$ on 102 active contracts.
- YTD at 9.9% time increase with target of $\leq 20\%$ on 102 active contracts.
- YTD with 90.2% 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 75.5% 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.
- Contracts not meeting cost and time targets are shown.

VALUE ENGINEERING

VALUE ENGINEERING (VE) PROGRAMS

- Statewide 18 VE Study to date.
- \$443.6M in Cost Avoidance/Savings recommendations with \$115.8M approved.
- \$14.9M in Value Added recommendations with \$5.8M approved.
- 174 recommendations with 81 approved or 47% with a target of $> 40\%$.
- 3.74% projects saved and 6.90% program saved.

Sean Masters presented the Value Engineering/Cost Savings Initiative Programs Report.

Since the last report in April 2014, there were 3 VE studies conducted and 13 Value Engineering recommendations approved worth \$20.3 million in project cost avoidance. There were 3 Cost Savings Initiative proposals approved totaling \$0.43 million in project savings.

Through April 2014, there were 18 Value Engineering Studies conducted statewide. The Department approved 81 of 174 (47%) Value Engineering recommendations worth \$115.79 million in project cost avoidance and \$5.80 million in value added. This resulted in a 3.74% project savings and a 6.90% program savings. During this same period, 29 Cost Savings Initiative proposals were approved worth \$7.58 million in project savings. This resulted in a 0.68% project savings and a 0.45% program savings.

The total combined savings of the VE & CSI programs through January 2014 is \$123.37 million and the combined percentage program saved is 7.35%.

COST SAVINGS INITIATIVE (CSI) PROGRAM

- 34 CSI acted upon with 29 approved.
- \$7.95 M acted upon with \$7.58 M approved.
- 0.68% projects saved and 0.45% program saved.

TOTAL PROGRAM SAVINGS VE AND CSI COMBINED

- \$123.4M in total savings and 7.35% in total program saved with a target of $\geq 2\%$.

CONTRACT MAINTENANCE:

- \$ Contracted statewide 107% of plan - \$375M or \$24M above plan.

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

- FLP YTD at 111% of plan - \$642M or \$66M above plan.
- FRE YTD at 114% of plan - \$119M or \$14M above plan.
- As reported last month - Note: 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.

LAP PROGRAM:

CONSULTANT LAP ACQUISITIONS

- Executed 111% dollars and 103% number to date

CONTRACT LAP LETTINGS

- Let YTD 106% of dollars and 104% of number to date
- Note: D4 has \$83M project in June – Crosstown Parkway

FEDERAL AID:

- Total OA available for this FED FY 13/14 is \$1,880,869,000
- Total Obligation through April 30, 2014 for FED FY 13/14 = \$665,373,000
- Unexpended balance is at 0.50% with target of < 2.00%.

James Jobe presented the Federal Aid portion of the Production Management Report .

Federal Legislation:

This week, the Senate Environment and Public Works (EPW) Committee released the text of a bill entitled the "MAP-21 Reauthorization Act". At this point the bill is just a highway bill. Other committees are responsible for adding provisions for other transportation modes, which presumably will take place at a later date. Also missing is identification of a funding source for the programs contained in the proposed legislation.

The Senate Finance Committee is charged with finding the approximately \$16 billion per year to fund this six year bill and to keep the Highway Trust Fund solvent. Should the Finance Committee be unable to find the \$100 billion dollars or so in spending cuts or revenue increases in order to add enough money to the Trust Fund to support the full six-year bill, the EPW Committee will be forced to start lopping years off the bill, starting with FY 2020 and working backwards depending on how short they are on revenue.

The core program in the current law will remain in effect at the current year levels plus annual inflation adjustments. Two new programs will be created:

- Projects of National and Regional Significance - \$400 million per year starting in FY2015. This appears to be the Senate's substitute for the current TIGER grant program.
- National Freight Program - \$400 million starting in FY2016, adding an additional \$400 million each year until it is capped in FY2020 at \$2 billion per year.

It's interesting to note that FHWA's various Research programs (\$400 million per year) will no longer be funded out of the Highway Trust Fund but rather from the General Fund. In addition, a new program called "American Transportation Awards" will also be funded from the General Fund at \$125 million per year beginning in FY2016. This will be a competitive grant program "to

support best practices that promote progress, innovation, and efficiency for surface transportation programs”.

Last but not least, the Highway Trust Fund is still projected to be insolvent in August. Expect FHWA to begin rationing reimbursements to the states sometime this summer if Congress doesn't act soon to replenish the fund.

Obligation Authority Plan:

At the end of last month, we had total obligations of \$665.4 million, which represents 35.4% of our total OA for the year, which includes about \$149 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.

We are still maintaining our inactive percentages well below the national benchmark, as shown in the chart for the end of April. Last month, our overall inactive percentage was .50%, well below the national benchmark.

TRANSPORTATION COMMISSION MEASURES:

- All measures were met except Construction Contract Time Adjustments at 75.5%.

(Note: Remember this is measured on Status 9 and 10 for Commission report)

- Individual measure not meeting target in the districts are highlighted.

GOVERNOR'S PERFORMANCE REPORT MEASURES:

FLORIDA DEPARTMENT OF TRANSPORTATION KEY PERFORMANCE STANDARDS FOR FY 2014 (THROUGH APRIL 30, 2014)					
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%	99% 355 Plan 351 Performance 388 Production	83% Plan \$1,954 M Performance \$1,620 M Production \$1,643 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	2.8%	9.9%
		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%	105% 712 Plan 750 Performance 950 Production	108% Plan \$486 M Performance \$526 M Production \$593 M
		Amount of Contracts		Amount of 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 dollar amount.	Amount of Contracts		Amount of Contracts	
		≥ 90%		107% Plan \$351 M Performance \$375 M	
		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.	Amount of Contracts		Amount of Contracts	
		≥ 90%		111% Plan \$576 M Performance \$642 M	

MEASURES SUMMARY:

- No one met or exceeded all measure targets.
- D3 met or exceeded 92% of the measures.

An overview of the FY2015 Plan based on the April 7, 2014 Snapshot:

- The lockdown plan schedule.
- Consultant acquisitions:
 - \$ - \$834.1M with a gain of \$139.8 M (\$126M PE) since March 5 snapshot.
 - # - 1087 with a gain of 38 since March 5 snapshot.
 - A list of 35 projects ≥ \$5M is shown.
 - A graph of all the districts by month showing plan balance (+/-) is included.
- Contract Lettings:
 - \$ - \$3,004M plus \$0.2B in reserves plus the \$2.3B I-4 projects = \$5.5B planned.
 - # - 450 planned projects to bid.
 - A list of 32 projects ≥ \$20M is shown.
 - A graph of all the districts by month showing plan balance (+/-) is included
- A review of the Lockdown tracking process throughout the year and some Lockdown Performance Concerns is provided.

Construction Cost Indicators – Greg Davis

Greg Davis presented the quarterly construction cost indicators report. Construction costs have been fluctuating over the past 3 years. The FDOT Quarterly Price Trend graph showed an increase this past quarter, but remains stable near the 150 index value. The current competition chart showed a decrease to 4.5 bids/contract, but an increase in contracts with 2 or less bidders

to 18.4%. A summary of the lettings for FY2013 and FY2014 (through April) showed a slight decrease in competition from 4.78 bids/contract (FY2013) to 4.29 bids/contract (FY2014) with a corresponding per cent difference between low bid and official estimate of -2.68% and -5.61% respectively. The per cent difference between low bid and official estimate has varied from -15.12% to +4.70% over the past fiscal year. The national PPI for Non-Residential Construction remains stable with a 1.0% increase over the last quarter. Florida Residential Permits increased in number and value this quarter, but remain well below 2005-2006 values. Florida Heavy Civil Construction Employment increased slightly by 0.1% this quarter. The Associated General Contractors continues to forecast labor cost at 2% - 4% through 2017.

Oil prices increased from \$101 per barrel in February 2014 to \$101 per barrel in May 2014. The Energy Information Administration's forecast is just below \$100 per barrel through 2015. Diesel prices are similar with a forecast of just under \$4.00 per gallon through 2015. Bituminous asphalt prices remain stable even with fluctuating oil prices. However, asphalt pavement prices increased this month to an average of \$97.37 per ton, but remains approximately 2% above last year's value. The asphalt pavement estimate unit prices are averaging just above the low bid prices. Reinforcing steel prices continue to fluctuate and the estimate unit prices are tracking around the average price over the past 2 years. Structural concrete prices are very similar to reinforcing steel. Construction cost price pressures exist at times, but remain stable. There appear to be no indications of a drastic change from the current trend.

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. For these select budget categories, as of 04/30/14, we were approximately 83.3% through the fiscal year. There was an 83.5% overall commitment level, and a 67.4% expended level for the selected categories. Potential Roll Forward by District (as of 05/01/14) was also presented which reflected an overall 71.7% level of commitment of Work Program Budget. Fixed Capital Outlay – Buildings & Grounds Budget data was included in the presentation which provided information for FY14. As of 04/30/14, there was a 74.6% overall commitment of Salaries & Benefits budget.

As part of proposed budget legislation for Fiscal Year 2014/15, Section 48 (specifically on lines 1026-1032, page 41) of [HB 5003](#) (known as the Implementing Bill) removes legislative review limitations for agency 5% Operating budget transfer requests. The department should anticipate additional review and scrutiny of future 5% Operating budget transfers, based on this bill.

Human Resources Reports – Irene Cabral

Ms. Cabral gave the vacancy report and discussed performance evaluations. Additional information will be sent out by Human Resources.

Economic Parity – Vicki Smith

In the April Economic Parity report for Females, the Department had opportunities in most of the EEO job categories where we have a need. We do not report any parity needs hired in these categories.

In the report for Males, the Department had opportunities in most of the EEO job categories where we have a need. We were able to hire 1 Hispanic in the Professionals category, 2 in the Skilled Crafts, and 1 in Service Maintenance.

Disadvantaged Business Enterprise (DBE) Report – Vicki Smith

The DBE report through April shows 10.17% DBE participation on federally funded contracts.

The report shows the DBE participation for the first seven months of the federal fiscal year by district and type of work.

The DBE participation on state funded contracts at 12.77%

The DBE participation on state and federal funds combined at 11.49%

A DBE highlight for the month of April is a \$3.21 million contract for professional services in District 3 where Stantec, Inc. reported 15.01% DBE participation.

Minority Business Enterprise (MBE) Report – Vicki Smith

In the MBE Report, the Department is 10 months, or 83%, through the state fiscal year and has expended 93.3% of the dollars spent last year to certified MBEs. We are on pace to meet or exceed last year's MBE expenditures.

4. Additional Comments

This is the last meeting for Nick Tsengas and Jim Moulton. Both were given best wishes and thanked for their service to the Department.

The meeting adjourned at 9:55 a.m.