

Florida Department of Transportation Monthly Performance Review Meeting August 21, 2014

1. Acknowledgement of Visitors: No visitors were introduced. However, Paul Steinman thanked Bob Keller for his 30 years of service. Bob retires at the end of the month.
2. Review of Minutes: The July minutes were reviewed.
3. Monthly Reports:

Performance Report – Freddie Simmons

This report is the first from FY 2015 and includes the program activities in the month of July. The percentage and dollar values provided are rounded.

CONSULTANT ACQUISITION:

- \$ - 138% of the planned projects in dollars at \$109M plus \$3M added or advanced for \$112M YTD.
- # - 143% of the plan in numbers at 156 plus 13 added or advanced for 169 YTD.
- 11 planned projects were not executed at \$5.3M. A list of these was included.

RIGHT-OF-WAY:

CERTIFICATIONS: Eight planned projects were certified for 114% of the plan plus 2 extras for 10 certifications total for the year.

PROGRAM EXPENDITURES: 177% of the plan program expenditures for \$36.4M.

ACQUISITIONS: 141% of the planned number for 114.

METHOD OF ACQUISITIONS: Statewide, negotiation rates are at 76% with the 70% target.

EMINENT DOMAIN/PARCEL INVENTORY: Began the year July 1 with 472 parcels in the inventory and are now at 464; 14% are > 24 months with a target of < 40%.

EXCESS PROPERTY SUMMARY REPORT: \$159K in sales and \$482K in lease revenue for the year.

PRODUCTION ISSUES:

ADVANCED PRODUCTION (APP) as of August 11, 2014: New targets with projects > \$100M were provided along with the August 11, 2014 APP report showing the lack of projects ready to advance.

AMENDMENTS for FY 2014: Through August 11, 2014 no Amendments had been sent to the EOG for approval .

REVISIONS AND ADDENDUMS:

- There were 18 Contract Class 1 lettings in Central Office.

- 9 Addenda
- 1 Addenda 15 days
- 9 Revisions
- 7 Mandatory

CONTRACT LETTINGS:

- \$ - 99.8% of the planned projects at \$83M let YTD.
- # - 103.4% for 30 let YTD.
- In July, all 29 planned projects were let and one was advanced for 30 YTD.

BID ANALYSIS:

- The adopted estimate of the 30 projects was \$86.01M with the low bid of \$83.20M for \$2.81M in savings or -3.3%. We finished FY2014 at -2.1%.
- The difference between official estimate and low bid was -2.4%.

CONSTRUCTION:

- 3.1% cost increase with target of < 10% on 133 active contracts.
- 9.7% time increase with target of < 20% on 133 active contracts.
- 91.7% of the contracts having final contract costs less than 110% of original, with a target of > 90% (contract status 6, 7 or 8). Two districts were below target.
- 74.4% of the contracts having final contract times less than 120% of original, with a target of > 80% (contract status 6, 7 or 8). Five districts were below target.

As a comparison in July 2013, only 2 districts were below target.

VALUE ENGINEERING:

VALUE ENGINEERING (VE) PROGRAMS

- Statewide: 2 VE Study to date.
- \$17.01M in Cost Avoidance/Savings recommendations with \$9.76M approved.
- \$0.00 M in Value Added recommendations with \$0.00M approved.
- 10 recommendations with 4 approved or 40% with a target of > 40%.
- 3.34% projects saved and 2.48% program saved.

Kurt Lieblong gave the VE report. During July 2014, there were 2 Value Engineering Studies conducted statewide. The Department approved 4 of 10 (40%) Value Engineering recommendations worth \$9.76 million in project cost avoidance. This resulted in a 3.34% project savings and a 2.48% program savings. During this same period, 9 Cost Savings Initiatives were approved worth \$0.78 million in project savings. This resulted in a 0.21% project savings and a 0.20% program savings.

The total combined savings of the VE & CSI programs during July 2014 is \$10.54 million and the combined percentage program saved is 2.68%.

COST SAVINGS INITIATIVE (CSI) PROGRAM

- 10 CSI acted upon with 9 approved.
- \$0.85M acted upon with \$0.78M approved.

0.21% projects saved and 0.20% program saved.

TOTAL PROGRAM SAVINGS VE AND CSI COMBINED

- \$10.54M in total savings and 2.68% in total program saved with a target of > 2%.

CONTRACT MAINTENANCE:

- 107% of dollar at \$279.30M expenditures.

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

- FLP – 106.3% of plan at \$132.51M.
- FRE – No plan to date but \$14.09 M expenditures.

LAP PROGRAM:

CONSULTANT LAP ACQUISITIONS

- >200%% of dollars plus \$1.51M YTD.
- 300% of number for 3 total.

CONTRACT LAP LETTINGS

- 103.1% of dollars for \$17.89M YTD.
- 150% of number for 6 YTD

FEDERAL AI:

- Total OA available for this Federal FY 13/14 is \$1,945,149,000
- Total Obligation through June 30, 2014 for Federal FY 13/14 = \$1,452,736,000
- Unexpended balance is at 0.81% with target of < 2.00%.

James Jobe provided the Federal Aid Report.

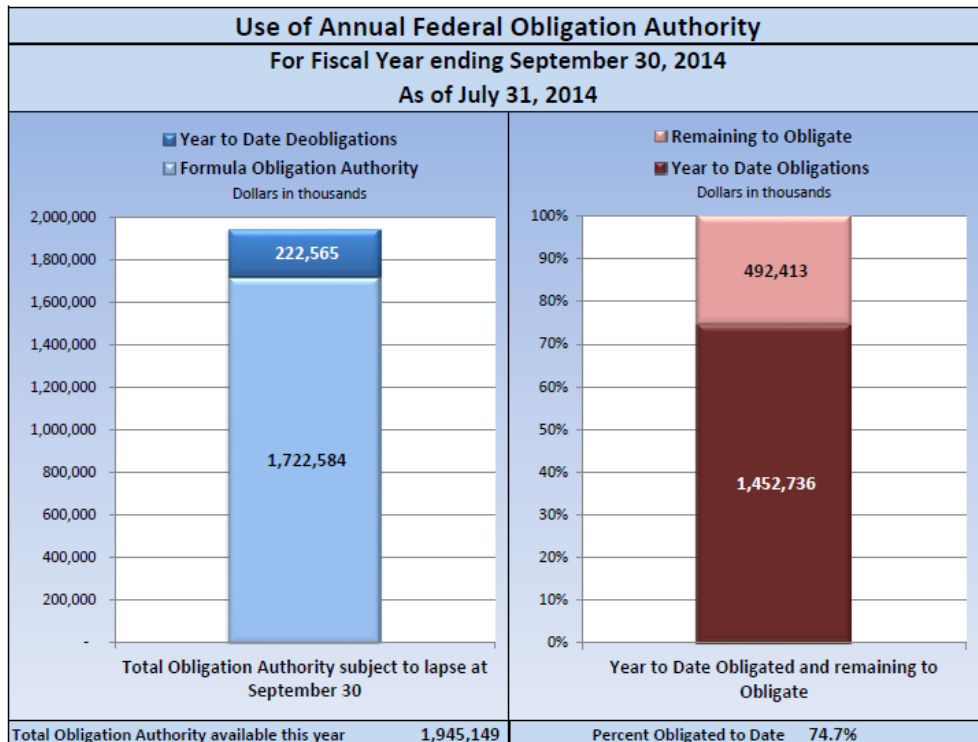
Federal Legislation:

We now have a MAP-21 extension in place through May, the Highway Trust Fund has received a \$10 billion infusion of cash, and we have federal budget authority through September. The next congressional action on the horizon will be passing a bill to provide federal budget authority for the new federal fiscal year which starts October 1st.

Look for the passage of the FY2015 Appropriations Act for the USDOT or another short-term Continuing Resolution to be passed sometime in September after Congress returns from their August recess.

Obligation Authority Plan:

At the end of last month, we had total obligations of \$1.45 billion, which represents almost 75% of our total OA for the year, which includes \$222.6 million in year-to-date deobligations that must be reobligated before year end.

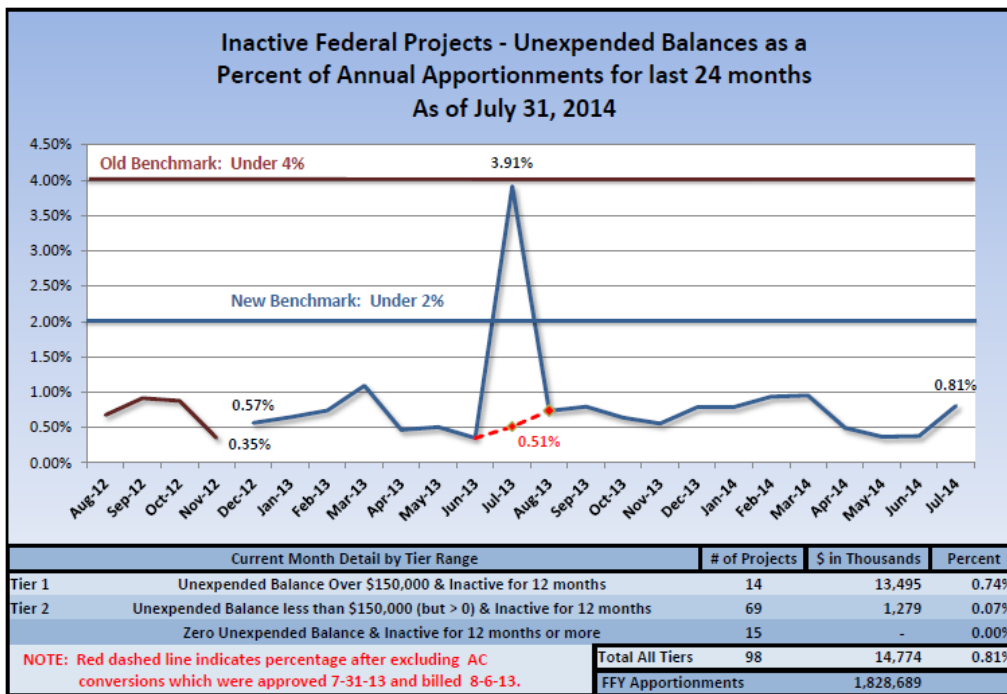


We have large AC conversions planned for both this month and next month, and are on track to reach 100% by the end of September.

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. Last month our overall inactive percentage ticked up to .81%, but is still well below the national benchmark of 2%. The number of inactive projects was reduced to 98, which is down by 2 from last month.



TRANSPORTATION COMMISSION MEASURES:

All measures were met except Construction Contract Time Adjustments at 74.4%. Five districts did not meet the target. Individual measure not meeting target in the districts are highlighted.

MEASURES SUMMARY: No one met or exceeded all measure targets.

Safety Performance Reports – Joe Santos gave the safety reports.

Construction Cost Indicators – Greg Davis

Construction cost escalation is beginning to subside as economic growth slows down. Indicators for construction materials, housing, and diesel fuel showed slight changes up and down, but no significant upward trend. Construction employment was up this quarter as Florida led the nation in adding construction workers (40,600 jobs). Oil prices dropped this month to \$95 per barrel following \$101 per barrel in May. The Energy Information Administration forecast that oil prices

will remain in the mid \$90s per barrel during the remainder of 2014 and throughout 2015. Bituminous asphalt prices increased this quarter due to higher oil prices, but are expected to subside next quarter. Asphalt prices have been trending upward the past two quarters, but are beginning to stabilize. Reinforcing steel and structural concrete prices are fluctuating with no significant trend in either direction. Engineering News Record is forecasting a decrease in prices for steel and cement in 2015 and 2016. Letting results are showing a decrease in competition during this quarter with 4.1 bids/contract and 25.7% of contracts with 2 or less bidders compared to 4.9 bids/contract and 11.7% of contracts with 2 or less bidders. A year ago, these values were 4.5 bids/contract and 12.9% of contracts with 2 or less bidders. Competition drops in the fourth quarter of each fiscal year due to an increase in the number and size of contracts. In general, total bids in a quarter are still less than the official estimate; however, there are more contracts with bids above the estimate than in the recent past. The FDOT Price Trends index shows an increase this quarter, but the upward trend is subsiding. Price increases are averaging between 3-4% per year over the past 3 years. This trend should continue in the coming year.

Human Resources Reports – Irene Cabral gave the vacancy report and discussed issues related to HR CPR.

Economic Parity – Art Wright

In the July Economic Parity report for Females, the Department had new hires in all the EEO categories totaling 56 and was able to hire 8, or 14%, where we have a need. We were able to hire 7 female Hispanics in the Professionals category and 1 female Hispanic for Office Clerical.

In the report for Males, the Department was able to hire 3 Hispanics in the Professional's category and 1 in the Skilled Craft category.

The chart showed the breakdown by district of the 12 new hires. Thanks to Districts 4, 5, 6 and 7.

Disadvantaged Business Enterprise (DBE) Report – Art Wright

The DBE report through July shows 10.50% 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 11.41%, and the DBE participation on state and federal funds combined at 10.95%

Contractors have the ability to add DBEs after their initial submittal and, in some cases, their initial DBE percentage may be small, but they add additional DBEs throughout the contract. Reviewing DBE participation throughout this year shows many contractors that have stepped up: Astaldi Construction reported 16.36% on \$67 million of contracts in Districts 4, 5, 6 and the Turnpike; Hubbard Construction reported 33.69% on \$31.7 million on contracts in Districts 2, 4, 5 and 7; Traffic Control Devices reported 14.66% on \$12 million in Districts 1, 2, 4, 5 and 6; and Weekly Asphalt reported 29.71% on \$6.9 million in Districts 4 and 6.

Minority Business Enterprise (MBE) Report – Art Wright

In the Minority Business Enterprise Report, the Department is one month or about 8% through the state fiscal year and has expended 8% of the dollars spent last year. We are slightly below the average needed, but we did spend more this year in July than we did last year.

4. Additional Comments

Secretary Prasad reminded staff it will be a busy election time. Be mindful of reporters and sensitivity to emails. We don't work in a vacuum and are open government. Keep Dick Kane and Jim Boxold aware of any sensitive issues.

Diane Gutierrez-Scaccetti advised letters will be going out advising we no longer use the brown non-revenue cards. Fleet vehicles have transponders.

The meeting adjourned at 10:22 a.m.