

Florida Department of Transportation Monthly Performance Review Meeting March 20, 2014

1. Acknowledgement of Visitors: Brian Peters introduced Tom McCullion, the new Chief Information Officer. There were also 22 Professional Engineer Trainees in attendance.
2. Review of Minutes: The February minutes were approved.
3. Monthly Reports:

Performance Report – Freddie Simmons

This is a summary of the Performance Report for Program activities through March for FY 2014.

CONSULTANT ACQUISITION:

- Executed 102% of the plan in dollars at \$414M plus added or advanced for \$468M total to date.
- Executed 103% of the plan in numbers at 643 plus added or advanced for 806 total to date.
- 25 projects at \$17M have not been executed to date.
- 198 projects (23%) for \$172M (27%) remain for the FY.

March	30 @ \$17.2
April	45 @ \$34.4
May	47 @ \$36.7
June	76 @ \$84.0

RIGHT-OF-WAY:

CERTIFICATIONS:

- Certified 103% of the plan plus 16 extras for 56 total.

PROGRAM EXPENDITURES:

- Acquired 77% of the dollar value of parcel acquisitions for \$202M.
- Only 44% of expenditures committed to date.

ACQUISITIONS:

- Completed 117% of the YTD number plus 134 extras for 935 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 422 for almost 50% increase

EXCESS PROPERTY SUMMARY REPORT:

- \$2.0M in sales and \$3.3M in lease revenue for the year.

PRODUCTION ISSUES:

ADVANCED PRODUCTION (APP) as of 3/11/14:

DIST	2014	2015	2016	2017	2018	2019
01 Total	0	115,460,476	148,059,562	374,356,315	177,331,946	263,243,512
02 Total	2,013,712	192,898,106	212,005,127	149,320,669	77,053,199	157,524,431
03 Total	0	44,181,562	117,405,075	93,780,312	95,275,431	45,182,965
04 Total	50,000	98,577,765	66,127,613	0	27,965,540	0
05 Total	0	111,031,450	162,652,808	254,213,204	77,535,380	4,409,406
06 Total	0	74,932,105	319,949,915	166,424,576	221,682,408	48,534,794
07 Total	7,005,746	102,041,214	473,295,625	70,116,048	179,786,980	50,385,836
08 Total	16,018,296	185,424,183	180,142,967	189,705,267	5,000,000	4,175,337
Grand Total	25,087,754	924,546,861	1,679,638,693	1,297,916,390	861,630,885	573,456,280

AMENDMENTS for FY 2013:

- We had a total of \$449M in 115 amendments through February 28.

REVISIONS AND ADDENDUMS:

- There were 134 Contract Class 1 lettings in Central Office.

Addenda	139
Addenda 15 days	61
Revisions	125
Mandatory	91

CONTRACT LETTINGS:

- Let to contract 85% of the dollar plan at \$1,226M plus added or advanced for a \$1,239M total to date.
- Let to contract 95% of the adopted number for 258 plus added or advanced for a 274 total to date.
- 19 projects have not been let as planned to date for about \$86M. 10 of these are requiring a re-bid due to bid-rejections. There is one with bid protest and one no-bid. Reasons for the rejections are provided.
- 212 projects at \$1,420M remain to be let in last 4 months.

March	49 projects @ \$199.7M
April	44 Projects @ \$366.9M
May	70 projects @ \$531.0M
June	49 projects @ \$322.3M

- The breakdown by district is provided.

DIST	MARCH		APRIL		MAY		JUNE		TOTAL
	AMT \$M	#	AMT \$M	#	AMT \$M	#	AMT \$M	#	AMT \$M
1	9.5	9	77.5	7	17.3	9	6.6	6	\$110.9
2	8.1	6	31.2	7	107.7	7	103.8	10	\$250.1
3	6.6	6	42.4	11	5.1	8	30.1	6	\$84.2
4	143.0	11	37.6	6	241.7	21	34.8	2	\$457.1
5	0.2	1	84.0	6	19.1	7	17.7	6	\$121.0
6	14.7	8	13.5	4	24.6	9	27.5	10	\$80.3
7	8.3	5	14.3	2	12.0	5	46.9	8	\$81.5
8	9.3	3	66.4	1	103.5	4	54.9	1	\$234.1
SW	199.7	49	366.9	44	531.0	70	322.3	49	\$1,419.9
REMAINING: 51% OF DOLLARS...AND...45% OF NUMBER									

- A list of remaining projects > \$10M is also provided.

BID ANALYSIS:

- The adopted estimate of the 274 projects let to date was \$1,375M with the low bid of \$1,239M for \$136.0M in savings or -9.9%.
- Last FY through February we had let 287 projects at \$1,068M and were at \$99.6M in savings at -8.5% low bids.
- The difference between official estimate and low bid was -9.2%.
- 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.

139 projects had bids below adopted (51%)
78 projects had bids above adopted (29%)
57 projects had bids same as adopted (20%)

CONSTRUCTION:

- YTD at 2.7% cost increase with target of $\leq 10\%$ on 131 active contracts.
- YTD at 8.3% time increase with target of $\leq 20\%$ on 131 active contracts.
- YTD with 90.1% 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 80.9% of the contracts having final contract times less than 120% of original, with a target of $\geq 80\%$ (contract status 6, 7 or 8).
- Contracts not meeting cost and time targets are shown.

VALUE ENGINEERING

VALUE ENGINEERING (VE) PROGRAMS

- Statewide 13 VE Study to date.
- \$385.5M in Cost Avoidance/Savings recommendations with \$72.2M approved.
- \$12.7M in Value Added recommendations with \$4.9M approved.
- 146 recommendations with 66 approved or 45% with a target of > 40%.
- 2.60% projects saved and 5.57% program saved.

COST SAVINGS INITIATIVE (CSI) PROGRAM

- 23 CSI acted upon with 19 approved.
- \$5.1 M acted upon with \$4.7 M approved.
- 0.64% projects saved and 0.36% program saved.

TOTAL PROGRAM SAVINGS VE AND CSI COMBINED

- \$77.0M in total savings and 5.93% in total program saved

Kurt Lieblong gave the following report.

Since the last report in February 2014, there were 2 VE studies conducted and 10 Value Engineering recommendations approved worth \$4.86 million in project cost avoidance. There were 2 Cost Savings Initiative proposals approved totaling \$140,000 in project savings.

Through February 2014, there were 13 Value Engineering Studies conducted statewide. The Department approved 66 of 146 (45%) Value Engineering recommendations worth \$72.23 million in project cost avoidance and \$4.93 million in value added. This resulted in a 2.60% project savings and a 5.57% program savings. During this same period, 19 Cost Savings Initiative proposals were approved worth \$4.72 million in project savings. This resulted in a 0.64% project savings and a 0.36% program savings.

The total combined savings of the VE & CSI programs through January 2014 is \$76.95 million and the combined % program saved is 5.93%.

CONTRACT MAINTENANCE:

- \$ Contracted statewide 107% of plan - \$349M or \$22M above plan.

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

- FLP YTD at 121% of plan - \$595M or \$104M above plan.
- FRE YTD at 159% of plan - \$86M or \$32M above plan.
- Note: D5 has \$50M in March and \$192M in June.

LAP PROGRAM:

CONSULTANT LAP ACQUISITIONS

- Executed 123% dollars and 109% number to date

CONTRACT LAP LETTINGS

- Let YTD 152% of dollars and 121% 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 \$1,848,745,000
- Total Obligation through December 31, 2013 for FED FY 13/14 = \$389,573,000
- Unexpended balance is at 0.94% with target of < 2.00%.

James Jobe provided the Federal Aid report.

Federal Legislation:

As mentioned last month, both the House and Senate are continuing to conduct hearings and receive input from interested parties and subject matter experts on the next transportation act and how to fund the shortfall in the Highway Trust Fund.

Also, the President's recently released budget proposal includes a recommendation to Congress for a four year transportation reauthorization bill with \$302 billion in funding over the four year period. This is to be paid for by new, non-recurring revenues generated through business tax reform. If passed into law, it would increase funding from current levels by \$90 million over the next four years. It would:

- Triple funding for the Federal Railroad Administration
- Double funding for TIGER grants
- Increase Federal Transit Administration funding by 68%
- Increase Federal Highway Administration funding by 16%
- Create a new \$1 billion per year incentive grant program for "competitively awarded funding over four years to incentivize innovation and local policy reforms to encourage better performance, productivity, and cost-effectiveness in our transportation systems". Another discretionary program where project selection is controlled by the USDOT instead of Congress or the states.

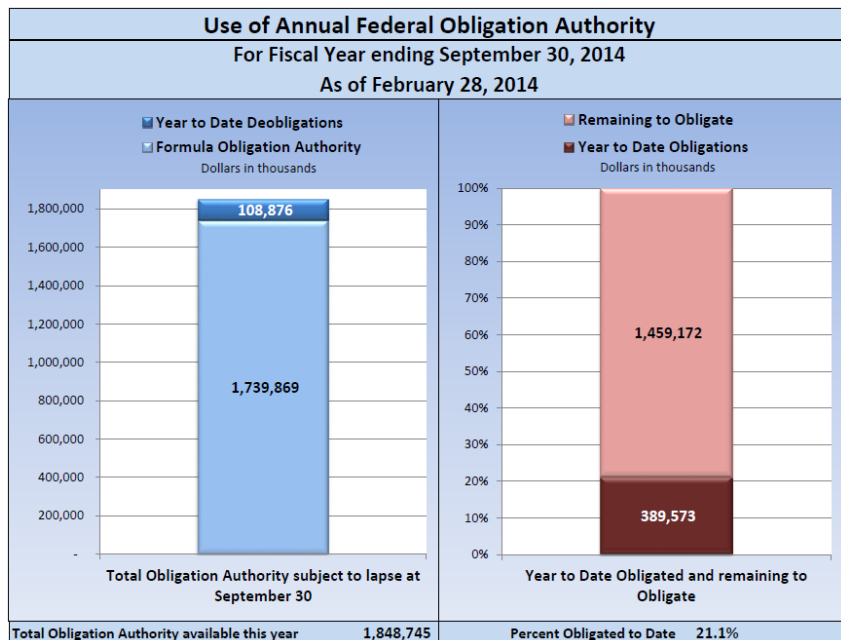
However, his proposal is widely viewed as unrealistic given the current political climate and the strict budgetary limitations imposed by the Budget Control Act's spending caps; and there is still no political appetite in Congress for either business tax reform or an increase to the federal fuel tax, as least not until after the congressional elections this coming November.

Reimbursements to states out of the Highway Trust Fund are accelerating. According to the latest update to the USDOT's Highway Trust Fund Ticker, the projected shortfall has been advanced by two weeks since last month's update. The USDOT's acting undersecretary for policy said during a congressional hearing this past week that they may have to begin rationing reimbursements to states in July. When rationing begins, the states will be paid less frequently and each payment will likely be only 80 to 90 percent of each payment request and the frequency and percentages will continue to be reduced as the point of insolvency approaches.

So cross your fingers and hope that congress will come up with a solution in the next few months.

Obligation Authority Plan:

At the end of last month, we had total obligations of almost \$390 million, which represents 21.1% of our total OA for the year, which includes about \$109 million in year-to-date deobligations that must be reobligated before year end.

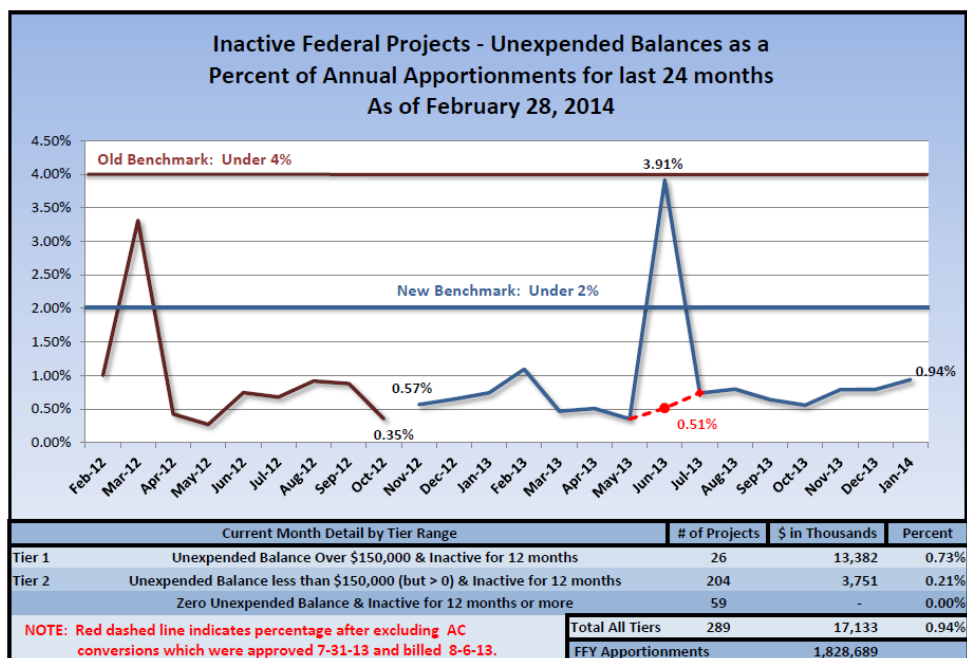


Financially Inactive Federal Aid Projects:

We are now operating under FHWA's new criteria for defining a financially inactive federal project. On January 28, we received the official memorandum from FHWA in which they indicated the percentage inactive in the future, for purposes of comparing to the national 2% benchmark, will include all projects which have been inactive for one year or more, thus eliminating the tier structure we've operated under in the past.

However, we've elected internally to continue to stratify these inactive projects into those over \$150,000 and those under \$150,000, but we are also segregating how many of these have zero unexpended balances, in order to prioritize the workload we are placing on district staff.

As the chart indicates, last month our overall inactive percentage was .94%, still well under the 2% national benchmark.



TRANSPORTATION COMMISSION MEASURES:

- All measures were met.
- 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 FEBRUARY 28, 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%	95% 273 Plan 258 Performance 274 Production	85% Plan \$1,436 M Performance \$1,226 M Production \$1,239 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	2.7%	8.3%
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.	Acquisitions		Acquisitions	
		Number	Amount	Number	Amount
		≥ 95%	≥ 95%	103% 622 Plan 643 Performance 806 Production	102% Plan \$406 M Performance \$414 M Production \$468 M
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 \$327 M Performance \$349 M	
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%		121% Plan \$54 M Performance \$86 M	

MEASURES SUMMARY:

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

FY 2014/2015 LOCKDOWN PLAN PREVIEW BASED ON 2/6/14 SNAPSHOT:

- LETTINGS: \$2,802M 447 PROJECTS (THE \$2.1B I-4 DBFOM PROJECT NOT INLCUDED)
- ACQUISITIONS: \$696M 1,049 PROJECTS

A LETTING HISTORY CHART FROM 2004 WITH PROJECTIONS THROUGH 2019 WAS INCLUDED.

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, a column showing the amount of budget authority expended has been added to the presentation. As of February 28, we were approximately 66.5% through the fiscal year. There was a 74% overall commitment level, and a 49.6% expended level for the selected categories. Potential Roll Forward by District (as of 03/05/14) was also presented which reflected an overall 58.6% 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. As of February 28, there was a 56.9% overall commitment of Salaries & Benefits budget.

Personnel Reports – Irene Cabral

The vacancy report was given.

Economic Parity – Art Wright

In the February Economic Parity report for Females, the Department had opportunities in all the categories where we have a need, but was only able to hire 1 female Hispanic in the Professionals category during February.

In the report for Males, the Department hired 2 Hispanic Males in the Professionals category and 1 Asian male in the Technicians category.

The report shows the breakdown by district. Thanks to Districts 4 and 6 in helping the Department in our efforts to achieve economic parity among the EEO job categories.

Disadvantaged Business Enterprise (DBE) Report – Art Wright

The DBE report through February shows 9.59% DBE participation on federally funded contracts. The report also shows the DBE participation for the first 5 months by district and type of work. It also shows the DBE participating on state funded contracts at 10.66% and the DBE participation on state and federal funds combined at 10.07%

Some highlights over the last month in construction include: a \$1.6 million LAP contract in District 5 with Atlantic Civil who reported 11% DBE participation and a \$3.8 million contract in District 7 with Preferred Materials who reported 13.4% DBE participation. For professional services, in District 3 Palmer Engineering reported 37.53% DBE participation on a \$1.4 million contract; in District 6 New Millennium reported 17.9% participation on a \$7.4 million contract; and in the Turnpike Stantec reported 23.2% participation on \$6 million.

Minority Business Enterprise (MBE) Report – Art Wright

In the Minority Business Enterprise Report, the Department is 8 months or 67% through the state fiscal year and has expended 75.1% of the dollars spent last year to certified MBEs. We continue to move on a very good, steady pace to achieve the MBE goal again this year.

4. Additional Comments

District 1 Secretary Billy Hattaway advised the trainees that upper management spends a lot of time on how our funds and time are spent on projects. We have commitments to local governments. We also try to distribute the work among construction/consultants so as not to overburden our industry partners. We also need to consider how projects affect the public and businesses.

District 5 Secretary Noranne Downs explained how each district sets its own goals on funds and time on projects and they are responsible for themselves and meeting their goals.

Assistant Secretary Rich Biter encouraged trainees to come on board to see how we do production and that this is the largest work program DOT's ever had.

Assistant Secretary Brian Peters advised this is an exciting time to be at DOT. We are continually looking for new talent for the agency. We have good support of our Governor and local governments by delivering quality projects. We will open I-595 next week, the SunRail in April and the Miami Tunnel in June. Also, the winner of the I-4 project will be announced in a few months. It's all about stepping up, bringing your "A" game, and working to make a difference.

The meeting adjourned at 9:55 a.m.

Note: Due to technical difficulties, this meeting was not recorded.