

Florida Department of Transportation Monthly Performance Review Meeting January 15, 2015

1. Acknowledgement of Visitors: The following people were introduced:

Rachel Cone – Assistant Secretary for Finance and Administration
Mike Dew – Chief of Staff
James Christian and David Hawk – FHWA

2. Review of Minutes: The November minutes were approved.

3. Monthly Reports:

Performance Report – Freddie Simmons

This report includes the FY2015 program activities through the month of December. The percentage and dollar values provided are rounded. This year marks the 100th anniversary of FDOT. A brief 1915 history was included.

CONSULTANT ACQUISITION:

- \$ - 101% of the planned projects in dollars plus added or advanced for \$374M YTD.
- # - 109% of the plan in numbers plus added or advanced for 635 YTD.

RIGHT-OF-WAY:

CERTIFICATIONS:

- 135% planned projects were certified plus 14 extra for 41 certifications YTD.

PROGRAM EXPENDITURES:

- 106% of the plan program expenditures for \$221M.

ACQUISITIONS:

- 128% of the planned number for 751 acquisitions YTD.

METHOD OF ACQUISITIONS:

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

EMINENT DOMAIN/PARCEL INVENTORY:

- Began the year 7/1/14 with 472 parcels in the inventory and now at 496.
- 18% are > 24 months with a target of ≤ 40%.

SURPLUS PROPERTY SUMMARY REPORT:

- \$575.5K in sales and \$3.4M in lease revenue for the year.

PRODUCTION ISSUES:

ADVANCED PRODUCTION (APP) as of 1/8/15:

- Construction only advancements:

APP AS OF 1/8/15 PHASE 52 ONLY IN \$M					
STATUS	ONLY STATUS 16-17-18-19-28	ALL STATUS	ALL STATUS	ALL STATUS	ALL STATUS
DIST	2015	2016	2017	2018	2019
1		96.7	40.3	317.4	192.3
2		166.7	128.3	66.7	53.7
3		33.4	30.7	0.0	38.7
4	34.9	475.5	294.4	97.1	1.0
5	21.6	18.5	102.6	223.5	103.5
6		38.6	216.1	114.5	113.1
7		418.7	33.2	169.1	141.4
8		36.9	34.0		3.6
SW	56.5	1,285.1	879.6	988.3	647.3

- Additional tables were provided with all phases for advancement.

AMENDMENTS for FY 2015:

- Through December 31, Amendments totaled \$300M had been sent to the EOG for approval.
- ADDS - \$207.7M ADVANCES - \$2.6M DEFERS - \$59.6M
DELETES - \$29.9

REVISIONS AND ADDENDUMS:

- There were 90 Contract Class 1 lettings in Central Office.
 - 40 Addenda
 - 21 Addenda 15 days
 - 38 Revisions
 - 8 Mandatory

CONTRACT LETTINGS:

- \$ - 94% of the planned projects plus \$49M added or advanced for total of \$950M let YTD.
- # - 99% of number plus 11 added or advanced for 206 let YTD.

BID ANALYSIS:

- The adopted estimate of the 206 projects was \$993M with the low bid of \$950M for \$43M in savings or -4.3%.

- The difference between official estimate and low bid was -4.7%.

CONSTRUCTION:

- 4.7% cost increase with target of $\leq 10\%$ on 157 active contracts.
- 10.8% time increase with target of $\leq 20\%$ on 157 active contracts.
- 93.0% of the contracts having final contract costs less than 110% of original, with a target of $\geq 90\%$ (contract status 6, 7 or 8) - 2 districts DID NOT meet the target.
- 74.5% of the contracts having final contract times less than 120% of original, with a target of $\geq 80\%$ (contract status 6, 7 or 8) - 3 districts DID NOT meet the target.

VALUE ENGINEERING:

VALUE ENGINEERING (VE) PROGRAMS

- Statewide: 10 VE Study to date.
- \$485.0M in Cost Avoidance/Savings recommendations with \$198.5M approved.
- \$79.0M in Value Added recommendations with \$14.2M approved.
- 101 recommendations with 71 approved or 70% with a target of $> 40\%$.
- 10.28% projects saved and 18.94% program saved.

COST SAVINGS INITIATIVE (CSI) PROGRAM

- 21 CSI acted upon with 18 approved.
- \$3.18M acted upon with \$3.08M approved.
- 0.42% projects saved and 0.29% program saved.

TOTAL PROGRAM SAVINGS VE AND CSI COMBINED

- \$201.59M in total savings
- 19.24% in total program saved with a target of $\geq 2\%$.

Kurt Lieblong gave the following summary:

Since the last report in November 2014, there were 2 VE studies conducted and 11 Value Engineering recommendations approved worth \$6.12 million in project cost avoidance. There were also 2 Cost Savings Initiative proposals approved totaling \$30,000 in project savings.

Through December 2014, there were 10 Value Engineering Studies conducted statewide. The Department has approved 71 of 101 (70%) Value Engineering recommendations worth \$198.51 million in project cost avoidance and \$14.20 million in value added. This resulted in a 10.28% project savings and a 18.94% program savings. During this same period, 18 Cost Savings Initiative proposals were approved worth \$3.08 million in project savings. This resulted in a 0.42% project savings and a 0.29% program savings.

The total combined savings of the VE & CSI programs through December 2014 is \$201.59 million and the combined % program saved is 19.24%.

CONTRACT MAINTENANCE:

- 104% of dollar at \$347.5M expenditures.

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

- FLP – 152% of plan for \$508.9M YTD.
- FRE – 170% of plan for \$103.5M YTD.

LAP PROGRAM:

CONSULTANT LAP ACQUISITIONS

- 94% of dollars plus \$0.31M adds or advances for total of \$41.85M YTD.
- 100% of number plus 4 adds or advances for 20 total YTD.

CONTRACT LAP LETTINGS

- 110% of dollars plus \$1.24M adds or advances for total of \$4.38M YTD.
- 103% of number plus 2 adds or advances for 43 total YTD.

FEDERAL AID:

- Total OA available for this Federal FY is \$1,834,138,000
- Total Obligation through December 31, 2014 for Federal FY = \$290,247,000
- Unexpended balance is at 0.23% with target of < 2.00%.
- Inactive Projects - 56 FED and 5 LAP.

James Jobe gave the following report.

Federal Legislation:

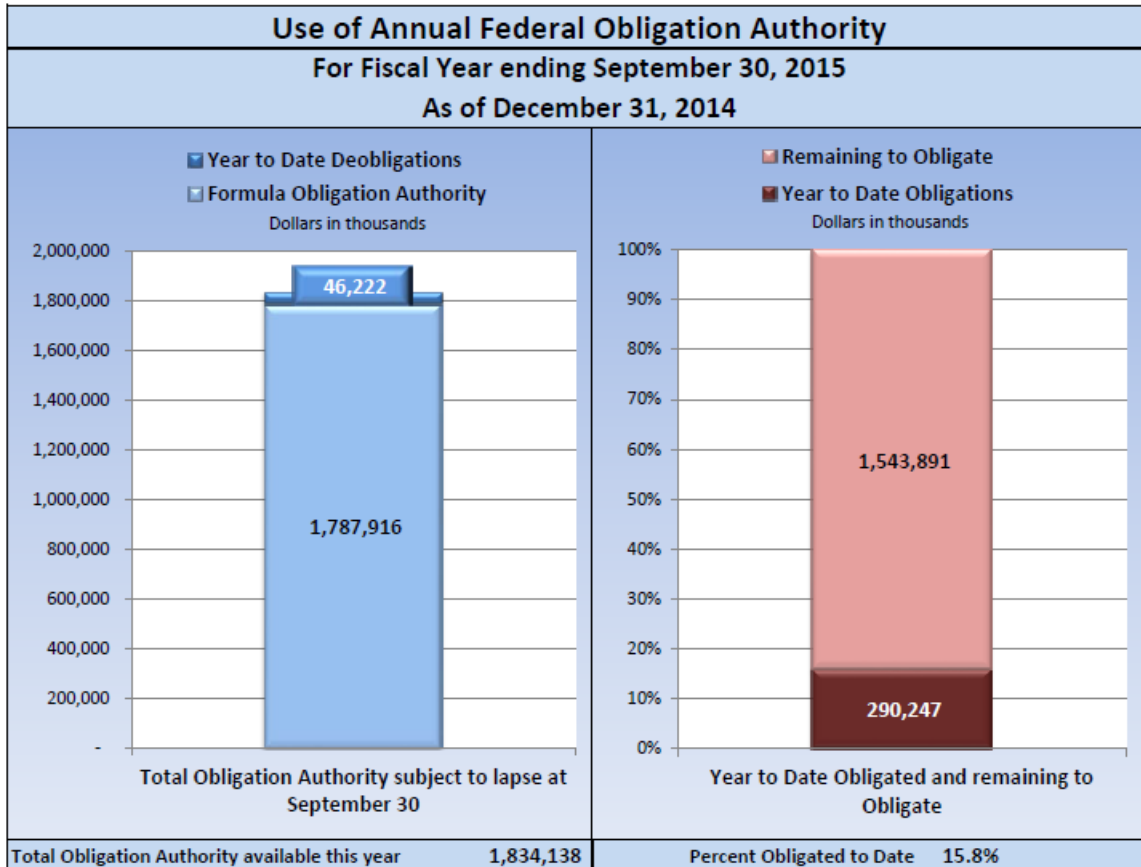
We are still operating under the MAP-21 extension through May which provides a continuation of the federal surface transportation program. Last month, the 113th Congress passed a full year's appropriation bill for the USDOT, which provided federal budget authority for the rest of the year.

The 114th Congress is now in session and struggling with how to fund transportation needs after May, and what to do about the federal Highway Trust Fund which is due to become insolvent by the end of the summer.

More and more members of Congress are starting to seriously discuss an increase to the gas and diesel tax as a way of funding surface transportation in the years to come. Other ideas include corporate tax reform or simply reducing the federal program to currently sustainable levels. Look forward to various legislative proposals between now and the end of May.

Obligation Authority Plan:

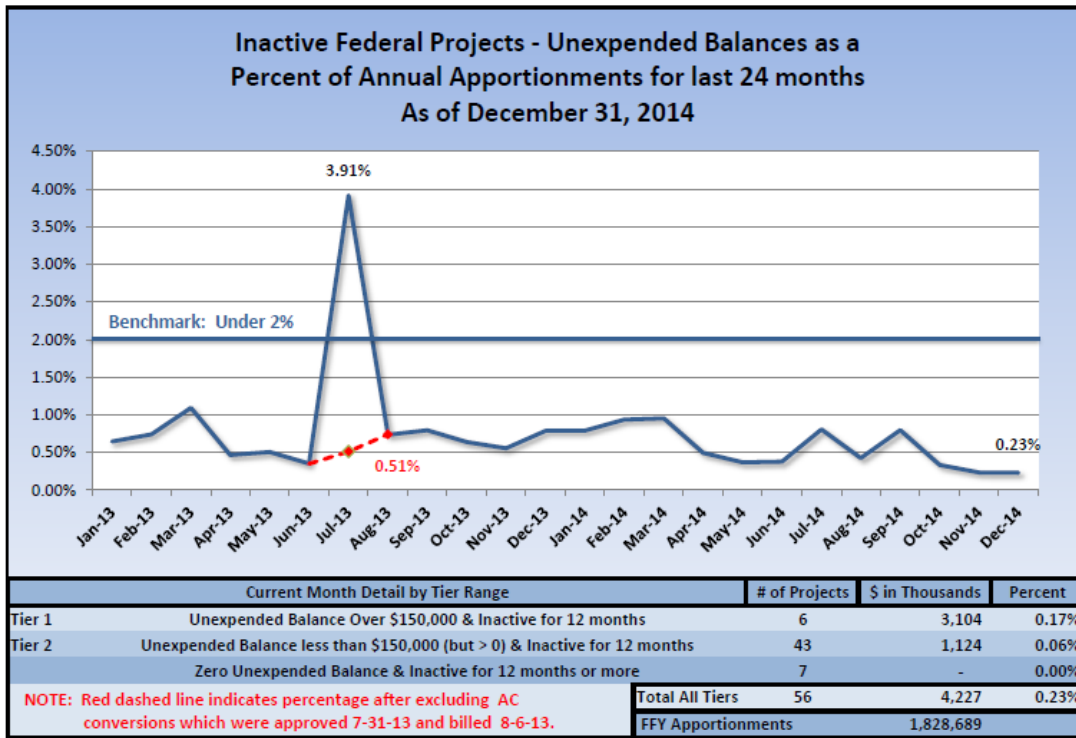
At the end of last month we had total year to date obligations of \$290 million, which represents about 16% of our total Obligation Authority for the year, which includes \$46 million in year-to-date deobligations that must be reobligated before year end.



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.

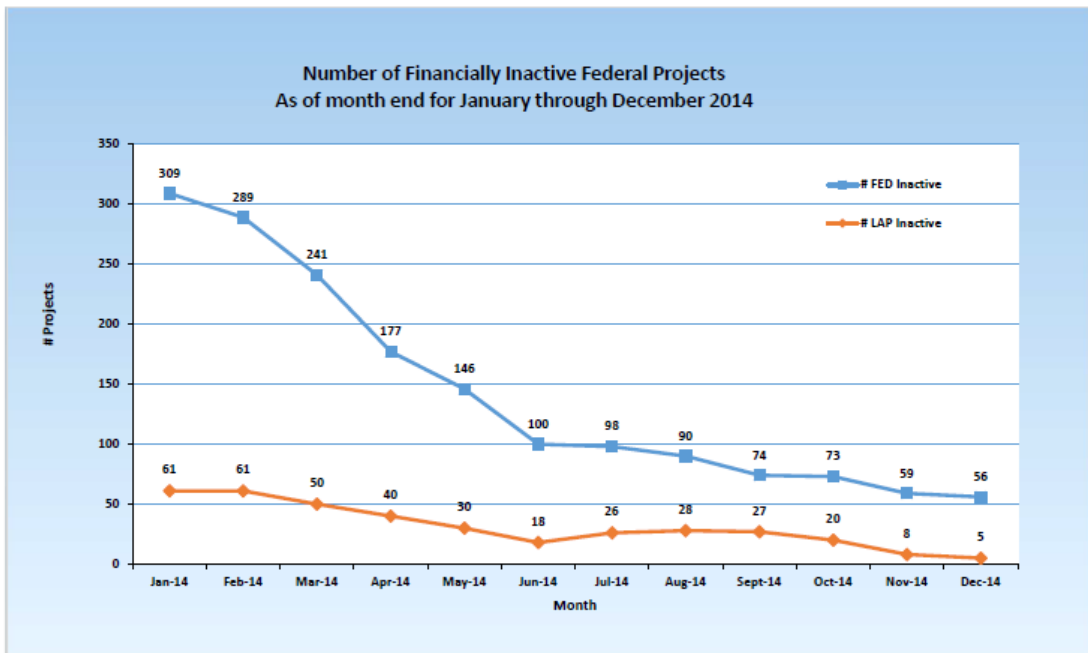
We are still maintaining our inactive percentages well below the national benchmark, as shown in the chart. Last month our overall inactive percentage was .23%, which is a slight reduction from the prior month. The number of inactive projects was also reduced to 56, which is also down



from last month.

Regarding the number of inactive projects, the next chart shows the number of inactive projects at the end of each month since last January. We've made very good progress not only in keeping our dollar percentages well below the national benchmark, but also in the number of inactive projects. Since January, the blue line shows we've gone from 309 projects to just 56 at the end of last month.

We've also made significant progress on the inactive projects in our Local Agency Program. The number of LAP projects went from 61 in January to just 5 at the end of last month.



TRANSPORTATION COMMISSION MEASURES:

- The Construction Contract Time Adjustments at 73.2% had 4 districts not meeting the target.
- Individual measure not meeting target in the districts are highlighted.
- The TC Measures have changed to 17 primary measures starting FY2013/2014.
- The TC 2013/2014 Report measure results were included and 16 of 17 measures were met. The only measure not met was the *PERCENTAGE OF CONSTRUCTION CONTRACTS THAT WERE COMPLETED AT A COST WITHIN 10% ABOVE THE ORIGINAL CONTRACT AMOUNT*. It almost met the measure at 89.1% with a target of 90%.

MEASURES SUMMARY:

Congratulations to D6 who met or exceeded all measure targets.

Salary Projections and Operating Budget – Greg Patterson

Potential Roll Forward (Work Program percent committed):

Potential roll forward reflects the amount of funds committed versus the allotments provided. Using 50% as a benchmark for the end of November, Districts that fall below this figure may wish to examine their level of contingency boxes as well as their scheduled lettings to make sure they have sufficient planned commitments to consume the majority of the budget.

- District 5 continues to lead the pack in successful commitment of funding at 60.4%. District 6 replaced the Turnpike Enterprise for second place at 59.9% and District 7 is coming in a close third at 57.2%.
- Using 50% as a benchmark, several districts may wish to review their letting plans. Larger commitments later in the fiscal year could easily explain the appearance of falling behind.
- District 4 is unusually low at 37.5%, but there is a \$130M commitment scheduled for May that skews the data.
- Central Office maintains the statewide funds contingency and therefore has the lowest percentage of commitment at 20.9%.
- The remaining districts are operating at levels expected for this time of year.

Department Level Operating Budget Categories:

- The category with the highest spend rate is *expenses*, but at 49% of the allotment, this is an expected level.
- Consultant fees has a low percentage of expenditure at 23%. Surprisingly, HRD is also at 37%.
- There has been a strong demand from the 5% holdback on contracted services. Keep in mind, circumstances may allow for use of consultant fees or another category for eligible expenditures.
- TM&E is only 50% committed with 35% expenditures. Make sure your respective budget staff evaluate opportunities in this category.
- All other categories are within reason.

Fixed Capital Outlay

- Prior year FCO (FY 2013-14) is at 99.4% commitment. We anticipate a minimal amount of this will revert on February 1st.
- Current year FCO (FY 2014-15) is at 59.1% which is on track to where we should be. It represents an increase of 15.2% over our last briefing.

District by District Comparison

- District with the highest percentage of operating budget expenditures is the Turnpike Enterprise at 48.1%
- District with the lowest percentage of operating budget expenditures is District 7 at 32.2%, which is a little over 20% less than we'd expect by this time of year; however, large planned expenditures aren't going to show on this level of reporting.

Salaries and Benefits Data

- All districts are close in percentage of salaries and benefits budget committed (between 44.7% and 49.1%).

Human Resources Reports – Irene Cabral gave an update on human resource issues.

Equal Opportunity Office Reports – Art Wright

Disadvantaged Business Enterprise Report

For the first three months of the federal fiscal year, DBE participation on federally funded contracts is at 11.2% compared to our new goal of 9.91%. The chart shows the DBE participation by month for federal, state and combined funds. The DBE participation on state funded contracts is at 9.32% and the DBE participation on state and federal funds combined is at 10.15%.

The chart also shows the DBE participation on federal and state contracts by district. For federally funded contracts, Districts 2, 3, 5, 6 and 7 are above the 9.91% goal. For state funded contracts, Districts 1, 3, 5 and 7 are above the 9.91% goal. The information on the chart shows the DBE participation for each month.

Secretary Boxold signed the DBE letter grades last week and they were mailed.

Last year was a banner year and we are hoping for the same this year. Over the last 3 months we had 4 contractors exceed 20% DBE participation and 2 others that deserve an honorable mention:

- In District 2, Peavy & Son reported 24.28% on a \$8.7 million contract
- Also in District 2, Superior reported 22.07% on a \$8.5 million contract
- In District 6, Community Asphalt reported 22.51% on a \$3.9 million contract
- For the Turnpike, Southland reported 23.79% on a \$16.7 million contract
- In District 3, Anderson Columbia reported 18.06% on a \$4.7 million contract
- In District 4, Russell reported 11.5% on a \$11.7 million contract

Minority Business Enterprise Report

In the Minority Business Enterprise Report, the Department is half way through the state fiscal year and has expended 50.2% of the dollars spent compared to last year with MBEs. We are barely spending more than we did last year and will continue to monitor this program very carefully. Districts 1, 3, 6, and 7 are on track to spend more than they did last year.

Business Development Initiative

For the quarterly Business Development Initiative report, the charts have changed. The graphs on page 5 show the percentage of contracts that have been reserved through December. For construction and maintenance contracts, the Department's goal is 10% and we have only reserved 7.85% of the contracts; for professional services contracts, our goal is 15% and we have reserved 13.84% of those contracts. Page 6 shows the year to date percentage by district. For construction & maintenance, Districts 1, 5 and 6 are above 10%; for professional service, Districts 3, 4, 5 and 7 are above the 15% goal.

We are also tracking the professional service dollars that are awarded to small businesses as a prime or a sub. Our goal is to spend 20% of our dollars with small businesses and through December we have spent 24.7%. The chart shows that Districts 3, 4, 5, 6 and 7 have exceeded the 20% goal.

Economic Parity Report

The Economic Parity Report is now a quarterly report that also has some new slides that show our status a little differently than before. We are still sending out our standard reports and these charts show more summary information. One chart shows that the statewide need for females in the different EEO categories is 46 and the statewide need for males 172. Most of our needs are for Hispanics in the skilled craft and service maintenance categories. The downward trend shows that overall, the Department is making progress in achieving economic parity in our workforce.

The chart shows the percentage of new hires in an EEO category that has a need. Departmentwide, 14.21% of our new hires have been with individuals that have helped us to close the economic parity gap. Over the last 6 months, the 14.21% represents 54 Hispanics that have been hired. Of the 54, District 1 hired 3, District 4 hired 14, District 5 hired 4, District 6 hired 18, District 7 hired 3, the Turnpike hired 3 and the Central Office hired 9.

4. Additional Comments - None

The meeting adjourned at 10:18 a.m.