

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

1. Acknowledgement of Visitors: No visitors were introduced; however, Secretary Boxold thanked District 5 for hosting this month's meeting.
2. Review of Minutes: The September minutes were approved.
3. Monthly Reports:

Performance Report – Freddie Simmons

This report includes the FY2016 program activities through the month of September. The percentage and dollar values provided are rounded.

CONSULTANT ACQUISITION:

- \$ - 103% of the planned dollars plus added or advanced for \$302M YTD.
- # - 119% of the plan in numbers plus added or advanced for 411 YTD.
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RIGHT-OF-WAY:

CERTIFICATIONS:

- 118% planned certified plus 4 extra for 24 certifications YTD.

PROGRAM EXPENDITURES:

- 112% of the plan program expenditures for \$92M.

EMINENT DOMAIN/PARCEL INVENTORY:

- 19% are > 24 months with a target of \leq 40%.

SURPLUS PROPERTY SUMMARY REPORT:

- \$1.0M in sales and \$1.7M in lease revenue for the year.

PRODUCTION ISSUES:

ADVANCED PRODUCTION (APP) as of 10/5/15:

SWAT DASHBOARD UPDATE:

- The SWAT dashboard update was provided but no report given on the current 13 projects.

AMENDMENTS for FY 2016:

- Through September 30, 2015, Amendments totaling \$69.4M were sent to the EOG for approval.
 - ADDS or ADVANCES \$12.1M
 - DEFERS or DELETES \$57.3M

REVISIONS AND ADDENDUMS:

- There were 42 Contract Class 1 lettings in Central Office.

- 21 Addenda
- 9 Addenda 15 days
- 19 Revisions
- 4 Mandatory

CONTRACT LETTINGS:

- \$ - 72% of the planned plus added or advanced for total of \$299M
- # - 90% of number plus added or advanced for 81 let YTD.
- There have been 9 projects (6 contracts) not let as planned to date @ \$86.19M. Of this \$77.02 was deferred and \$9.17 was in bid rejections due to high bids.

BID ANALYSIS:

- The adopted estimate of the 81 projects was \$330.66 M with the low bid of \$299.08M for \$31.58M in savings or -10%.
- The difference between official estimate and low bid was -13%.

CONSTRUCTION:

- 7.0% cost increase with target of $\leq 10\%$ on 105 active contracts.
- 8.5% time increase with target of $\leq 20\%$ on 105 active contracts.
- 95.2% of the contracts having final contract costs less than 110% of original, with a target of $\geq 90\%$.
- 85.7% of the contracts having final contract times less than 120% of original, with a target of $\geq 80\%$.

VALUE ENGINEERING

VALUE ENGINEERING (VE) PROGRAMS

- Statewide: 3 VE Study to date.
- \$55.02M in Cost Avoidance/Savings recommendations with \$53.03M approved.
- \$5.91M in Value Added recommendations with \$1.72M approved.
- 23 recommendations with 19 approved or 83% with a target of $> 40\%$.
- 17.63% projects saved and 6.39% program saved.

COST SAVINGS INITIATIVE (CSI) PROGRAM

- 6 CSI acted upon with 6 approved.
- \$1.02M acted upon with \$1.02M approved.
- 0.25% projects saved and 0.12% program saved.

TOTAL PROGRAM SAVINGS VE AND CSI COMBINED

- \$54.05M in total savings
- 6.51% in total program saved with a target of $\geq 2\%$.

Ben Lewis reported there were three studies reported in the Value Engineering program for the first three months of the fiscal year. We had 15 out of 18 recommendations approved, resulting in \$53,000,000 in cost avoidance. In addition, we had \$1,720,000 in value added in that time. This resulted in a 17.63% project savings and a 6.39% program savings.

During this same period, 6 Cost Savings Initiatives were approved worth \$1,020,000 in project savings. This resulted in a 0.25% project savings and a 0.12% program savings.

The total combined savings of the VE & CSI programs through September 2015 is \$54,000,000 and the combined program saved is 6.51%.

CONTRACT MAINTENANCE:

- 103% of dollar at \$333.5M expenditures.

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

- FLP – 132% of plan for \$310.36M YTD.
- FRE – 125% of plan for \$115.15M YTD.

LAP PROGRAM:

CONSULTANT LAP ACQUISITIONS

- 172% of dollars
- 100% of number

CONTRACT LAP LETTINGS

- 109% of dollars
- 150% of number

FEDERAL AID:

- Total OA available for the FED FY is \$1,910,776,000
- Unexpended balance is at 0.15% with target of < 2.00%.
- Financially inactive federal projects as of August 31, 2015 is 74 with 24 as LAP projects.

James Jobe reported we are currently operating under the most recent extension of MAP-21 which expires on October 29th. We're also operating under a Continuing Resolution for the entire federal government that expires on December 11th and the national debt limit must be raised by the end of the first week in November. So this fall will be a busy time for Congress.

The good news is that the Federal Highway Trust Fund is currently projected to not go broke until the end of July, although FHWA will have to start rationing cash reimbursements to the states as early as the end of May.

The administration and the Senate have already proposed their respective versions of a new multi-year surface transportation act, but the House has yet to put one together. The current schedule is for the House to have an outline of a markup of their own bill before the end of October, but there will be no time to complete the bill nor to determine how to fund it before the current MAP-21 extension expires on October 29th. So expect yet one more short-term extension of MAP-21. For how long is anybody's guess at this point in time, but it's likely to coincide with the next time the highway trust fund will need to be replenished, which means sometime next spring.

Obligation Authority Plan:

For the federal fiscal year, which ended last month, we had total obligations of \$1.9 billion, which included \$151 million in year-to-date deobligations that were reobligated before year end. As is the case each year, we fully consumed 100% of all the available Obligation Authority available to us, including the additional \$83.7 million in redistributed Obligation Authority we received the first week of September.

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 well below the national benchmark. Last month we again tied our record for best performance, with our overall inactive percentage of .15%, consisting of 74 inactive projects.

That's the good news. But if you look at the chart, you will see a disturbing trend. We will see that the number of inactive projects in our LAP Program continues to rise while, at the same time, our overall project count has decreased from the prior month.

District staff should spend some extra time in the next weeks and months to reverse this trend, to ensure their LAP partners are moving these projects along and that appropriate closing documents are being submitted to the Department in a timely manner.

TRANSPORTATION COMMISSION MEASURES: These are now highlighted in the Summary report.

MEASURES SUMMARY:

- Congratulations to Tommy Barfield in D3 for meeting or exceeding all measure targets.

Salary Projections and Operating Budget – Greg Patterson

Potential Roll Forward (Work Program percent committed):

- District 5 is leading the pack at 54.45% committed which is excellent. All other districts are within tolerance.

Department Level Operating Budget Categories:

- Expenditures in the Expenses category is higher than expected at 34%. This category usually trends linear through the year and we would expect to see closer to 25% at this point. All other categories are in tolerance

Fixed Capital Outlay

- Current year FCO (FY 2015-16) is at 3.6% which is low, but our major projects have not begun.

District by District Comparison

- All districts are currently in tolerance.

Salaries and Benefits Data

- Salaries and Benefits budget is within tolerance.

Human Resources Reports – Tiffany Bailey advised we have a 9% vacancy rate and 2% positions vacant over 180 days.

Equal Opportunity Office Reports – Art Wright

Disadvantaged Business Enterprise Report

There is no DBE report for this month. The Equal Opportunity Office is working to finalize the end of the federal fiscal year report and will provide that report next month.

Minority Business Enterprise Report

In the Minority Business Enterprise Report, the Department is 3 months, or 25%, through the state fiscal year and has expended 27.6% of the dollars spent compared to last year with MBEs. It is early, but we are certainly on track to achieve our goal again this year. Most districts are also on track to achieve their goal.

Business Development Initiative

For the quarterly Business Development Initiative report, we are measuring how many contracts have been reserved for small businesses. For construction and maintenance contracts, our goal is to reserve 10% of the contracts and, for the first 3 months of the year, we have reserved 13.04%. For professional services contracts, our goal is 15% and we have reserved 13.19% of those contracts. The number of reserved contracts for maintenance includes renewals for BDI contracts let last year. It also includes professional services contracts that have task work orders authorized for BDI contracts executed last year.

For construction and maintenance, Districts 2, 3, 4 and 5 are above 10%; for professional service, Districts 4, 5 and the Turnpike 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 September, we spent 24.5%. Districts 1, 4, 6 and the Central Office are exceeding the 20% goal.

Economic Parity Report

The quarterly Economic Parity Report shows the statewide need for females in the different EEO categories is 35 and the statewide need for males 164.

Department wide, 14.07% of our new hires were with individuals that have helped us to close the economic parity gap. For the first 3 months, we hired 19 employees to help meet our needs. Of the 19, District 1 hired 1, District 2 hired 3, District 4 hired 5, District 5 hired 2, District 6 hired 1, District 7 hired 1 and the Central Office hired 6.

4. Additional Comments

The meeting adjourned at 9:08 a.m.