

Florida Department of Transportation  
Monthly Performance Review Meeting  
November 19, 2015

1. Acknowledgement of Visitors: No visitors were introduced.
2. Review of Minutes: The November minutes were approved.
3. Monthly Reports:

**Performance Report** – Freddie Simmons

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

**CONSULTANT ACQUISITION:**

- \$ - 107% of the planned dollars plus added or advanced for \$391M YTD.
- # - 116% of the plan in numbers plus added or advanced for 494 YTD.

**RIGHT-OF-WAY:**

**CERTIFICATIONS:**

- 121% planned certified plus 4 extra for 27 certifications YTD.

**PROGRAM EXPENDITURES:**

- 120% of the plan program expenditures for \$129M.

**EMINENT DOMAIN/PARCEL INVENTORY:**

- 18.8% are > 24 months with a target of  $\leq$  40%.

**SURPLUS PROPERTY SUMMARY REPORT:**

- \$1.0M in sales and \$2.3M in lease revenue for the year for total of \$3.3M in revenue.

**PRODUCTION ISSUES:**

**ADVANCED PRODUCTION (APP) as of 11/9/15:**

VALUE IN \$M			
CONSTRUCTION PHASE 52 ONLY			
STATUS	STATUS 16-17-18-19-28	ALL STATUS	ALL STATUS
DIST	2016	2017	2018
1	9,278,894	148,819,076	223,243,389
2	38,171,113	36,514,601	157,452,887
3		29,902,325	
4	21,216,445	328,052,944	447,983,916
5	24,611,767	36,589,776	48,765,414
6		8,614,707	15,300,614
7		79,939,545	2,540,492,440
8			
SW	93,278,219	668,432,973	3,433,238,660
SUPPORT PHASES (ALL STATUS)			
PE	19,776,250	70,677,476	66,451,687
ROW	34,374,855	164,449,370	164,059,018
CEI	20,201,283	70,828,662	279,683,257
ALL CONSTRUCTION PHASES			
{52, 56, 57, 58}	197,666,041	684,448,128	3,439,614,895
ALL APP PHASES			
ALL PH	272,018,429	990,403,637	3,949,808,857

SWAT DASHBOARD UPDATE:

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

AMENDMENTS for FY 2016:

- Through October 31, 2015, Amendments totaled \$207.6M had been sent to the EOG for approval.
  - ADDS or ADVANCES \$82.3M
  - DEFERS or DELETES \$125.3M
  - NET REDUCTION OF -\$43.0M

REVISIONS AND ADDENDUMS:

- There were 63 Contract Class 1 lettings in Central Office.
  - 39 Addenda
  - 13 Addenda 15 days
  - 30 Revisions
  - 4 Mandatory

CONTRACT LETTINGS:

- \$ - 79% of the planned plus added or advanced for total of \$553M
- # - 97% of number plus added or advanced for 118 let YTD.
- There have been 9 projects (6 contracts) not let as planned to date @ \$143.33M. Of this 7 projects were related to bid rejections.

#### BID ANALYSIS:

- The adopted estimate of the 118 projects was \$618.28 M with the low bid of \$553.44 M for \$64.84M in savings or -10%.
- The difference between official estimate and low bid was -12%.
- A table was presented showing the difference between the last quarter of FY14 and FY15 and the first quarter of FY15 and FY16 respectively.
- FY14 to FY15 the bids were 9% lower in 1<sup>st</sup> QTR of FY15.
- FY15 to FY16 the bids were 15% lower in 1<sup>st</sup> QTR of FY16.

#### FY17 LETTING OVERVIEW:

- Graphs of the monthly and quarterly lettings for FY17 was provided. This was presented to the districts on 11/10/15 in the program review meeting. The last quarter looks much better than the last few years.

#### CONSTRUCTION:

- 6.7% cost increase with target of  $\leq 10\%$  on 125 active contracts.
- 8.9% time increase with target of  $\leq 20\%$  on 125 active contracts.
- 93.6% of the contracts having final contract costs less than 110% of original, with a target of  $\geq 90\%$ .
- 84.8% 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: 4 VE Study to date.
- \$106.03M in Cost Avoidance/Savings recommendations with \$62.95M approved.
- \$19.55 M in Value Added recommendations with \$2.12M approved.

- 33 recommendations with 21 approved or 64% with a target of > 40%.
- 17.71% projects saved and 6.18% program saved.

COST SAVINGS INITIATIVE (CSI) PROGRAM

- 8 CSI acted upon with 8 approved.
- \$1.72M acted upon with \$1.72M approved.
- 0.38% projects saved and 0.17% program saved.

TOTAL PROGRAM SAVINGS VE AND CSI COMBINED

- \$64.67M in total savings
- 6.35% in total program saved with a target of  $\geq 2\%$ .

CONTRACT MAINTENANCE:

- 105% of dollar at \$353.3M expenditures.

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

- FLP – 131% of plan for \$368.65M YTD.
- FRE – 130% of plan for \$120.00M YTD.

LAP PROGRAM:

CONSULTANT LAP ACQUISITIONS

- 170% of dollars
- 150% of number

CONTRACT LAP LETTINGS

- 174% of dollars
- 143% of number

FEDERAL AID - No verbal report this month

<b>FEDERAL AID PROGRAM</b>		<b>as of Oct 31, 2015</b>	
<b>USE OF ANNUAL FEDERAL OBLIGATION (OA) AUTHORITY (\$ in Thousands)</b>			
Formula Obligation Authority subject to lapse at year-end			1,764,382
Year to date De-obligations subject to lapse at year-end			1,850
Total OA available this year (10/1/15-9/30/16)			1,766,232
Year to date Obligations			12,250
Percent Obligated to Date			0.7%
Remaining to Obligate			1,753,982
<b>INACTIVE FEDERAL PROJECTS - BENCHMARK: UNDER 2%</b>			
<b>UNEXPENDED BALANCES AS A PERCENT OF ANNUAL APPORTIONMENTS AT MONTH END</b>			
Current Month Detail by Tier Range	# Projects	\$ in Thousands	Percent
Unexpended Balance > \$150,000 & Inactive for 12 mos.	9	10,580	0.58%
Unexpended Balance \$0 - \$150,000 & Inactive for 12 mos.	101	1190	0.07%
Zero Unexpended Balance & Inactive for ≥ 12 mos.	21	0	0.00%
Total All Tiers	131	11,770	0.64%
		FFY Apportionments	\$1,828,689

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

MEASURES SUMMARY:

- Congratulations to Paul in D7 for meeting or exceeding all measure targets.
- The contract dollars is the culprit this report due to the 7 projects with bid rejections to date.

**Safety Performance Report** – Joe Santos

Joe Santos provided a Florida Strategic Highway Safety Plan (SHSP) Performance Update based on the first quarter 2015 crash data. Overall, the fatal and serious injury crash numbers have shown a decrease but have not met the performance measure goal. Emphasis Areas (EA) of the SHSP that have exceeded the performance measure include Aggressive Driving, Impaired Driving, At Risk Drivers (Teen), and Intersections. EA's of the SHSP that have not met the performance measure include Distracted Driving, Lane Departure, At Risk Drivers (Aging), Motorcyclists, Bicyclists, and Pedestrians. Emphasis was made on District and Central Office activity based on input from district staff on their SHSP updates. Follow up discussion on district specific rates will be discussed at the next SHSP update in January 2016.

**Construction Cost Indicators** – Greg Davis

Oil prices are stable with modest increases for the remainder of 2015 and 2016. Bituminous asphalt pavement liquid prices continue to decrease, but are beginning to stabilize due to oil prices stabilizing. Asphalt pavement bid prices are down this quarter from the high contract volume lettings in May and June of 2015. Reinforcing steel bid prices are up this quarter due to a bridge project with a high unit bid price. Structural concrete bid prices are fluctuating around \$900 per cubic yard. Competition in the past quarter is down to 4.2 bids per contract due to the large volume of contracts in the May and June lettings and a recovery period this quarter. Competition is expected to increase back to normal levels next quarter. The PPI for Non-Residential Construction showed a minor decrease from the previous quarter which means materials prices are stable. Forecast for the PPI shows moderate increases of 1.7%, 1.8% and 2.9% in 2015 – 2017, respectfully. Florida Residential Permits are down 3.3% this quarter, but is

up 25.8% from a year ago. Total private housing starts are projected to show double digit increases of 26.7, 28.1 and 15.7% in 2015 – 2017. Florida Heavy Construction Employment continues to moderately trend upward and is projected to show increases of 8.2%, 9.3% and 8.9% in 2015 – 2017. The FDOT Price Trends Index show contractors bid are trending downward this quarter.

In summary, oil prices are stable and moderately increase; oil prices have stabilize; competition is still low, but expected to return to normal levels next quarter; the PPI does not indicate any material price pressures in the market; Florida housing permits are down this quarter, but remain above last year's levels; construction employment continues on a moderate upward trend and construction costs are trending downward.

### **Salary Projections and Operating Budget** – Greg Patterson

The data for this report represents 34.5% of the fiscal year complete.

Potential Roll Forward (Work Program percent committed):

- District 5 continues to lead the amount of budget committed at 56.91%. District 7 and the Turnpike Enterprise are low on this measure.

Department Level Operating Budget Categories:

- Expenditures in the Expenses category is higher than expected at 40%. This continues the trend of the previous month which also had higher than expected levels of expenditure. I'd like to remind districts and Central Office units to review their spending plans for the Expenses category to ensure they can cover their anticipated expenditures for the remainder of the year. All other categories are in tolerance

Fixed Capital Outlay

- Current year FCO (FY 2015-16) is at 5.5% which is still low, but as mentioned in the previous briefing, several 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.

Additional Notes

- Greg did ask the Executive team if they would like their budget reports provided in a different format or with different information. Brian Blanchard recommended everyone think about it and provide a response if they wish.

### **Human Resources Reports** – Tiffany Bailey

Vacancies as an agency are at 8% and 2% for positions over 180 days. Ms. Bailey also introduced the new HR Director, Victoria Kliner.

### **Equal Opportunity Office Reports** – Art Wright

#### **Disadvantaged Business Enterprise Report**

The final end of the federal fiscal year DBE report shows 13.73% DBE participation on federally funded contracts that is 3.82% above the 9.91% goal. Page 2 shows the DBE participation by month for federal, state and combined funds. The DBE participation on state funded contracts ended at 13.85%, a .38% decrease from last year, and the DBE participation on state and federal

funds combined ended at 13.79%, a 1.57% increase over last year. The DBE percentage of 13.73% on federal funded contracts is the highest in the last 15 years and is a full 2% percentage points above the previous high that was achieved two years ago; the 13.85% on state funded contracts was our second highest and the 13.79% on federal and state contracts combined is the highest percentage achieved over the last 15 years. The numbers for October and November show that the high percentages are continuing for this year.

The chart shows the DBE participation on federal and state contracts by district. Although all districts are not above the 9.91% when you look at state and federal funded contracts separately, when you look at the combined funds, every district was above 11.60%. It is the first time in the last 15 years, where every district was in double percentage digits for their total DBE participation. The information on the next chart shows the DBE participation for each month.

All total, about \$619 million went to 552 different DBEs and about 26% of the total or \$160 million went to DBEs as a prime contractor or consultant.

### **Minority Business Enterprise Report**

In the Minority Business Enterprise Report, the Department is 4 months or 33% through the state fiscal year and has expended 37.4% of the dollars spent compared to last year with MBEs. We are about a percentage point above compared to last year's spend and are certainly on track to achieve our goal again this year. Districts 1, 4, 5, 6, the Turnpike and Central Office are also on track to achieve their goal.

The meeting adjourned at 9:45 a.m.