

Florida Department of Transportation

Monthly Performance Review Meeting

April 16, 2015

1. Acknowledgement of New Employees:
 - a. Randy Greene, Executive Suite, Efficiencies and Recommendations
 - b. Brad Swanson, Freight and Logistics.

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

3. Monthly Reports:

- a. Performance Report / Freddie Simmons:

This report includes the FY2015 program activities through the month of March. The percentage and dollar values provided are rounded.

Consultant Acquisition:

- \$ - 97% of the planned dollars plus added or advanced for \$536M YTD.
- # - 104% of the plan in numbers plus added or advanced for 883 YTD.
- A table was provided showing projects not executed to date as planned.

Right of Way:

Certifications:

- 121% planned certified plus 21 extra for 67 certifications YTD.

Program Expenditures:

- 89% of the plan program expenditures for \$298M.

Acquisitions:

- 113% of the planned number for 1,084 acquisitions YTD.

Method of Acquisitions:

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

Eminent Domain/Parcel Inventory:

- Began the year with 472 parcels in the inventory and now at 519.
- 20% are > 24 months with a target of \leq 40%.

Surplus Property Summary Report:

- \$955K in sales and \$5.1M in lease revenue for the year.

Production Issues:

Advanced Production (APP) as of 4/6/15:

- Construction only advancements:

PHASE 52 ONLY IN \$M				
STATUS	STATUS 16-17-18- 19-28	ALL STATUS	ALL STATUS	ALL STATUS
DIST	2016	2017	2018	2019
1		139.7	267.5	306.6
2	39.4	129.9	66.7	260.0
3		30.7		38.7
4	8.3	294.4	111.2	1.0
5	35.6	77.1	7.9	103.5
6		4.7	19.1	91.9
7		33.2	1,458.2	84.3
8		34.0		3.6
SW	83.3	743.7	1930.7	889.6

Amendments for FY 2015:

- Through April 1 Amendments totaled \$430.3M had been sent to the EOG for approval.

PHASE	PE		R/W		CONST		CEI		MISC		TOTALS	
	Add Or Advance	Defer Or Delete	Add Or Advance	Defer Or Delete	Add Or Advance	Defer Or Delete	Add Or Advance	Defer Or Delete	Add Or Advance	Defer Or Delete	Add Or Advance	Defer Or Delete
SW	20.7	17.2	46.9	8.8	150.4	117.4	10.4	11.1	32.8	14.7	261.1	169.2
Totals	37.9		55.7		267.8		21.5		47.5		430.3	

Revisions and Addendums:

PACKAGE CHANGES (ACCUMULATIVE)	SW
NUMBER PROJECT LET	139
ADDENDA	82
ADDENDA < 15 DAYS	39
REVISIONS	72
MANDATORY	17

Contract Lettings:

- \$ - 70% of the planned plus added or advanced for total of \$1,310M
- # - 96% of number plus added or advanced for 318 let YTD.

Bid Analysis:

- The adopted estimate of the 318 projects was \$1,353 M with the low bid of \$1,310 M for \$43 M in savings or -3%.
- The difference between official estimate and low bid was -3%.
- A list of the projects deleted or deferred (7 projects @\$136M) and those delayed in letting (14 projects @ \$244M) was included.

Remaining Lettings:

- With 3 months (75%) completed of the FY, we have 125 scheduled projects remaining to be let at \$1,257M. This is 28% of the number and 43% of the amount remaining.
- Of those 125 remaining projects 21 are > \$10 M.
- A table showing the remaining lettings by district/by month was provided.

Construction:

- 5.0% cost increase with target of \leq 10% on 143 active contracts.
- 10.6% time increase with target of \leq 20% on 143 active contracts.

- 90.0% 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 DIDN'T meet target.
- 69.9% of the contracts having final contract times less than 120% of original, with a target of $\geq 80\%$ (contract status 6, 7 or 8). 4 districts DID NOT meet the target.
- A list of those contracts not meeting the target with final contract times greater than 120% of original was provided.

Value Engineering / Kurt Lieblong/Sean Masters:

Since the last report in March 2015, there were 3 VE studies conducted, 1 Value Engineering recommendation approved worth \$1.17 million in project cost avoidance and 4 CSI's worth \$450,000 in savings.

Through March 2015, there has been 19 Value Engineering Studies conducted statewide. The Department has approved 105 of 174 (60%) Value Engineering recommendations worth \$250.42 million in project cost avoidance and \$94.95 million in value added. This resulted in a 7.76% project savings and a 14.78% program savings. During this same period, 22 Cost Savings Initiative proposals were approved worth \$3.53 million in project savings. This resulted in a 0.44% project savings and a 0.21% program savings.

The total combined savings of the VE & CSI programs through March 2015 is \$253.95 million and the combined % program saved is 14.99%.

District 2 Secretary Evans asked if there has been a Benefit/Cost analysis done on the approved savings to the cost of performing the VE studies. The statewide Return on Investment in a fiscal year for the VE program typically runs at \$100 savings to \$1 cost of the program.

Assistant Secretary Blanchard asked if definitions of "cost avoidance" and "value added" could be included in the report.

Value Engineering Programs

- Statewide: 19 VE Study to date.
- \$682 M in Cost Avoidance/Savings recommendations with \$250M approved.
- \$235M in Value Added recommendations with \$95M approved.
- 174 recommendations with 105 approved or 60% with a target of > 40%.
- 7.76% projects saved and 14.78% program saved.

Cost Savings Initiative (CSI) Program

- 28 CSI acted upon with 22 approved.
- \$3.70M acted upon with \$3.53M approved.
- 0.44% projects saved and 0.21% program saved.

Total Program Savings VE and CSI Combined:

- \$253.95M in total savings
- 14.99% in total program saved with a target of $\geq 2\%$.

Contract Maintenance:

- 108% of dollar at \$392M expenditures.

Freight, Logistics, and Passenger Operations (FLP) and Florida Rail Enterprise:

- FLP – 115% of plan for \$598.8M YTD.
- FRE – 186% of plan for \$131.4M YTD.

Lap Program:

Consultant LAP Acquisitions

- 109% of dollars plus adds or advances for total of \$7.81M
- 122% of number plus adds or advances for 46 total YTD.

Contract LAP Lettings:

- 111% of dollars plus adds or advances for total of \$69.33M
- 108% of number plus adds or advances for 74 total YTD.

Federal Aid / James Jobe:

- Total OA available for this FED FY is \$1,809,211,000
- Total Obligation through MARCH 31, 2015 for FED FY = \$431,270,000
- Unexpended balance is at 0.15% with target of < 2.00%.

Transportation Commission Measures:

- Individual measure not meeting target in the districts are highlighted.

Measures Summary:

- NO DISTRICT met or exceeded all measure targets.

April 6, 2015 Snapshot of FY 2016:

- Lettings in Snapshot were presented with emphasis still on late quarter high number of lettings.
- 44% are in last quarter.
- A list of projects > \$50M was provided.

b. Salary Projects and Operating Budget / Greg Patterson:

As of 4/05/2015, we were 279 days or 76% through the fiscal year.

Potential Roll Forward (Work Program percent committed): Potential roll forward reflects the amount of funds committed versus the allotments provided. Using 76% as a benchmark, Districts that fall below this figure may wish to examine their level of contingency boxes, LF programmed for budgeting purposes, and their scheduled lettings to make sure they have sufficient planned commitments to consume the majority of the budget.

- District 6 claimed the lead with successful commitment of funding at 80.0%. District 3 was in second place at 76.8% and District 4 is coming in a close third at 76.4%.
- District 2 is low on commitment. Even when factoring in scheduled commitments, data is showing a potential 19% roll forward.
- The remaining districts are operating at levels expected for this time of year.

Fixed Capital Outlay

- Current year FCO (FY 2014-15) is at 67.9% which is a little behind where we would like to be. It represents an increase of 3.5% over our last briefing.

Department Level Summary

- Since we're in the last quarter of the fiscal year, it's time to clean up encumbrances so we can advance identified needs to consume the remaining budget. Areas of critical focus include:
 - Expenses – currently at 67%
 - OCO – currently at 56%
 - Consultant Fees – currently at 49%
 - Contracted Services – currently at 62%
- Since nearly all categories are low, districts are strongly recommended to revisit spending plans for the remainder of the fiscal year and make plans to consume the budget incrementally over the next few months. Encumbrances should be analyzed to see if the full amount can be expended. If it can't, have a backup plan to use the budget if at all possible.

District by District Comparison

- Districts 2 and 7 and Central Office Intermodal should take a close look at their spending plans for the remainder of the fiscal year as expenditures are lower than the expected average.
 - My staff will reach out to review plans and offer suggestions to minimize reversions.
- The remaining Districts are close in expenditures with Turnpike Enterprise leading the pack at 73%.

Salaries and Benefits Data

- Salaries and Benefits budget continues to remain in tolerance.

c. Human Resources / Irene Cabral:

Ms. Cabral reminded the Districts to be mindful of the 180 Day Vacancy Report. She also advised of the upcoming training in the Districts to familiarize personnel with processes for Human Resources.

d. Equal Opportunity Office Report / Art Wright:

Disadvantaged Business Enterprise Report

Half way through the federal fiscal year, DBE participation on federally funded contracts is at 11.49% compared to our goal of 9.91%. The chart on the right shows the DBE participation by month for federal, state and combined funds. The DBE participation on state funded contracts is at 14.58% and the DBE participation on state and federal funds combined is at 12.79%.

The next chart shows the DBE participation on federal and state contracts by district. For federally funded contracts, Districts 1, 3, 5, 6, and 7 are above the 9.91% goal. For state funded contracts, Districts 1, 2, 4, 5, 6, 7, and the Turnpike are above the 9.91% goal. The information on the next chart shows the DBE participation for each month. Overall, the DBE participation is very strong and steady.

The percentage that really stood out this month was District 3 in construction/maintenance. A review of their details shows:

- They are benefitting from the Skanska \$118 million SR 93 contract where we reported the contract dollars last year, but they continue to add DBE participation;
- CW Roberts is reporting 19.77% DBE participation on 11 contracts;
- Anderson Columbia is reporting 11.33% on 18 contracts;
- Peavy & Son is reporting 11.33% on 4 contracts;
- Roberts & Roberts is reporting 11.28% on 3 contracts;
- They also have two DBEs, Purifoy & Pyramid that are working on contracts.

Minority Business Enterprise Report

In the Minority Business Enterprise Report, the Department is 9 months or 75% through the state fiscal year and has expended 78.4% of the dollars spent compared to last year with MBEs. We are finally ahead of schedule for this performance measure largely due to payments to MBEs on the I4 Contract. So far this year, Districts 2, 3, 5, 6, and 7 are on track to spend more than they did last year.

Business Development Initiative

For the quarterly Business Development Initiative report, we are measuring how many contracts have been reserved for small businesses. For construction & maintenance contracts, our goal is to reserve 10% of the contracts and so far this year we have reserved 8.4%. This number is derived from the letting dates. For professional services contracts, our goal is 15% and we have reserved 16.38% of those contracts. Page 6 shows the year to date percentage by district. For construction & maintenance, Districts 1, 3, 5 and 6 are above 10%; for professional service, Districts 1, 3, 4, 5 and 7 are above the 15% goal.

On page 7, 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 March we have spent 24.5%. The chart on the right shows that Districts 1, 2, 4, 5, 6 and 7 have exceeded the 20% goal.

In looking at the details of the BDI contracts, the work is being spread around to many different small businesses. In construction and maintenance, 42 contracts have been reserved and 33 different contractors have been awarded these contracts. 15 or 35% of these contracts have been awarded to DBEs.

In professional services contracts, we have about 750 prequalified consultants and 42% of them are small businesses. This percentage aligns itself very closely to the number of contracts awarded to small businesses: 41% of our contracts are being awarded to the 42% that are small businesses. The BDI contracts are also being spread around in professional services: 47 contracts have been reserved and 36 different consultants were awarded these contracts. 33 or 70% of these contracts have been awarded to DBEs.

Economic Parity Report

The quarterly Economic Parity Report on the left shows that the statewide need for females in the different EEO categories is 40 and the statewide need for males 170. Reducing our parity needs is a slow process, but the downward trend shows that overall, the Department is making progress in achieving economic parity in our workforce.

The chart on the right shows the percentage of new hires in an EEO category that has a need. Department wide, 13.96% of our new hires have been with individuals that have helped us to close the economic parity gap. Year to date, we have hired 68 employees to help meet our needs. Of the 68, District 1 hired 4, District 2 hired 2, District 4 hired 14, District 5 hired 4, District 6 hired 25, District 7 hired 3, the Turnpike hired 4 and the Central Office hired 12.

4. Meeting adjourned at 9:37 am.