

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

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

Performance Report – Lisa Saliba

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

CONSULTANT ACQUISITION:

- \$ - 103% of the planned projects in dollars plus added or advanced for \$298M YTD.
- # - 114% of the plan in numbers plus added or advanced for 485 YTD.

RIGHT-OF-WAY:

CERTIFICATIONS:

- 129% planned projects were certified plus 10 extra for 28 certifications YTD.

PROGRAM EXPENDITURES:

- 125% of the plan program expenditures for \$136.15M.

ACQUISITIONS:

- 144% of the planned number for 503 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 493.
- 14% are > 24 months with a target of ≤ 40%.

SURPLUS PROPERTY SUMMARY REPORT:

- \$398.3 K in sales and \$2.0 M in lease revenue for the year.

PRODUCTION ISSUES:

ADVANCED PRODUCTION (APP) as of 11/12/14:

- Construction only advancements:

APP AS OF 11/12/14 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	0.2	96.7	257.5	65.9	154.6
2		166.7	128.3	81.8	38.3
3		33.4	30.7	0.0	38.7
4	34.9	470.9	232.3	88.2	0.0
5		5.1	108.7	223.2	37.2
6		5.5	216.1	111.6	110.1
7		418.7	33.2	169.1	105.5
8		115.7	325.1	0.0	3.6
SW	35.1	1,312.7	1,331.9	739.8	488.0

- Additional tables were provided with all phases for advancement.

AMENDMENTS for FY 2014:

- Through October 31, 2014, mendments totaled \$249.7M were sent to the EOG for approval.

REVISIONS AND ADDENDUMS:

- There were 66 Contract Class 1 lettings in Central Office.
 - 26 Addenda
 - 12 Addenda 15 days
 - 26 Revisions
 - 8 Mandatory

CONTRACT LETTINGS:

- \$ - 92% of the planned projects plus added or advanced for total of \$656M let YTD.
- # - 100% of number plus 8 added or advanced for 137 let YTD.

BID ANALYSIS:

- The adopted estimate of the 137 projects was \$699.78 M with the low bid of \$656.22 M for \$43.56 M in savings or -6.2%.
- The difference between official estimate and low bid was -4.7%.

CONSTRUCTION:

- 3.4% cost increase with target of \leq 10% on 143 active contracts.
- 9.9% time increase with target of \leq 20% on 143 active contracts.
- 92.3% of the contracts having final contract costs less than 110% of original, with a target of \geq 90% (contract status 6, 7 or 8). Two districts were below target.
- 71.3% of the contracts having final contract times less than 120% of original, with a target of \geq 80% (contract status 6, 7 or 8). Five districts were in the red on meeting this target. This measure has been trending down since 2010.

VALUE ENGINEERING:

VALUE ENGINEERING (VE) PROGRAMS

- Statewide: 8 VE Study to date.
- \$297.5M in Cost Avoidance/Savings recommendations with \$192.4M approved.

- \$77.4M in Value Added recommendations with \$13.7M approved.
- 81 recommendations with 60 approved or 74% with a target of > 40%.
- 10.93% projects saved and 22.44% program saved.

COST SAVINGS INITIATIVE (CSI) PROGRAM

- 17 CSI acted upon with 16 approved.
 - \$2.85M acted upon with \$2.78M approved.
- 0.44% projects saved and 0.32% program saved.

TOTAL PROGRAM SAVINGS VE AND CSI COMBINED

- \$195.17M in total savings and 22.77% in total program saved with a target of $\geq 2\%$.

CONTRACT MAINTENANCE:

- 106% of dollar at \$331.7M expenditures.

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

- FLP – 138% of plan at \$327.71M
- FRE – >200% of plan at \$38.24M.

LAP PROGRAM:

CONSULTANT LAP ACQUISITIONS

- 114% of dollars plus \$2.26M YTD.
- 157% of number for 11 total.

CONTRACT LAP LETTINGS

- 108% of dollars for \$31.08M YTD.
- 117% of number plus 2 added for 30 YTD

FEDERAL AID:

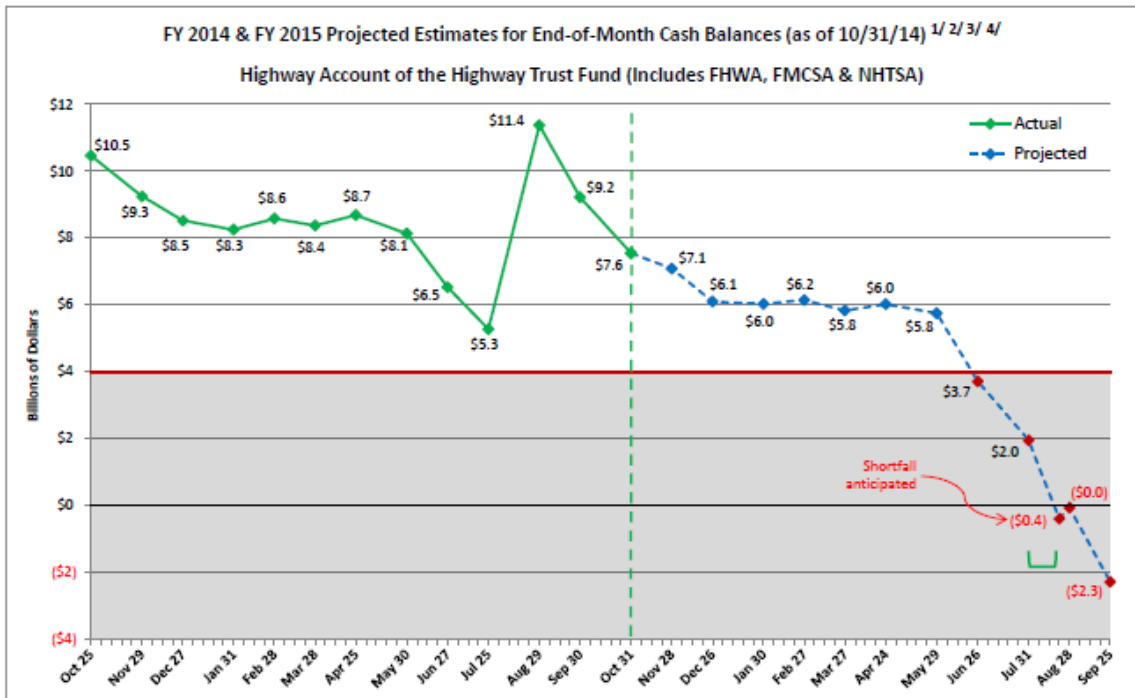
- Total OA available for this Federal FY is \$1,823,309,000
- Total Obligation through October 31, 2014 for Federal FY = \$93,962,000
- Unexpended balance is at 0.34% with target of < 2.00%.

James Jobe provided the following report:

There's not much to report since our last meeting. We have a MAP-21 extension in place through May which provides a continuation of the federal surface transportation program. We also have a Continuing Resolution in place through December 11 which provides federal budget authority for the surface transportation program.

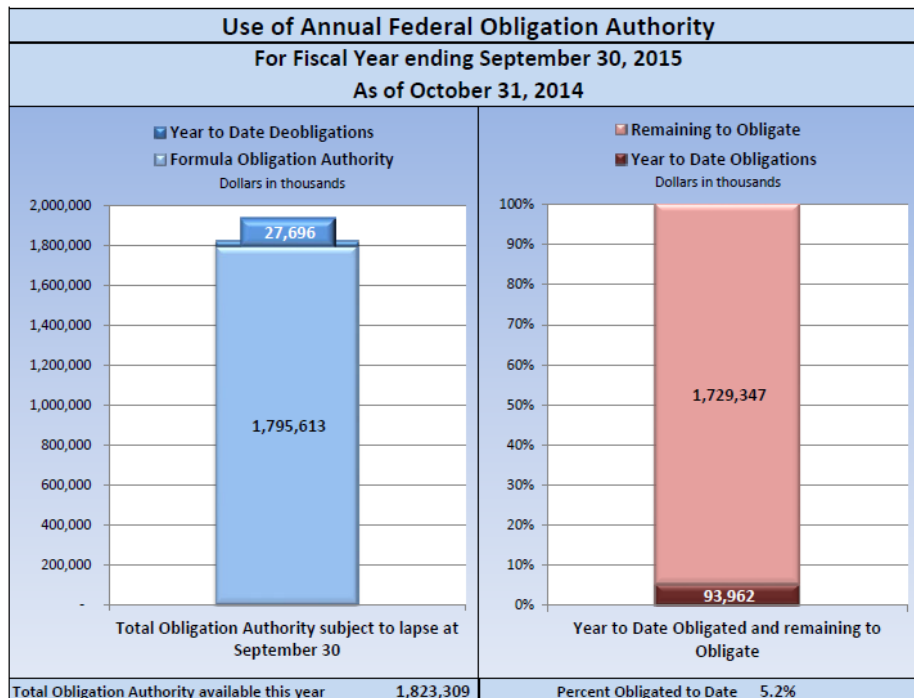
It remains to be seen what will happen in Congress regarding funding the federal government past December 11. We could have a full year Appropriations Act for the US DOT, or we could have another Continuing Resolution for a limited number of days, just long enough to hand off the enactment of the various appropriation bills to the new congress which convenes in January. We will just have wait and see what happens.

This chart shows the most recent prediction of when the Highway Trust Fund will again become insolvent without additional revenue sources or further infusions from the federal general fund. It predicts the balance will drop below the \$4 billion mark by the end of June, at which point FHWA will have to begin rationing cash reimbursements to the states. If rationing is not instituted there will be zero dollars left in the Trust Fund by the end of August.



Obligation Authority Plan:

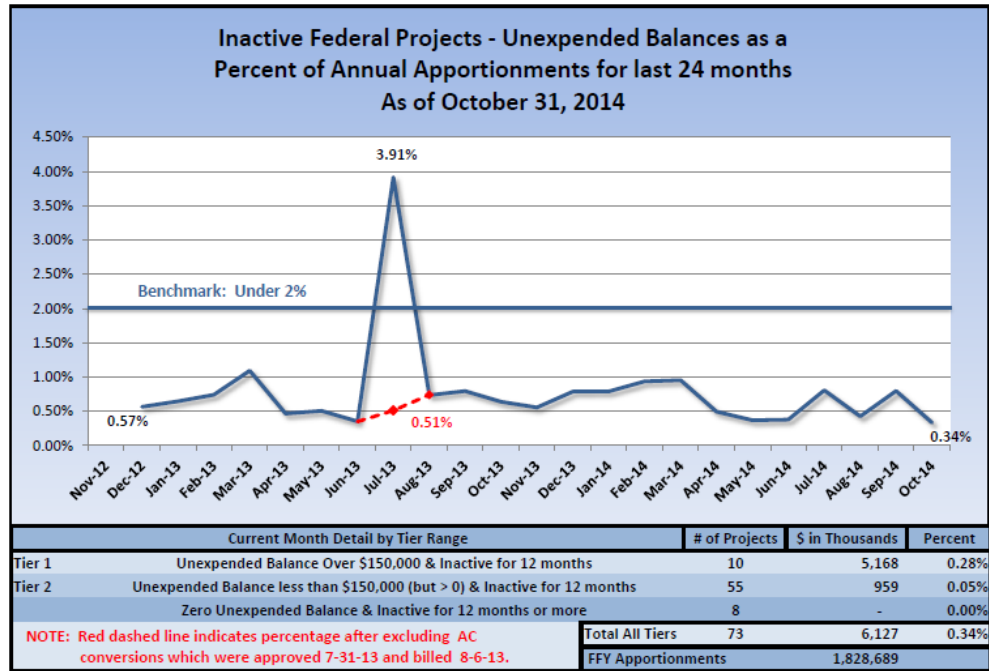
At the end of last month, we had total obligations of \$94 million, which represents about 5% of our total OA for the year, which includes almost \$28 million in year-to-date deobligations that must be reobligated before year end.



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.

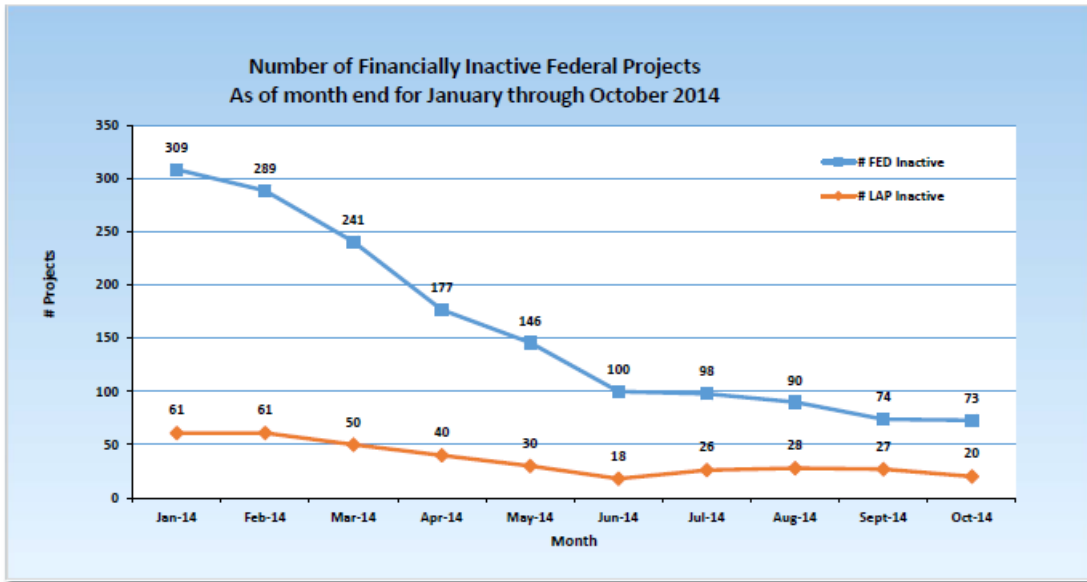
We are still maintaining our inactive percentages well below the national benchmark, as shown in the chart. Last month our overall inactive percentage was .34%, which is a reduction from the prior month. The number of inactive projects was also reduced to 73, which is also down from last month.



Regarding the number of inactive projects, one more 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 which we have to deal with. Since January, the blue line shows we’ve gone from 309 projects to just 73 at the end of last month.

We’ve even made significant progress on the inactive projects in our Local Agency Program. The number of LAP projects has gone from 61 in January to just 20 at the end of last month.

District staff should to be commended for their efforts to make this happen. An outstanding result for this calendar year to date.



TRANSPORTATION COMMISSION MEASURES:

- The TC Measures have changed to 17 primary measures.
- Of the common new measures, Construction Dollars were at 92% with 7 districts not meeting the 95% target. The Construction Contract Time Adjustments at 71.3% had 5 districts not meeting the target.
- Individual measure not meeting target in the districts are highlighted.

MEASURES SUMMARY:

- No one met or exceeded all measure targets.

REVIEW OF 2016 LETTINGS:

- A review of the 11/12/14 snapshot for the FY 16 lettings was included. The last half of the year, and specifically the last quarter, is high in letting amounts. The districts need to move all projects forward possible. The January program review will include this.

Strategic Highway Safety Program Report – Joe Santos gave the safety report.

Salary Projections and Operating Budget – Greg Patterson

As of 11/20/2014, we are 37% through the fiscal year. While many operating budget categories do not follow a linear spend profile, comparing percentage of expenditures against this figure serves as a baseline. Expenditures serve as a stronger indicator of progress than encumbrance balances as encumbrance balances do not always have a direct correlation to final expenditures. Department Level Operating Budget Categories:

- The category with the highest spend rate is *expenses*, but at 36% of the allotment, this is normal.
- Categories with low levels of expenditure are OCO and Acquisition of Motor Vehicles at 11% and 8%, respectively.
- All other categories are within reason.

Potential Roll Forward (Work Program percent committed):

- District 5 is leading the way at 53.7% of their funding committed. Turnpike and District 7 are also high on this list at 51.1% and 50.3%, respectively.
- Using 37% as a benchmark, only Central Office falls far below this. This is attributed to the Central Office maintaining the statewide funds contingency for SIS.

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Fixed Capital Outlay

- Prior year FCO (FY 2013-14) is at 94% commitment.
- Current year FCO (FY 2014-15) is at 43.9%.

District by District Comparison

- District with the highest percentage of operating budget expenditures is the Turnpike Enterprise at 30.6%.
- District with the lowest percentage of operating budget expenditures is Intermodal at 19.2%.
- The remaining districts are all within reason and tolerance.

Salaries and Benefits Data

- All districts are close in percentage of salaries and benefits budget committed (between 29.7% and 33.0%).

Human Resources Reports – Irene Cabral reported on Human Resource issues.

Equal Opportunity Office Reports – Art Wright

Disadvantaged Business Enterprise Report

The final end of the federal fiscal year DBE report shows 10.69% DBE participation on federally funded contracts which is well above the goal of 8.6% and the 9.91% goal for the current year. The chart shows the DBE participation by month for federal, state and combined funds. The DBE participation on state funded contracts is at 14.23% and the DBE participation on state and federal funds combined is at 12.22%. The DBE percentage of 10.69% on federal funded contracts is the second highest over the last 14 years; the 14.23% on state funded contracts and the 12.22% on federal and state contracts combined is the highest percentage achieved over the last 14 years.

The chart shows the DBE participation on federal and state contracts by district. This is also the first time that all districts have exceeded the goal on federally funded contracts. The information on the next chart shows the DBE participation for each month.

Last month I talked about the significant increase over the last 5 years in the number of DBEs that are awarded contracts as a prime: the number increased from 13 to 41. The dollar amount going to DBEs has also significantly increased from about \$60 million five years ago to about \$170 million this past federal fiscal year. We have also seen a significant increase in the number of DBEs working on our contracts as a sub or a prime: 5 years ago we had about 200 and this past year we had about 480 DBEs working on our contracts. Again, this is a good and positive trend for our future; a hopeful sign of a healthy construction industry.

The next set of slides shows DBE participation for the first month of the federal fiscal year. It is very early, but we are starting out at 10.36% against our new goal of 9.91%. The chart shows 8.07% on the state funded contracts and 9.05% with our state and federal funds combined. The next chart shows the October DBE participation by district.

Minority Business Enterprise Report

In the Minority Business Enterprise Report, the Department is four months or 33.33% through the state fiscal year and has expended 36.3% of the dollars spent last year. The chart also shows the district breakdown for the first four months.

We provide the backup data for this every month and the source is from two places. The first source is from a State Comptroller report of dollars paid to MBEs which accounts for about 45% of the dollars. The second source is from our Equal Opportunity Compliance system where primes enter payments to MBEs which accounts for the other 55%.

4. Additional Comments – Happy Thanksgiving!

The meeting adjourned at 9:53 a.m.