

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

Governor Brian Sandoval
Lt. Governor Brian Krolicki – Absent/Excused
Controller Kim Wallin
Frank Martin – Absent/Excused
Tom Skancke
Len Savage
Tom Fransway
Rudy Malfabon
Bill Hoffman
Dennis Gallagher

Sandoval: Good morning, ladies and gentlemen. I will call the Nevada Department of Transportation Board of Directors meeting to order. First item on the Agenda is to receive the Director's Report. Mr. Director, good morning.

Malfabon: Good morning, Governor and Board members. Well, the first thing to mention is something that we still have to see a lot to be established as far as the direction of Congress, with the election results will be changes in chairmanships and leadership positions in Congress and transportation committees, the funding committees and both the Senate and the House leadership was already established.

But they'll have to determine what's the direction for--on the national stage for transportation in the future and funding, and how to fill that gap in federal funding. So we'll have more to report next month. We also will be traveling to North Carolina for the annual AASHTO meeting, and we'll get a lot more information on the national scene about what's happening with Congress and the funding situation for transportation nationally.

Locally, we'll be reaching out to the Lieutenant Governor elect, Mark Hutchison, and State Controller elect, Ron Knecht to give them an NDOT briefing about their responsibilities as members of the Transportation Board. And we also--next month, we'll thank the elected officials that will--moving off our Board, State Controller Kim Wallin and Lieutenant Governor Brian Krolicki, to show our appreciation for their leadership and guidance to our Department of Transportation and the State.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

We'll be giving a precession orientation to the new legislators. That will be coming up in early December, December 3rd in Las Vegas. Sean Sever, our communications director, will be the point person in the legislative session, and he'll be conducting the outreach with a lot of those new members that will have their hands full going into their positions in different committees in the legislature.

One of the things that we are preparing is a presentation on some things that they requested information on in advance. The effect of hybrids and electric vehicles, on fuel tax revenue. So we've been doing our vehicle miles traveled via a VMT study to update them on that. Fuel tax indexing is another area that's been implemented in Washoe and Clark County. We'll give them some information on how that's going. And also, pedestrian safety has been an issue of significance lately with a significant number of fatalities in pedestrians. So we'll be providing that as part of our update to the new members of the legislature.

I would like to go ahead--next slide, please--I'd like to introduce our new Assistant Director for Operations, Reid Kaiser. Reid's got a great background, having worked in both headquarters and the districts. So he's got the field experience that's very practical for what he has to do, and the responsibility of the Assistant Director of Operations is over Construction Division, Materials Division, which Reid was formally the chief of, but also maintenance and asset management. And asset management will be a significant part of the Department's direction going forward. It's a federal requirement that we have an asset management system, and Anita Bush has been developing that system collaboratively with all the other affected divisions of the Department.

Reid is also over the Equipment Division and Traffic Operations Divisions at NDOT. And those divisions have been doing some great work, and I know that Reid will do a great job in leading those divisions and courting with the rest of the leadership and the Director's Office. So welcome, Reid Kaiser.

Next slide, please. An update on Project NEON. We did have our Interim Finance Committee briefing on October 22nd; had positive support from them, some good comments. The--some questions that we had responded to had to do with the--we weren't reducing a number of maintenance positions

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

if we had entered into a P3 agreement. They felt that that was a good decision, and they just wanted to know in the future, what maintenance positions will NDOT require. And I mentioned that we will be looking at that, because we've been adding a lot of new infrastructure. We're going to be taking over USA Parkway. We added the 580 Freeway. Carson Freeway is going to be done in a couple of years.

So a lot of these things are going to result in the need for more maintenance crews. We transferred some crews from construction to maintenance positions, as well as other federal program positions in the Department. So we'll be taking that forward. But with such a large number of positions at the Department, we'll try our best to not ask for new positions in the years to come, but try to move positions around where they're needed.

The three--we expect three to five shortlisted design-build teams. Once we receive those qualifications later this month, November 20th, when they're due. We'll do the review of those RFQ responses and then shortlist those teams based on the quality of those responses. And then, we expect to issue a draft request for proposals in March of 2015, for Project NEON.

Next slide. Update on Boulder City Bypass I-11. I wanted to remind the Board that there are two phases; the green phase which NDOT is doing and the blue phase there, Phase 2, which RTC of Southern Nevada is going to be administering as a design-build contract. Our green portion, Phase 1, is a design-bid-build traditional low-bid contract.

Next slide. So here's where we're at on I-11 Boulder City Bypass. We had the public meeting. The public meeting was for the environmental reevaluation. It covers both phases and we're awaiting the FHWA formal approval of that reevaluation. No major changes expected from the results of the public meeting on any public comment received. So we expect to receive that before we actually award our contract and before RTC approves their contract. So the Phase 1 project of NDOT, was advertised on schedule. It's a 7-week advertisement, and we will bring it forward to you for approval in January--at the January Board meeting in 2015.

Next slide. The RTC commenced the review of their design-build proposals. A lot of information to take in by those reviewers, but NDOT representatives are part of the review team. And then, the RTC expects to

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

approve their design-build team, the selected team at December 11th RTC Board Meeting of Southern Nevada. So everything is falling into place as far as the delivery of the Boulder City Bypass I-11 project.

Next slide. An update on USA Parkway. We did hold our meeting on November 5th. It was well attended. We did place our funds in escrow for purchase of right-of-way and the payment for a portion of the improvements that have been made to date. That money--all the documents were signed so that money did exchange hands, so we're--everything that we wanted to do on a certain schedule was--had taken place as scheduled.

And we have to negotiate a maintenance agreement with Storey County. With looking into the winter maintenance needs on that road, we want to talk to Storey County about what they can do to help us out. It was something that was not anticipated in our operating budget for this current biennium, but we think Storey County has been a great partner with the USA Parkway project. We can work out a maintenance agreement relatively quickly and hopefully have them cover some things for maintenance for us until we're able to take over maintenance of the portion that is NDOT's.

The Board should expect, in December, having an amendment to the agreement with Jacobs. Jacobs is the service provider that was doing the preliminary engineering and the environmental work for the USA Parkway design-build. Since we're moving to design-build, which is a further Agenda item for your approval later today, we need to have them support us in this design-build procurement. So there'll be--it'll be a substantial agreement that will be coming to you in December for your approval--consideration at least.

Next slide. This week is the Board of Examiners meeting, and we will have a couple of settlements going to them. Smith Family Trust is related to Project NEON. The total is nearly \$1.5 million and we had previously deposited \$900,000 for right of occupancy. And then the additional money is what we feel is fair for the--what we determine would be the fair market value for the property and mitigating all the issues related to prejudgment interest litigation costs that could be avoided; and any relocation expenses will be resolved through this action that will be up to the Board of Examiners for their approval on Wednesday.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

Wireless Toyz is another one related to Project NEON. It's a smaller amount, and the issue there was related to alleged loss of goodwill. Legal issues involved there that we felt that it was best to settle this issue for an amount of \$50,000 and the exposure was estimated in excess of \$300,000. So we think it's in the best interest of the state and the Department of Transportation to reach a settlement on this one.

I wanted to mention that there will be an event for the F-Street Project. This was the project on I-15 at F Street--you can go to the next slide--that is scheduled for December 11th. And this one was pretty much the lead of the City of Las Vegas. It'll be December 11th at 10:00 a.m. So any members in Southern Nevada that are interested, we can get them the specific information for this ribbon-cutting event. But we allowed the city to kind of take the lead in setting it up and getting a lot of their elected officials present for this project. They were a huge component of the partnership that delivered this project, in addition to legislative direction from the previous session of the legislature. So this project is wrapping up and there'll be that event available for any Board members that are interested on December 11th. It's at Thursday at 10:00 a.m.

I also wanted to mention, Governor and Board members, that Item No. 7 on the Agenda, we're requesting that it be pulled. Our legal staff have been working on a settlement and we're very close to reaching a settlement with the other party on this condemnation resolution. So we're requesting that Item No. 7 be pulled from the Agenda. And I'm available to answer any questions.

Sandoval: Questions from Board members? Member Skancke.

Skancke: Thank you, Governor. Rudy, would it be possible for those of us in Southern Nevada to participate in both of those--the public meetings on the--well, unfortunately I can't read my handwriting of what my note was, so--could we start this meeting over, Governor? That would be a really good thing for me. I literally cannot read my handwriting.

Wallin: I can't either.

Skancke: So I wanted to go the F Street opening.

Malfabon: Mm-hmm.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

Skanche: And at the beginning of your presentation there was a--the briefings in Clark County for--I believe it was for Project NEON; was that correct?

Malfabon: Well, we had the public meetings for those projects. The other event that's coming up is the briefing--the precession briefing to the legislators on transportation and to address three areas that they had requested additional information.

Skanche: If we could attend those, as well, that would be--if that's a thing for us that we could do that would be really helpful, I think.

Malfabon: That would be great. We will send you the information on the specifics for the precession briefing and the F Street meeting. Member Skanche and other Board members that might be interested, there are also in your packet in the Old Business, it gives some dates from some public workshops for the road relinquishment process. So those will be in Las Vegas, Tuesday, November 18th. Elko is November 13th, and Carson City is November 19th. So those Board members that would be interested in attending those or finding out what's happening on the road relinquishment process, those are the dates for those meetings.

Skanche: And then the only other item, Governor, if I could, is just make you all aware if you haven't seen it, this can be a somewhat contentious issue, but you're probably aware of this. Oregon has gone to a complete VMT-type not beyond study, but also implementing--it's the first state in the country to implement the VMT conversation, as well as collection of those revenues. And I think it'd be really important, specifically for those of us in the west, since I don't think there'll be any action from Congress in the next several years on anything for additional funding, that we should really watch that closely. I'm not saying we have to do anything, and I'm sure you already are, but the expected result of that is to be very, very positive. And they're leading the way on this, as most of us know, in the country.

And I think we should keep a very close eye on what happens there, specifically as you take a look at what's happening in the South Coast Air Quality Management District in Southern California, where one in seven new cars must be electric by 2017. That's going to affect Southern Nevada's economy. By 2025, South Coast Air Quality Management District is going to have one in five cars--new cars must be electric. And so we've got to take

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

a look at how we're going to balance that out. I don't know what the number is in California, but that's a lot of cars. And if other counties in air quality districts in California start to adopt that, that's going to affect our economy and our fuel tax revenues here in the state of Nevada.

And I think the other thing we have to take a look at is charging stations, whether that's a private sector area or a public sector area. But if one in five cars by 2025 have to be electric, that's a lot of cars and we won't have the charging stations available for those 40 million people a year that come to Southern Nevada. And I think we should be proactive as opposed to reactive on that. And I think from an economic development point of view, I think the RDAs, Governor, as well, need to be a part of this conversation. So it's coming. Electrification of vehicles is coming. Obviously, they're in this state because of Tesla, so that type of automobile is coming to our region, and I think we need to be proactive as opposed to reactive to see what's happening in the state or Oregon.

So I know we're all going to watch what the outcome of that will be, and if it's successful or unsuccessful. But I think now is the time for us to be very diligent to make sure that we're actively pursuing involve--not pursuing, but that we're actively watching the outcome of what happens in Oregon. Thank you.

Malfabon: And just to mention that we did receive an invitation from the Oregon DOT Secretary of Transportation. During the AASHTO visit next week in Charleston, North Carolina, we will get briefed on what Oregon is doing and how it's being implemented in Oregon. So what their goal is to give as much information to all the state DOTs so that they can see what's coming down the road. And I understand that in California, Cal Trans has to do a study and report back to their state legislature in two years on the same issue.

Sandoval: Thank you. Member Fransway.

Fransway: Thank you, Governor. To expand on Member Skancke's conversation, it's my understanding that Oregon is opening the dialogue about VMT through basically an experiment this time, and they're asking for, I think, 5,000 volunteers to volunteer to be tracked by the VMT system. And the Governor said and like the Director has said, it's something that's going to be

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

well worth watching to see how it works; if it works. And so I know we will be watching it and I look forward to seeing how it works in Oregon.

Sandoval: Thank you, Tom.

Wallin: I just...

Sandoval: Madam Controller.

Wallin: Thank you, Governor. I just came--thought of something. I know we had a presentation on our rest areas and stuff and we're talking about putting in charging stations. Do we charge people to charge their cars?

Malfabon: We don't have any installed yet, but we were anticipating at the rest areas to make it more convenient and not charge at those stations. But I think it's a larger issue, as Member Skancke mentioned, that as more and more cars are demanding charging stations, needing that to travel around the state, we'd be having to look to how could we recoup some of that cost of providing that service.

Wallin: Do we have that in the statute if we wanted to charge or would we have to pass a law to do that?

Malfabon: Good question. We'd have to look into that...

Wallin: Okay.

Malfabon: ...Madam Controller.

Wallin: Okay. All right. Thank you.

Sandoval: Any other questions or comments? Then we'll move on to Agenda Item No. 2, Public Comment. We'll start in Las Vegas. Are there any members of the public in Las Vegas that would like to provide public comment to the Board?

Martini: None here, Governor.

Sandoval: Is there any member of the public here in Carson City that would like to provide public comment to the Board? We'll move on to Agenda Item No. 3, which are the October 13, 2014 Board of Directors Meeting Minutes.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

Have the members had an opportunity to review the minutes and are there any changes? If there are none, the Chair will accept a motion for approval.

Wallin: Move to approve.

Sandoval: Controller has moved to approve. Is there a second?

Savage: Second.

Sandoval: Second by Member Savage. Any questions or discussion on the motion? All in favor say aye.

Group: Aye.

Sandoval: The motion passes five to zero. We will move on to Agenda Item No. 4, Approval of Contracts Over \$5 Million.

Nellis: Thank you, Governor.

Malfabon: Governor, Robert Nellis, Assistant Director of Administration.

Nellis: Thank you, Director, Governor, members of the Board. Good morning. Let's see. There's one resurfacing contract under Attachment A found on Page 3 of 10 for the Board's consideration. The project is located on U.S. 95 from the road to Mercury toward Indian Springs. There were four bids and the Director recommends award to Las Vegas Paving Corporation in the amount of \$22,120,000. And as you can see, the length of the project is 18.3 miles. The estimated proceed date is January 5, 2015, and completion is summer 2015. And here's a larger map, make it a little easier to read. And, Governor, that concludes the contracts for consideration under Agenda Item No. 4. Does the Board have any questions for the Department regarding this item?

Sandoval: There's a bit of an overage there. Is there any--between the engineer's estimate and the final bid.

Nellis: I'll let the Assistant Director, John Terry, answer that.

Sandoval: I shouldn't say a bid, \$2 million.

Terry: Assistant Director for Engineering, John Terry. Yes, and that is outside the range of our 7% where we could reject the bids. We chose not to. We

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

looked at the bids. The first and second were pretty close together. We have been pushing our engineers to match some of the bids that have been coming in lately and push them down a little bit. So this one came in over, but we recommend award.

Sandoval: Member Skancke.

Skancke: Thank you, Governor. Just, John, real quickly, when was that engineer's estimate completed? Do you know? Has it been a couple of years?

Terry: Oh no.

Skancke: Recently?

Terry: We finalize and check the engineer's estimate right in the last week or two before it goes out to bid. So...

Skancke: So these were done within (inaudible)?

Terry: Basically, we finalize our engineer's estimate in the range of--depends on how long the advertise period is--six weeks before the bid comes in.

Skancke: Okay. Thank you.

Sandoval: Member Fransway.

Fransway: Probably, Mr. Terry, you might want to answer this, too. My question was will this project be confined to the existing roadway or will it--there need to be some surfaces changes to widen or anything? It seems like that part of the road has always been kind of narrow.

Terry: No. This is a, by the description, is one of our repaving projects and it is not a widening project. It is a resurfacing and not much work is done outside of the pavement area.

Fransway: Okay. Thank you, John.

Sandoval: Are there any other questions? If there are none, the Chair will accept a motion for approval of the contract described in Agenda Item No. 4.

Skancke: So moved, Governor.

Fransway: Second.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

Sandoval: Member Skancke has moved for approval. Member Fransway has seconded the motion. Any questions or discussion? All in favor say aye.

Group: Aye.

Sandoval: The motion passes five-zero. We'll move on to Agenda Item No. 5, Approval of Agreements over \$300,000.

Terry: Thank you, Governor. There are two agreements under Attachment A found on Page 3 of 12 for the Board's consideration. The first is in the amount of \$600,000. This is to provide legal support services to mitigate risks associated with Project NEON, real property acquisitions. We'd like to note that this agreement supersedes Agreement No. 27014 in the amount of \$350,000 with Laura Fitzsimmons, previously approved at the July 2014 Transportation Board meeting. That agreement was not fully executed and no monies have been charged against it.

And then the second agreement is in the amount of \$665,000 to provide safety management plans for roadway corridors identified from our Urban Road Program. And, Governor, that concludes the agreements for consideration under Agenda Item No. 5. Does the Board have any questions for the Department?

Sandoval: Yes, and perhaps I should direct it at Mr. Gallagher. But the explanation for the increase in Contract No. 1.

Gallagher: Good morning, Board members. Dennis Gallagher, Counsel for the Board. The original agreement, Governor, that is noted in here that the Board approved was for a one-year period. We've refined the scope of services and expanded it for a two-year period, thus the new agreement coming before the Board for its consideration.

Sandoval: And this is for experts, correct?

Gallagher: This is for experts and overall legal strategy for the entire Project NEON, yes.

Sandoval: Questions from other Board members? Member Skancke.

Skancke: Thank you, Governor. On the second contract for the safety management plans, are these on-call--is this an on-call agreement? Is this...

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

- Malfabon: I could answer that...
- Skanccke: Okay.
- Malfabon: ...Member Skanccke. There were three firms, I believe, that were shortlisted and I think that last month you saw two of those contracts, so this is the third contract, and it basically is an on-call type of contract.
- Skanccke: I'm sorry. So these types of contracts, they're prequalified? They kind of pre-bid for this type of work and they're prequalified?
- Malfabon: Yes.
- Skanccke: Okay. Thank you, Governor.
- Sandoval: Any other questions? Mr. Nellis, does that complete your presentation?
- Nellis: Yes. On this item, yes, it does. Thank you.
- Sandoval: If there are no further questions, the Chair will accept a motion to approve the agreements over \$300,000 as described in Agenda Item No. 5.
- Wallin: Move to approve.
- Sandoval: The Controller has moved to approve. Is there a second?
- Savage: Second.
- Sandoval: Second by Member Savage. Any questions or discussion? All in favor say aye.
- Group: Aye.
- Sandoval: The motion passes five-zero. We will move to Agenda Item No. 6, Contracts, Agreements, and Settlements. Mr. Nellis.
- Nellis: Thank you, Governor. There are three attachments under Agenda Item No. 6 for the Board's information. And beginning with Attachment A found on Page 4 of 31, there is one project located at multiple intersections in the city of North Las Vegas, for signal system modification, systemic replacement of five-section protected flash permissive heads to four-section protected permissive heads utilizing flashing yellow arrow. There were three bids,

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

two were responsive, one was non-responsive. And does the Board have any questions for the Department regarding this contract? Okay.

And, Governor, there's 42 executed agreements under Attachment B found on Pages 7 through 10 of 31 for the Board's information. Items 1 through 4 are acquisitions and cooperative agreements. Items 5 through 20 are grants and interlocal agreements. And finally, Item 21 is a lease, and Items 22 through 42 are service provider agreements. Does the Board have any questions for the Department on any of these agreements?

Sandoval: Questions from Board members? Madam Controller.

Wallin: Thank you. Item No. 31 for Jacobs Engineering for their travel demand model training, and it's just an extension, but can you tell me a little bit about that, because I know that they have three contracts to do travel demand model training for Clark, Washoe, and Carson? And it's for three people for each area. And just--can you tell me what's involved, how long does it take?

Nellis: I'll have Assistant Director, Sondra Rosenberg, answer that. Thank you.

Rosenberg: Good morning. Sondra Rosenberg, Assistant Director of Planning. I don't have all the details of that agreement, but we have the responsibility to oversee the travel demand models from the MPOs, and we've been trying to get our staff trained in that. So we work together with the MPOs who do joint training between NDOT staff and their staff to make sure we're all using the model in the same way.

Wallin: And how long does this training run for, I guess?

Rosenberg: I don't have an answer for that. I can get back to you on that, if you'd like, but I don't want to take a guess.

Wallin: Okay. I was just curious, because in this one it didn't say for how many people and then in the CWG information it says for three people for each one. So it's 25,000-26,000, some 30,000. I was just wondering what's involved.

Rosenberg: Yeah, travel demand models are a very, you know, particular expertise. And so, you really have to get training in the particular models and it's a

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

software, and so it's a pretty intensive training. But I'd be happy to get back with you on some of the details of that information.

Wallin: Yeah. And is this something that, as time goes on, that maybe NDOT can create their own in-house knowledge base and training to share?

Rosenberg: That's the goal of this training, actually...

Wallin: Okay.

Rosenberg: ...is to get our staff trained so that we can work directly with the MPOs, and we're developing that information--that knowledge in house. So that's what this training is for; so that in the future we have that expertise.

Wallin: Okay. All right. Thank you.

Rosenberg: Mm-hmm.

Sandoval: Any other questions on the agreements? Then we'll move on to settlements.

Nellis: Governor and members of the Board, there are three settlements under Attachment C found on Page 12 of 31 for the Board's information. The first is in the amount of \$83,500 for a permanent highway easement for Boulder City Bypass project. NDOT previously deposited \$260,000 with the court and the total settlement is \$343,500. The second is in the amount of \$716,600 to acquire .68 acre unimproved parcel located at the corner of Martin Luther King Boulevard and Alta Drive in Las Vegas for Project NEON.

And finally, the third is a settlement with Traveler Casualty and Surety in the amount of \$1,647,913.50. This proposed settlement resolves separate litigation on Contracts No. 3377 and 3407, and a payment claim on Contract 3392. And, Governor, that concludes the informational items under Agenda Item No. 6. Does the Board have any questions on these?

Sandoval: Questions from Board members? Perhaps--and this is a little bit out of order, but given all this property acquisition with regard to Project NEON, at the next meeting can we get kind of a step back macro picture of...

Malfabon: Yes.

Sandoval: ...what's going on and where we are in that process?

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

- Malfabon: We will.
- Sandoval: Okay. Seeing no questions, thank you, Mr. Nellis.
- Nellis: Thank you, Governor. Item 7 has been pulled from the Agenda. We'll move to Agenda Item No. 8, the Resolution of Relinquishment.
- Malfabon: Thank you, Governor and Board members. This is for disposal of NDOT right-of-way along portions of I-15 north of Sunset Road and south of Tropicana Avenue. This property was necessary for construction of the I-15 South design-build project there by the airport. Once that project was done, we go through our process of whether we need to hang on to some of that property. We are electing to recommend disposal of this property. And the relinquishment of NDOT's interest in the parcels is being made in accordance with NRS 408.527. This property will go to Clark County.
- Sandoval: Questions from Board members? If there are none, the Chair will accept a motion to approve the resolution of relinquishment of a portion of state highway right-of-way as described in Attachment 2 in Agenda Item No. 8.
- Skancke: So moved.
- Sandoval: Member Skancke has moved for approval. Is there a second?
- Wallin: Second.
- Sandoval: Second by Madam Controller. Any questions or discussion? All in favor say aye.
- Group: Aye.
- Sandoval: The motion passes five-zero. We'll move on to Agenda Item No. 9, Approval of Using Design-Build Procurement Method for USA Parkway Project.
- Malfabon: Thank you, Governor. As you recall previously, last month we had mentioned that we were going to be coming back formally for Board action on the use of the design-build procurement process for USA Parkway, and Assistant Director for Engineering, John Terry, will present this item to the Board.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

Terry: Once again, John Terry, Assistant Director for Engineering. And I'll keep this brief, because essentially kind of approved us to move forward with this last time and this is kind of the formal action item, so this is USA Parkway. You can move to the next one.

Just to refresh your memory. So USA Parkway has the previously constructed portion, the previously graded portion within Storey County, and the area within Lyon County that--or that would tie them to U.S. 50, the draft environmental assessment, we had the public meeting and we expect a finding of no significant impact in January 2014. And the project that we're talking about is estimated to cost \$65 to \$70 million including the portion on U.S. 50.

Next. Per NRS, in order for us to use design-build, we have to meet certain criteria. We feel we are meeting them here. It exceeds \$10 million. And as in most of our design-builds, we have gone for that is a shorter time period to deliver using the design-build method. But I will say design-build fits this project, and you could fall under some of the other criteria.

Next. So this is where we're at. This is the process from our Pioneer Program. We've gotten to this point and we need Board approval to move forward with the design-build procurement. Next. And so really, we're just asking for your approval to utilize design-build on SR 439 USA Parkway, Storey, County. And I would point out we're talking about an RFP--or RFQ to go out about the first of the year and follow a design-build process, kind of similar to what you've seen on Project NEON.

Sandoval: Thank you. Have we--and I've know we've considered this in the last meeting, but we do need to formalize action. But has there been any further progress with regard to where the road is going to exit at Highway 50?

Terry: In the environmental document, it had a preferred alternative and it came in along Opal Avenue. And we did have the public meeting. We did have some comments from people on--I believe it's Opal Avenue.

Malfabon: Mm-hmm.

Terry: It's a dirt road, I think, currently in the Silver Springs area. That was the preferred alignment. That is what we're moving ahead with. It is three-quarters of a mile from the Ramsey Weeks Cutoff...

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

- Sandoval: Okay.
- Terry: ...east of there.
- Sandoval: Questions from Board members? I'll go with Member Fransway, then Member Savage.
- Fransway: Thank you, Governor. Mr. Terry, and perhaps Mr. Gallagher can answer. Have we got a schedule yet to further negotiations with the private property owners to acquire the permanent easements necessary or will that happen soon after we make this action?
- Gallagher: For the record, Dennis Gallagher, Counsel for the Board. We don't have a firm schedule yet, but we have committed internally the Department and the developer of the project to commence meetings as quickly as we can, and to identify the, with a legal description, the right-of-way through those lands in Lyon County.
- Malfabon: And if I could add some more to that. Typically, in a design-build process, we will establish some dates when we will acquire the private property, similar to what we're doing on Project NEON. So we provide the design-build team, "here's the expected dates that these private property parcels will be available for construction." We anticipate that there's--much of the other land that's going to be available for construction, so it gives us some breathing room on acquiring the right-of-way, but we have to have a right-of-way setting after enough design is done before we--after the right-of-way setting then we contact the owners. But they pretty much know where the preferred alignment is on Opal Avenue, and we'll start the process when it's appropriate time after the right-of-way setting.
- Terry: If I could add to that. There's really three pieces to the right-of-way in Lyon County. We have the part that you referred to, where there's an easement through the developed area. There is a portion that is BLM land, which we have to get, then, an easement from BLM. And then there is some smaller portions down by U.S. 50 that are private properties that we'll kind of follow our normal right-of-way process for the acquisition.
- Fransway: Okay. And will the acquisition from the BLM property, will that involve an EA or EIS?

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

- Terry: They were partners in this environmental process. We are now done with the environmental process...
- Fransway: Oh, good.
- Terry: ...and we'll move forward.
- Fransway: Okay. Great. Thanks, John.
- Sandoval: Member Savage.
- Savage: Thank you, Governor. A couple questions and a comment, Mr. Terry and Mr. Director. I am in full support of the design-build delivery. I think the Department has done a good job in preparing that. One of the questions I have is on the stipend. The \$100,000 stipend for the unsuccessful proposers; is there a--do all contractors get paid the stipend or does the Department reserve the right if they don't fulfill the proposals' completeness they don't receive the stipend?
- Terry: They must be shortlisted. Of course, they have to be not the successful proposer.
- Savage: Right.
- Terry: We don't pay them.
- Savage: Right.
- Terry: And they have to--when they submit a proposal, it has to meet the pass/fail that is a qualifying proposal. So if it is a qualifying proposal, they get the stipend. And as a part of the stipend agreement, we get whatever ideas and engineering that were contained in their proposal for use on other ones. So it must be qualifying and they must sign the agreement and then we own their ideas that were part of the engineering.
- Savage: Okay. That was my understanding and I appreciate you confirming that. Thank you, Mr. Terry. Thank you, Governor.
- Sandoval: And perhaps you mentioned it, but one of the benefits or advantages of using the design-build is that the project will get built 8 to 12 months sooner than otherwise?

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

- Terry: Yes, that's correct. Versus the design-build and that's--design-bid-build and that's why we mentioned at the last meeting and at this meeting, are saying under the NRS requirements one of those is shorter time frame, and that's the one we're going for as the justification for design-build.
- Sandoval: And assuming, and I don't want to jinx anything, but assuming everything goes well and it receives approval of this Board, when would you anticipate the project being completed?
- Terry: Again, we are shooting for--there's a lot work to do--by December of 2017.
- Sandoval: Other questions from Board members? No? If there are no questions, the Chair will accept a motion for approval for the Department to begin the solicitation of a design-build project for State Route 439 otherwise known as USA Parkway, from Interstate 80 in Storey County to U.S. 50 in Lyon County.
- Savage: Move to approve, Governor.
- Sandoval: Member Savage has moved to approve. Is there a second?
- Skanche: Second.
- Sandoval: Second by Member Skanche. Any questions or discussion on the motion? All in favor say aye.
- Group: Aye.
- Sandoval: Opposed no? The motion passes five-zero. Thank you. Agenda Item No. 10, Discussion and Possible Approval of the Annual Work Program for Fiscal Year 2015, Short and Long Range Element FY 2016 to 2024, and Possible Acceptance of the STIP FY 2015 to 2018. Ms. Rosenberg.
- Rosenberg: Thank you. Again, Sondra Rosenberg, Assistant Director of Planning. I don't have a presentation for you today. The document is available on our website. And those of you who have asked for a hard copy, we've provided that to you. This is an annual document that is produced, that includes our federal requirements for the State Transportation Improvement Program, as well as the work program requirements that are state requirements. So this document meets all of those requirements and includes a list of projects between the years of 2015 and 2024.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

We completed a 30-day comment period during the month of October. We have been working with Federal Highway Administration to improve our process and work towards an electronic STIP. This is sort of the first step towards that, which is part of the reason we want everyone to get used to going to our website to look at the document. It will become much easier once we have the full electronic STIP. It's called the eSTIP, but will include this entire document in the future.

And I want to thank the staff, Coy Peacock and Joe Spencer. Joseph is here to help me answer any questions. And I will leave it at that and answer any questions if you have any.

Sandoval: Will you lay a little bit more of a foundation for what's in the document and what we're looking at...

Rosenberg: Sure.

Sandoval: ...for the next 10 years?

Rosenberg: So it includes the STIP, the Statewide Transportation Improvement Program. That's the federal requirement. That's a four-year list--fiscally-constrained list of projects that includes everything that's federally funded or regionally significant. That incorporates our RTIPs, the Regional Transportation Improvement Programs, from the four MPOs. Those are included exactly as they are in their documents. It also includes the statewide projects, again, that are federally funded or regionally significant. That's the federal portion, the STIP. And then there's the state portion which includes all of our state funded projects throughout the state, and those are separated by county. So there's separators in either the physical document or the online document to access all the projects in each county.

Sandoval: Okay. And we understand that, but if I...

Rosenberg: Oh.

Sandoval: ...if I live in Clark County...

Rosenberg: Yes.

Sandoval: ...or Humboldt County or Washoe County, what does that mean to me in terms of what projects are in the queue?

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

- Rosenberg: Right. So you can--it sort of depends on what--it's a complicated document because it includes all the different funding sources. And Joseph has it loaded up here. I don't know if there's a particular document you'd like to search for, but they are separated by county. So you can go to county and--go to the county and look at all the different projects. Each project includes--part of the reason it's gotten so lengthy is for the STIP portion, each project has its own page now, but it outlines all the funding sources, all the phases over the four-year period that's included in the STIP.
- The work program portion has more of a list of all the projects. Sometimes it's a little easier to find the projects in that. But you can go to the electronic document and actually search--use the search function to search for a particular project or a particular county and just go through each one.
- Sandoval: Well, no. And, again, I...
- Rosenberg: Okay.
- Sandoval: ...understand that part, but I just--I'm trying to get some specificity...
- Rosenberg: Okay.
- Sandoval: ...today. It's just not likely that a lot of people are going to go...
- Rosenberg: Correct.
- Sandoval: ...to the website, and I know the engineers and the folks that are involved in this on a day-to-day basis. But, again, I'm kind of looking for the vision piece of this in terms of what are the big projects that are coming online...
- Rosenberg: Okay.
- Sandoval: ...so that if I'm a commuter or if I'm somebody who uses these roads on a daily basis, what does...
- Rosenberg: Right.
- Sandoval: ...that mean to me?
- Rosenberg: Right.
- Malfabon: So, Sondra, if you could...

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

Rosenberg: Yeah.

Malfabon: ...have Joseph kind of go--he's on Clark County, so let's look at the four-year STIP and the major projects that are in that portion for Clark County. That would, kind of, highlight the major projects that the public, in general, would be interested in, in Clark County as an example.

And just to mention, as Sondra had mentioned, we work with the Metropolitan Planning Organizations, which some refer to as RTCs, but they collect all this information locally, regionally, and NDOT feeds our projects of regional significance and federally funded projects into their plan, it rolls up into the state plan, which is before you today. So, Joseph, go ahead and try to get to the...

Spencer: What you see before you is each of the STIP section is broken up by MPO first and then statewide section. In each of the MPO sections, we have it by project. So what you're used to before is by fund source and then you've had multiple projects on multiple fund source pages.

Sandoval: Why don't you (inaudible) here, because I don't know if they can hear you.

Rosenberg: Yeah, they need to get that for the recording.

Spencer: For the record, Joseph Spencer. What you see here is, again, every single project in the STIP now has its own individual page, to whereas before you had multiple--or the same project on multiple pages for fund sources. Now what we have done is we've put it all on one page so that you see that every single fund source on every single year, for this particular project, is on one page. And that is how you go through this project--or this document and you find the various projects.

As Sondra had mentioned, we are moving towards an eSTIP. And to be brutally honest right now, it is a very difficult document to find as Joe Q. Public going "I'm driving I-15 from here to here; what's coming." It's very difficult to find that right now. Moving into the eSTIP...

Sandoval: Hence my question.

Spencer: Moving into the eSTIP, more along the lines of Indiana and Washington, if you were to be Joe Q. Public, you could go to our website and you say I drive I-15. I drive from milepost three to seven every single day, and it will

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

show you over the 4 years or the 20 years, as we have for the longer-range elements, whether or not we will actually be doing anything on that roadwork. Right now, no.

Malfabon: And, Joe, could you...

Sandoval: And that's why we need you to answer the question today. So I'm interested in the projects. I'm interested because there's been a topic of discussion, historically, on the proportionality, in terms of funding between Northern Nevada, Rural Nevada, and Southern Nevada.

Spencer: Absolutely.

Sandoval: How does that all play out?

Spencer: Absolutely.

Sandoval: Mm-hmm.

Spencer: When you look at the projects that we have in here, you will see some of the major projects such as NEON. You will see three separate pages for Project NEON for a multitude of reasons. The main reason is, is we've got construction that went out and is going out as NDOT bonding, which is then going to be repaid. Per guidelines from Federal Highways, we have to show how we're repaying those bonds. So you're going to see Project NEON broken out in three separate projects. You will also see USA Parkway, which is going to be in the non-MPO statewide section. And then you are going to see our various 3R projects in the work program section. It is a difficult document to go through and find any of this information.

Malfabon: Just to be responsive to the question of which projects, and then their term, the four-year period. We're looking at the 215 and 95 Interchange project. State Route 160, which is Blue Diamond Road, the widening, the first phase of that going up towards Mountain Springs Summit, there's some other projects that--John, I don't know if you could kind of respond to some of the other major projects in Clark County specifically, that are going to be contained in that four-year period.

Terry: John Terry, again, Assistant Director for Engineering. One of the challenges, you know, of the Board, and what we've told the Board, is that we're still delivering a significant program while we're doing NEON

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

because we're bonding NEON. And in Southern Nevada in particular, Rudy talked on a few of them. We will do two of the ramps on the U.S. 95/215 Interchange this year. In Southern Nevada, we will do a widening project on I-15 North.

Next year, we have--we are working on projects on 515, which will be a little bit farther out in the work program. We have--are looking at the interchange of I-15 and 215, the northern one in the farther out portions of the program. As the Director indicated, we are doing SR 160. The first phase, this next phase through the mountains, would be farther out in the work program. We are studying doing Tropicana Interchange at I-15. But, again, that will be farther out in some of the later years. So every year we are delivering capacity projects in Southern Nevada. At the same time, we have a significant 3R program. Now, many of those projects are in the north and on I-80, and we had previously presented on kind of our 3R program, and which ones we're proceeding with on those.

In addition, to that, we have our safety program that goes throughout the state. Those projects are pretty well evenly divided through the state. In fact, many of them are in the rural areas. In the Northern Nevada, we are finishing the Carson Bypass and that project will advertise, I believe, in February. There are not too many other capacity projects in Northern Nevada in the next few years...

Sandoval: Yeah.

Terry: ...other than USA Parkway. I don't know if I summarized or not for you.

Sandoval: Well, no. And this isn't a check-your-memory question.

Terry: Yeah, I know.

Sandoval: What is the jeopardy if we put this off until next meeting? Because what I'd like to see is a synopsis of what's going on. I mean, this is a huge document that I know took a lot of time. But to have, you know, a synthesis of what you just talked about and how much money is involved would be very helpful to my deliberation in terms of approving this. And I mean, again, I can look at all of that, but I really need a little bit more help. I don't want to speak for the other Board members, but I'd like to see just an executive summary of what that is.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

Wallin: Governor, can I...

Sandoval: Yes, Madam Controller. Excuse me.

Wallin: Thank you, Governor. One comment I'd like to make--because I look at this and it is, it's very difficult. It's very non-transparent, okay. And when we've gone out on the county tours, it's been actually more transparent. So if we could have some summaries like that where, you know, okay, here's the county and here's a list of all the projects and, you know, the estimated dates we're going to do them and how much we're going to spend, I think that would give me more comfort, you know, because this here, it's great, a lot of detail. But I'm an accountant. I like to see totals and stuff, and I can't see a total here. And it's really tiny, fine print to go through and try to add it up.

Spencer: Right.

Wallin: So I agree with you, Governor. We should have some type of summary that, okay, Clark County, here's the projects, here's the total amount we're looking at spending. And you can project it out, '15, '16, whatever, and same for all the different counties. I think that I would appreciate that.

Sandoval: Member Savage.

Savage: Thank you, Governor. And along the same lines as the Governor and the Controller, I would like to see the districts broken down with summary sheets totalizing annual fiscal amounts. For example, District, you know, District 2 Washoe County, 2015, X amount. 2016, X amount. Then you've got the short-range and you have the long-range, just a very short snapshot of the allocation, because the information is here. I mean, all the answers to the test is here. We know it's here. And it's a very involved packet. And I know the information is there, but it's just a matter of simplifying it and quickly reviewing some of the dollars. And also, historically, you might look back at the last couple STIPs that we've had to do a comparison with some of those allowances, so that we can compare. Thank you, Governor.

Sandoval: And is the--my other question, we're okay if this gets approved in December. Did you put it November for some cushion or are we all right?

Malfabon: We're okay if we--one month postponement is not going to make a big delay to us.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

- Sandoval: Member Skancke.
- Skancke: I don't have any trouble with this. I think--no, I'm just kidding. First of all, Sondra, congratulations on your promotion.
- Rosenberg: Thank you.
- Skancke: Well-done, for taking over this effort. I happen to agree with my colleagues. I think if we could have kind of an executive summary, as the Governor said, or a cliff notes version of kind of broken down and make it easy for anyone to access this. This is great information for us to have, and I think when you go to the eSTIP it'll be easier in that sense. But I think, in order for us to kind of take a look, I think it's really important, as the Governor said, for the Board to have an idea of kind of what's happening in each district, so that we don't have to have the conversation over and over and over again about Reno's getting more than Las Vegas, and Elko--I mean we have to kind of stop those conversations. And I think the way we do that is by having more information so we can...
- Rosenberg: Okay.
- Skancke: ...move forward. So that'd be great. Thank you.
- Rosenberg: We can certainly do that. And just for your reference, you know, that's one of the reasons we're moving towards that eSTIP. It makes it a lot easier to produce lots of different types of reports with different information. Right now, it's a giant access database, so it's a little cumbersome to get that information. We're happy to do it for you. But as we move towards that eSTIP, so hopefully in less than a year, we'll have that for you and we can produce various different types of reports based on whatever the query is that you all have.
- Malfabon: And I believe we have shortlisted the teams for the eSTIP...
- Rosenberg: Correct.
- Malfabon: ...consultant interviews. So it's...
- Rosenberg: Yes.
- Malfabon: ...getting closer to reaching a contract with a firm...

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

- Rosenberg: Yes.
- Malfabon: ...to do that work.
- Sandoval: Mr. Gallagher, do I need to take action to postpone this item until next month?
- Gallagher: Governor, as the Agenda reads "For possible action," it is certainly the prerogative of the Board simply to postpone it for a month with that direction to staff. A motion is not necessary.
- Sandoval: All right. So do you have any questions on what we're seeking, Ms. Rosenberg, in terms of information?
- Rosenberg: I don't believe so. I can follow up with the individual members if we do have any questions. One other comment I will make is that, you know, this format is somewhat dictated by the federal regulations. We can provide that summary in addition to this as a separate item in a future meeting, and still approve this document, or we can delay the entire approval. Either way is-- we're willing to work with you.
- Malfabon: In December.
- Sandoval: Yeah. And the point, no one's critical of this document.
- Rosenberg: Right.
- Sandoval: I mean it's very important and it lays everything out. But as I said, for somebody who resides in any part of the state, including the Board, it's just important to have a place where we can go and have all that information in a few sheets instead of, you know, trying to have to distill it from that.
- Rosenberg: And that is also something we've been working on with our MPO partners to develop a unified plan where it's much simpler to access that sort of summary-type information.
- Sandoval: Yeah.
- Rosenberg: So it is in line with what we are working on.
- Sandoval: And as Member Skancke alluded to that, I mean we've had discussions on this Board with regard to proportionality and where the funding is going.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

And there's always a reason why the money goes where it is. And this document is a product of submissions from the respective transportation organizations. But I want to be able to answer the question, wherever I am in the state, why is this much being spent here and here and here and, you know, what are we doing. And if I'm traveling this road, is there a plan to improve that later on. These are just some basic questions that we should have available to all the public.

Rosenberg: Absolutely.

Sandoval: Mm-hmm. So with that then, if there are no questions on what we're looking for then we will postpone Agenda Item No. 10 until our next meeting of December 2014. We'll move on to Agenda Item No. 11, Update on the DBE Program.

Malfabon: Thank you, Governor. Deputy Director for Southern Nevada, Tracy Larkin-Thomason, will present this item to the Board.

Thomason: Good morning. For the record, Tracy Larkin-Thomason, Deputy Director, because I know you always like hearing it twice. So this is actually a fairly short and simple meeting--I mean presentation. External Civil Rights, we have four main components in it; contract compliance. And that's of the Nevada specifications, as related to external equal employment opportunity. This includes the tracking of the female and minority participation, tracking of the apprentice and trainee hours' participation, subcontractor performance such as the request to sublet non-payment of subissues, the DBE goal attainment labor compliance tracking. And we work closely with the Labor Commissioner's Office also on that for wage issues.

For ADA, the American Disabilities Act, that's any complaints and compliance of projects using federal funds in providing ADA improvements, as well as comprehensive agency planning in our transition plan and basically planning with our project including that element. Title VI, internal and external review of complaints relating to non-discrimination for race, color, and national origin, also covers environmental justice and limited English proficiency. And then lastly, the Disadvantaged Business Enterprise and the Small Business Enterprise. It takes care of the certification process for them, setting goals, bid verification, and good faith efforts.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

Within the department, this is our organizational chart. There are 11 positions in the external civil rights. They answer directly to the Deputy Director in Southern Nevada. There is basically, two in contract compliance, two in prevailing wage, one admin person, two in ADA, two in Title VI, and one DBE.

The Triennial Goal. You have seen this earlier in the year, but basically this is covered under the federal regulations. It's 49 CFR 26. And there's several different ways to establish the triennial goal. What Nevada DOT did was completed a disparity study in 2013. This established a 4.5 base figure that we used. And then it also requires FHWA in D.C., approval for the methodology use. So we took the 4.5 base figure and we're allowed to do an upward adjustment. So we were--included one upward adjustment that ended up with a final DBE goal approved at 5.59%. And this represents the amount that needs to be expended on DBE and SBE participation over average yearly for federal aid. So that's 5.59% of the federal aid that we receive.

And each--that's an average over three years. I mean each year is 5.59%, but the goals are individually set for the project. So I just want to differentiate between the fact that we have one three-year goal and then basically each goal might range--it could be zero, it could be 10%, it could be five. It depends on the nature of the project. The goal is--for the three years, 2014 to 2016. And so far for federal fiscal year 2014, we have achieved 9.8%, so well-above what we expected.

Tracking of the DBE goals. This is really becoming very critical. And we're implementing a B2G now, which is a software package that tracks the DBE participation via the payroll. So basically they look at how much has been paid towards it and then compares it to the overall project. We have personnel who are familiar with the construction practices. They are being trained, and they will be sent out to each of the crews to work with the REs on the software. And basically, also, on the communication documentation. And then moving into next one, we call it a commercially useful function. These forms are done by the RE for every DBE that participates in a project.

Basically, they go out and physically observe if the DBE is performing the function that they are expected to be doing. If they're using their own people and so on. The form that we use is a little bit--we're working on it,

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

because you also have suppliers and other things that participate in, so we are making note of that. So basically, it's another way of tracking the DBE and SBE. We primarily still just use DBEs, but--meetings with all the resident engineers statewide, we want to ensure that once the crews have the information that they basically know how to collect it and what to do with it when they have it. This is very critical. We have a lot of new REs. We have a lot of people who have advanced through.

We also use a lot of contracted construction management, so we want to make sure that everyone knows how to follow it. And workshops are being held with industry. We've had three workshops now and we're discussing the processes with them, notification procedures. I'm going to go a little bit into this a little bit later. But basically, so everyone knows the expectations on this side.

The Unified Certification Program; this is a federal program that defines how a DBE firm becomes certified. And in Nevada, we have six public agency members on the Board, and that's the two RTCs north and south, the two airports, Reno-McCarran and--I'm sorry, Reno-Tahoe and McCarran, Campo and NDOT. Three of the agencies are certifying agencies, and that's the two airports and NDOT. So basically, only three actually take the applications, review the applications, and then make recommendations. All the applications are recommended to the certifying board, and it's a majority vote that defines whether it moves forward. And on that, a lot of the criteria in there--and, again, it can be found online. It's fairly clearly defined that it's based on business sides, ownership, control of business, and also personal net worth, and social and economic disadvantage. So it's very clearly defined in the regs.

Outreach and Improvement Efforts. Some of the things that we're doing, we brought in--FHWA sponsored. We requested and they brought in from the City of Denver, Colorado DOT, Arizona DOT, and federal representatives from New Mexico DOT and, again, Arizona DOT--Arizona FHWA, I'm sorry, that basically have had very successful programs for that. So they came in and talked to us about what worked for them, some of the challenges they had, how they overcame the challenges. And this was presented to all the certifying agency boards. We will be requesting them again to come back to bring in to a broader group, but in the meantime it

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

was to get an idea of some of the challenges we have and some of the ways to overcome them.

We had DBE 101 training, for lack of a better word. And NDOT and RTC cosponsored that, although FHWA did the presentation. It basically gave a history of the DBE program and provided question and answers. Contractors, consultants, and DBEs were invited. The AGC Training Coordination. We are working with AGC north and south, although primarily in the south right now, about leveraging our resources to provide training to--basically, to the workforce in general. And we are looking at, and this is a work in progress, but we are looking at providing full and partial scholarships basically for this training. The type of training is like OSHA, 10-hour training OSHA, 30-hour training, flagging training, fall protection; those type of things.

We are working very closely with RTC Southern Nevada on coordination on events, basically on outreach programs. And we're increasing our communication between the personnel. Industry workshops. Again, I mentioned that before. When I say industry, I do mean the construction industry. So, again, we're working with them on defining expectations and different ways of, like, notification, because non-attainment of DBEs during construction, is something that we've been looking at. One of the things that we're looking at is, basically, a process that accelerates the escalation process with any issues that relates to DBE non-attainment. So we're teaching our crews to make sure how to follow by maybe using like a resource-loaded work schedule ahead of time so we know what to expect during the contract.

So in other words, you may be 50% done with a project, but only have completed 30% DBE participation. And that might be appropriate. The DBE work might be at the end of the project. But this way it's becoming, basically, a regular conversation of just kind of watching it and seeing that things are flowing right. So if something does go right, both--everyone has a chance to, basically, work on it.

And UCP workshops, again, that's a unified certification program board. We've held two workshops and we're looking at our third. We're looking at different types, basically, of leveraging our resources. We're looking at if we can do a better website, how we can better outreach as a unit. And,

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

again, I keep emphasizing many of us are targeting the same workforce on there. And many of--we have a lot of organizations that are doing outreach to specific areas--I mean to the DBE community. So we're hoping that by getting a better sense of really what's out there and putting our resources together, one, we all--everyone benefits. Bottom line is the DBEs have--there should be more resources available to assist in the development. And also, it's a better use of our money going out.

And last, we have the support of services contract. This is a contract, its funding is provided by the federal government. It is based on--it's a formula funding based on our allocations. So it varies from year to year, but again it's formula funding. It has a very broad application. It covers direct DBE business development. It can do training. It can do networking. So basically, we provide a plan to FHWA outlining how we'd like to use the funds and they approve it. But we can--as we develop--as we work through the different programs, we can change what we do, so it does not have to be the same thing every year.

What we're looking at this year, and we have been working with the UCP Board--because, again, we're really looking at it as a statewide program and not just an agency program. So we're--and we're looking at outsourcing and we have a survey that we adopted from Arizona DOT. It's a very comprehensive survey that goes to each business and basically asks about their business plan, their marketing plan, how do you want to develop, do you want to develop, are you happy with the size you are, do you want to increase your bonding limit. And basically, find out the gaps that we have in the base and determine what type of training and outreach would best benefit across the board.

If, you know, if someone is happy with where they are and they just need some training and stuff, that's what we need to get. If it's someone that wants to advance then it's something--if we need to provide more business classes or more construction classes, what do we need to provide that would most benefit them. And that's it.

Sandoval:

Questions from Board members? Member Fransway.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

Fransway: Thank you, Governor. If a contractor came in below the 6%--I think it's 5.9, wasn't it--would they be no longer eligible as a legitimate bidder or would they have the opportunity to address that and get in compliance?

Thomason: If a project went out, and let's just say the project would have--a specific project would have a goal, and let's say it's 6%. If the bids came in and let's say the low bid came in at 5.5%, they would have to put in what they call a good faith effort. Basically, they would have to very substantially show that they had made every effort to reach out to DBE firms. They would have to show like phone calls, document calling them, negotiating with them, receiving bids from them. I mean they have to really show a fair amount of work that they had tried to get it. If they did not show a good faith effort upon review, it would go up to the next bidder. So if the next bidder had 7%, it would be awarded to the next one. It does not preclude them from bidding on future projects, but it could cost them the bid even if they were the low bidder.

Fransway: And is a subcontractor also obligated to have a DBE percentage, as far as their operation goes?

Thomason: Not--we deal--our contract is with the prime, so they have subcontracting. One of the things that we are learning and we're kind of working through, is that if you have a subcontractor come in--so they subcontract to a DBE firm and they're expecting them to, let's just say \$100,000 worth of work. However, if that subcontractor subs out to a non-DBE firm, that work does not count. So if they subbed out \$20,000, only \$80,000 would count towards the DBE goal.

Fransway: Okay. That helps. And the reason I'm asking these questions, because I was a little confused as I read through the packet relative to Item 4, when we approved that project, 3577. It appears on Page 8 that the high bidder was going with a 13.56%, and then the high bidder chose the second highest bidder as his subcontractor, and the subcontractor went out at 6.13%. I'm sorry it's--my questioning may be a little complicated, but I just noticed that and it was confusing to me.

Thomason: I will probably have to look at the (inaudible).

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

Malfabon: Yeah, I can help you out on there. Tracy doesn't have the paper. But in this case, DBE goal was 6% and then the apparent low bidder, which was awarded earlier today, had a goal of--or a commitment of 13.56%. So that becomes the new goal that Las Vegas Paving has to meet the 13.56% commitment, because that's what they established at bid time. The 6.13% commitment by the second--apparent second low bidder, Road and Highway Builders LLC, that met the 6% goal.

So there could be cases where--and in this case, Las Vegas Paving exceeded the goal and that becomes the new DBE goal for that contract. There are cases where all the bidders did their best, but they couldn't achieve that goal or commitment at bid time. Then we look at the documentation they provided to see that they did their best efforts to achieve that goal and then make a determination that we present to the Board for our recommendation.

Thomason: So as long as the bidder met the goal and if it was a low bidder, basically, it would awarded and the rest of them really aren't looked at. It's really only when there's a problem with the first bidder and they didn't meet it, we would start looking at the next ones. And I do look at it as if the first bidder--the lowest bidder did not meet the goal and everyone else exceeded it, they would be looking at why.

Fransway: Okay. So for this instance then, really the subcontractor did not bid a...

Malfabon: No.

Fransway: ...DBE? The subcontractor was part of the original bidding folks and...

Malfabon: Yes...

Fransway: ...that's what his bid was at 6.13?

Malfabon: No, the 6.13 was the second low bidder. Apparently, it's the second. But the point is that, as Tracy said, we have to watch what's happening between the subs. We have a contract with the prime. They make a commitment at bid time, but we also have to see that the subs are not subletting out their work to a non-DBE. And that's one thing that we've learned through the construction industry, the feedback that we've received from our contractors is, "hey, sometimes I didn't know that my DBE sub was going to sub out a second tier to a non-DBE." And we're getting to these discussions and

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

determining what's the best action to take. Contractors, you have to anticipate that. Tell the DBE subs that you're relying on their bid at bid time and that you're not expecting them to sublet out further to a second tier sub that's non-DBE. So those types of conversations are very practical and useful for us to understand from the contractor's perspective what they're facing, too.

Fransway: Okay. Thank you, Governor. Thank you, Tracy.

Sandoval: A couple questions on--so if--within a bid there's the, for example, the 11 or 12% DBE that's part of the bid, do we follow up afterwards to make sure that those same subcontractors were used?

Thomason: That is--it's--actually, there's a new rulemaking that came out just about--it became effective November 3rd, came out last month, and they're very much emphasizing that. And, yes, we do. You have to follow up to see that they were used. And then, also, in order to use another one--because sometimes something happens but then there's a request to basically replace that. And a lot of what I just told you, I pointed out in the beginning on the tracking of DBE efforts. That's something we're working on within the department. And, frankly, we're a work in progress. And on there--there are things we need to look at and improve in our own processes, we're taking a look at. But what you're saying is correct. That does need to be--and we're working on it.

Malfabon: And just to add in response, Governor. There's controls in place to prevent bid shopping so the contractors at bid time--or within a couple hours after bid time have to report those major subcontractors. And then once they're reported, we make sure through our contract compliance efforts to make sure we get the request to sublet and the subcontract agreements that are specific who the contractors say they're going to use. So there's no bid shopping, trying to get a lower bid price from another sub and to replace one that they committed to at the time of bid. So those controls are in place for non-DBEs as well as DBEs.

Sandoval: So if I'm a contractor, and I bid, and I put down a specific DBE, if I'm going to change that I have to get the permission of the Department to do that?

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

Malfabon: Yes, you can--sometimes a DBE goes out of business or is not able to perform the work, then we work with the prime contractor to have a replacement DBE.

Sandoval: Okay. And then I just noticed on your org chart that there are five vacancies. Are we going to be filling those?

Thomason: We're working very hard. It's slightly outdated, but one of the people there is now vacant and we filled one of the others, so we broke--kind of broke even there. But, yes, we are working on them.

Sandoval: Because that's part of the whole picture, isn't it, to have the individuals within the Department to be able to ensure that the DBE requirements are being met?

Thomason: Correct.

Malfabon: And to add also, Governor, that we are looking to other areas of the Department that can assist. For instance, with the ADA program going to the engineering side to get some assistance on data collection for identifying the projects to go forward in the ADA program. Another example is using temps. Some of these service providers that can provide--meet the service needs and labor--experienced labor to at least keep going forward with some of these program activities while we're trying to fill these vacancies and get people trained.

Sandoval: Other questions from Board members on Agenda Item 11? Thank you very much. Let's move to Agenda Item 12, Old Business. Mr. Director.

Malfabon: Thank you, Governor and Board members. The first part of old business is the Report of Outside Counsel Costs on Open Matters and Monthly Litigation Report. That's Items A and B for Item 12. If there's any questions for our Chief Counsel, Dennis Gallagher, he can respond at this time.

Seeing none, the third part, Section C, is a Fatality Report. Unfortunately, we're seeing a little bit higher statistics on fatalities compared to last year, so we'll be definitely watching that as we come to the year's end. And as we learned last year, some of the data comes in from the law enforcement agencies, especially when somebody has been seriously injured and maybe

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

suffers a death later, those statistics can change. So we will keep on top of that and report the final year's at the appropriate time for the current 2014 statistics in early part of 2015. If there's any questions on the Fatality Report.

Seeing none, the fourth section, D, is the Update on the Research Program. As you recall, we presented how we go about selecting research projects previously, and we agreed to report on an informational basis on the projects that are selected. This is not the consortium, which was a federal grant that you previously had approved expending additional state funds on to match. This is our normal federal research funds that has to be spent for this typical program.

So our process has been changed to more of a quarterly basis. And you see before you, the two quarters for federal fiscal year 2014 are reported. We received 33 problem statements. So a problem statement is very brief, but outlines what the research is trying to accomplish. Once NDOT reviewers ranked those problem statements, we solicit full proposals. And the proposals will have the additional details about how they're going to conduct the research, how much time is needed for a schedule, and how much cost for the researchers' time and effort to conduct the research.

So there's a two-step ranking process. Problem statements first, and then a full proposal second. Sometimes we will select a proposal from universities. Sometimes they're from a technical engineering firm. You can see that UNR, UNLV, and two consulting engineering firms received the research projects out of the nine selected proposals. One thing that we're making sure of is that it is a fair process; that there's no bias for a particular researcher. So we feel that, based on the input from the research staff, it is a fair process, but we want to continue to watch for a fair distribution of funds, but also see that the research that's conducted is something that's useful to the Department and not just theoretical.

So you can see that out of the research projects that were selected, there are several in the safety category, bridge category, traffic and planning, and some in maintenance. One is in operations and incident management, the (inaudible) one that was through a consultant. But there's--the summary is provided for approximately \$1.5 million in research projects that were

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

selected. And our staff are available to answer any questions on any specific research proposal that was selected and funded.

Sandoval: Do you keep also a column, Rudy, on what the overhead was on these various contracts? And that was...

Malfabon: The universities track...

Sandoval: ...(inaudible) my question because some of them get into be 40-50%. And so this isn't a real number on that total cost, because that's not all research. We're getting charged overhead.

Malfabon: We do have that--the overhead rate was something that was negotiated about half of what is the actual overhead to the university. So it was a reasonable rate for the overhead, but it is just a portion of the actual overhead costs that are eligible federally.

Sandoval: So what--do we know, for example, what some of those numbers are for these contracts?

Malfabon: We can provide that next month, Governor.

Sandoval: Okay. All right. No further questions, if you move on to 12-E.

Malfabon: This is an update on the road relinquishment process that Member Fransway had requested. So it gives you a schedule of what's been performed recently and what's coming up. And I wanted to mention again to the Board about those upcoming public workshops in Elko, Las Vegas, and Carson City. The dates are provided there. So later this week, and then into next week, we have those workshops. So we're moving right along with that regulation making process and eventually the regulations that are proposed will be brought to the Board for your approval, then go over to the legislature for adoption formally. Any questions on that update?

Fransway: I have a question, Governor.

Sandoval: Member Fransway.

Fransway: Has notification been sent to those individual counties that would be interested in those meetings? I don't see a time on here, Mr. Director.

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

- Malfabon: We'll make sure that they receive the actual notification. As far as the details--I'm sorry, I don't have that in front of me. But we'll reach out to the specific counties in those areas so that they're aware of the meeting location and the times...
- Fransway: Right.
- Malfabon: ...for those meetings in advance.
- Sandoval: Board members, any questions with regard to Agenda Item No. 12? We'll move to Agenda Item 13, which is Public Comment. Before I take public comment, Rudy, I had another question that--not for answer today. But there was some press within the last week or so with regard to a shortage of construction employees. And I don't know if that's valid or not. I see heads shaking. But I think that it would--if we could just have a quick Agenda item. If you could reach out to the industry to make--you know, given that Project NEON is coming up, the Boulder City Bypass, the USA Parkway. I just want to feel comfortable that there aren't any workforce issues out there, and I don't even know if there were, if there's anything we can do about it. But just to kind of get an update of where we are, given the number of projects that are going to be beginning in the very near future.
- Malfabon: Yes. And as you pointed out with the Boulder City Bypass, mentioning that project. It's not only NDOT's work program that's substantial, it's other Public Works entities. And as far as the private side is concerned, they're drawing on the same kind of pool of construction workers. So it is an issue that we can report back later after we discuss that with the construction industry partners.
- Sandoval: Okay. All right. Public comment. Is there any member of the public in Las Vegas that would like to provide public comment to the Board?
- Martini: None here, Governor.
- Sandoval: Is there any member of the public here in Carson City that would like to provide public comment to the Board? Member Skancke.
- Skancke: This isn't a public comment. I just wanted to bring up three things real quickly if I could, Governor. One, just a reminder, I think at the last meeting on the billboard conversation we were going to, at some point, get

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

some feedback on pending litigation or outstanding litigation, et cetera, any decisions that were made. And I just want to remind that that would be helpful if we bring that item forward, if we had that before the next--the December meeting or January meeting, whenever you all decide to bring that forward.

My second issue is Sahara and I-15. Recently, MGM Resorts International announced a rather large project at Sahara and Las Vegas Boulevard. That's an 80,000-seat outdoor kind of stadium-type project. And I think the Department and my recommendation would be we need to be proactive as opposed to reactive to that investment. The types of venue or the types of entertainment-type--what do I want to say--the venues that are going to be in there are going to be rather substantial, and they will likely be sold out on a regular basis.

So as we look at Project NEON, I want to make sure that Sahara Avenue is going to be able to handle 80,000 to 100,000 at Las Vegas Boulevard and Sahara with the amount of parking and the amount of ingress and egress that's going on there. That's going to be--have an impact on I-15 in the system. And I'm not quite certain--I'm not an engineer, but the current design would probably not handle that type of impact. So in order for us to keep our economy going, I just wanted to make you aware of that if you hadn't seen it and, hopefully, we can do something to be ahead of that instead of behind it.

And then the same thing at Russell Road and I-15. There's some plans that are occurring there with the expansion of some convention space and other outside entertainment venues. And I know that studies take a long time to get into the queue but, again, I think I'd like to recommend, Rudy, that we're more proactive than reactive to those types of things. So whatever I can do to help with that, to facilitate any meeting with those respective properties or those respective companies, I'd be happy to do that. But those are coming. And I know that Susan Martinovich is here today, and she used to say when she was the director, "When a thousand rooms were announced, we were five years behind." And if we're going to be five years behind this, I'd like to get at least two years behind as opposed to five. So thank you, Governor.

Malfabon:

Thank you for the heads-up. And it definitely is an issue with the private development. They keep those announcements close to the vest until they're

Minutes of Nevada Department of Transportation
Board of Director's Meeting
November 10, 2014

ready to announce. And by that time, we are behind the curve. And we will do our best to meet with those developers and see where we can play a role in making them successful.

Skancke: Thank you.

Sandoval: Anyone else? Any other public comment? Hearing none, we'll move to the final Agenda item, Adjournment. Is there a motion to adjourn?

Skancke: So moved.

Sandoval: Member Skancke has moved. Is there a second?

Wallin: Second.

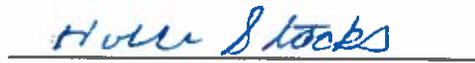
Sandoval: Second by the Controller. All in favor say aye.

Group: Aye.

Sandoval: I think we've set a record today of 10:30. Thank you, ladies and gentlemen. This meeting...



Secretary to the Board



Preparer of Minutes