

Nevada Department of Transportation

Board of Directors

Meeting Minutes

May 13, 2019
9:30 AM

Meeting Locations: 1263 South Stewart Street 123 East Washington
Third Floor Conference Room Building B
Carson City NV 89711 Las Vegas, NV

1. Welcome/Call to Order

Governor Sisolak called the meeting to order on Monday, May 13, 2019 at 9:30 AM. A roll call was conducted and a **quorum was established.**

Members Present: Governor Steve Sisolak, Chair, Lt. Governor Kate Marshall, Vice Chair, Controller Catherine Byrne, Virginia Valentine, Len Savage, BJ AlMBERG, Frank Martin.

2. Receive Director's Report (Informational Item)

Director Swallow began the Director's Report by thanking Governor Sisolak for the equipment vote last month. She said she was so wrapped up in the meeting that she forgot to extend her thanks on behalf of the entire team.

The Director shared the sad news that three of their NDOT team members passed away: Alan Arzie, a member of the Stormwater Maintenance Crew in District 2, Larry Bogy, Resident Engineer in District 2, and Erlinda Guillier, a Design Engineer in District 1.

The third safety report of the year continues with a downward trend of fatalities which is a good sign. But the clock is ticking toward what is often called the 100 Deadliest Days of the Year between Memorial Day and Labor Day. DOT will be partnering with the Department of Public Safety on a speed campaign called Speed Matters as part of this campaign.

May Bike Month is off and running, with Bike to School Day last week, Bike to Work Week Challenge this week (Director Swallow predicts an NDOT win), and a celebrity bike ride in Carson City on May 30th.

There is news about I-580. The mile post numbers and the exit numbers are changing. It's a federal requirement that interstates match and align across the United States with their numbering. So, I-580 from Carson City to Reno now needs to be renumbered. The numbering and exit numbers on it right now are based on 395 which starts at Stateline.

Last year Nevada had 80 pedestrian deaths across the state and as a result of that and just long-term history with pedestrian fatalities, NDOT will program \$10 million this year specifically for pedestrian safety. Last week, the Department kicked off 17 projects in Carson City, Dayton and Gardnerville.

A Legislative update: The Governor signed AB 7 and AB 22 is on its way. There are two more bills in the pipeline: SB 395 is a bill to include tow trucks in the Move Over Legislation that already exists and they've added an amendment to also include the Freeway Service Patrol Teams. AB 377 is an effort to align state law with federal law in terms of overweight vehicles.

An unidentified speaker asked Director Swallow why there were only 19 schools in the Clark County School District that participated in Bike to School Day? The Director responded that it wasn't an event that they were specifically as a State championing. Clark County School District ran an effort to do that with their Safe Route to School Program and apparently only 19 participated.

Member Savage said he'd like to compliment NDOT for the bike safety green lanes in Northern Nevada. They really are a great contribution to the local jurisdictions and the green really sticks out.

3. Public Comment

None.

4. Approval of the April 8, 2019 Nevada Department Of Transportation Directors Meeting Minutes (For Possible Action)

Governor Sisolak reminded everyone that they eliminated the seconds on all motions. It's not part of statute, so seconds on motions are not necessary.

Motion: Approve April 8, 2019 Nevada Department of Transportation Directors Meeting Minutes

By: Lieutenant Governor Marshall

Vote: Unanimous (with Mr. Martin Abstaining)

5. Contract Estimation Process Before and After Bidding (Informational Item)

Mr. Scott Hein, Chief Road Design Engineer for the Nevada Department of Transportation gave an overview of DOT's estimation process and how they compare to the other bidders in the bidding community.

There are three general stages of the estimation process. The first stage is developing the estimate. The staff calculates quantities required for building the contract and then they assign a bid item number to those quantities. After they do that, they assign a price to that bid item using historical bid prices. Whenever they bid a job, they get multiple bids, typically three or four bids for every job and they keep all those bids in their database. They don't just keep the low bids. They keep all the bids and then they have this large database of bid prices for all the separate items they have. They're able to sort those items to suit their needs. For example, if they had 1,000 feet of pipe in Elko, to come up with a price for that, they could sort their data by District 3 or Elko. They can sort the quantity to get it close to 1,000 length foot and when they can price it accurately instead of using a price from Las Vegas for the same pipe. They do generally a pretty good job of that. In addition to the historical bid process and the bid items, they do have some percentage based items for the estimate. Mobilization is one of those; they're using about 6% for those items. Construction engineering. Construction engineering is the testing and inspection of the projects. That bid item is typically 10-15% of the total cost of the project.

Once there's a complete set of plans and a complete estimate, NDOT advertises the contract and receives bids from the contractors. They don't publish Engineer's Estimate in the bid packet, they show a range of an estimate; it's based on a tiered system. Then, after they receive all the bids for a contract, they analyze those bids before they award. It goes to the BRAT. The BRAT is an acronym for the Bid Review and Analysis Team. They compare all the contractors' bids to the Engineer's estimate and the other contractors' bids among themselves. They use the price sensitivity report. That's included in the Board Packets every month. Once they are satisfied that all the bids are up to snuff, they'll recommend to award or not to award, but it's the Director's ultimate decision whether to award a contract or not.

Governor Sisolak asked what "minimal amount of time and money spent estimating this," meant? Mr. Hein estimated that dollar-wise, it probably amounted to \$100,000-\$150,000 a year to do the estimates, well under production based typed estimates. And, the Department was getting good results.

Governor Sisolak asked for more clarification on the fixed, tiered bidding system and how that worked for the Department and for the contractors doing the bidding. Mr. Hein explained about the contracting community making better bids that way, Director Swallow explained about published ranges, and Mr. Martin described how it allows companies to check with their bonding companies to assure that they've got the bonding to bid on that range. It also gives them an idea of the amount of resources before they start to bid the job that they're going to have to dedicate to it and make a business decision.

Member Alberg said an unrelated but interesting item was something he learned at a presentation at their last Construction Work Group meeting. NDOT is the only agency that has so many bid items that they can basically break their bids up into whatever groups they want. It is unique in the whole state. Mr. Alberg thinks it may be something that they consider revising slightly in the future to narrow down how many bid items they actually come up with.

6. Approval of Contracts over \$5,000,000 (For Possible Action)

Director Swallow reported there was one item in this agenda item. It is for a project located in Elko. It's a rehabilitation project to focus on pavement condition and safety.

Member Alberg asked is this currently a concrete freeway and they're going to mill it off, it appears and then they're going to asphalt overlay?

Cole Mortensen, Assistant Director of Engineering, responded the concrete pavement out in that area has deteriorated to a point to where they need to take action as far as a rehabilitation project. In this case, what they're going to be doing is essentially cracking and rubberizing that concrete pavement so that they don't perpetuate the joint cracks up through the asphalt when they pave over it. So, it's going to be a really good base material and then they're going to have asphalt pavement go over the top of it. It is part of the rehabilitation for this project.

Governor Sisolak asked what's the source of the funds for this project? Director Swallow said it's a National Highway Preservation Funding, federal funding.

The Governor asked how much money does the state get? The Director said she didn't have the total of amount of NHPP funding on an annual basis, but she could get that.

Governor Sisolak asked how is the money allocated with the abundance of projects and limited resources? The Director responded across the state, annually, they observe pavement conditions and they work to make sure that the pavement condition on interstates and primary routes remains in fair or better condition. They prioritize those that have the most significant impact to the traveling public and freight traffic across the State.

The Governor expressed surprise that this road was prioritized as higher need than some others, and someone on the phone named Darren who "manages the prioritization process" explained. He said: "we use our Category 1, that's all interstate routes. So, anything interstate throughout the whole state is our highest priority. Then US routes, they're all categorized into categories by the amount of traffic. They're also the highest value in terms of if condition deteriorates, then what's the cost of replacing them. We use those two factors to take the amount of money that we do have and prioritize it for rehabilitating our pavements. This project is high priority for us to keep the interstate traffic flowing and keep the roads in, like the Director said, fair or better condition." The Governor thanked Darren for that information and said he would appreciate getting the details on the prioritization and the other projects that were considered.

Motion: Approve the Contract 3768, under Item No. 6 for Pavement Rehabilitation

By: Lieutenant Governor Marshall

Vote: Unanimous

7. Approval of Agreements Over \$300,000 (For Possible Action)

Director Swallow asked if anyone had any questions on the four agreements listed under Item No. 7.

Controller Byrne had a question on Item 1's end date of 2023 when funding only went to 2022? Mr. Mortensen said that with this contract that November end date would include a portion of the construction, and he would anticipate amending the contract once the design is finalized to include that construction management administration.

Member Alberg asked why on Item No. 1 and Item No. 4 there was an overhead rate for Atkins at 147.8% on one item and an overhead rate of 137.7% on another item? What's the difference in overhead rate for the same company?

Mr. Roger Phillippe with Atkins answered Member AlMBERG's question. The 147% overhead rate is for their I-15 North Phase 4 Project. That's a project that was negotiated back in 2017. The new overhead rate has been lowered. It's just a result of working more efficiently, cutting costs. But, the company overhead rate has been dropping consistently over the last few years. The second one, the 137% is for the I-15 North Phase III. These are audited overhead rates and it's all settled up at the end of the project.

Mr. Mortensen added at the end of the contracts, they actually go through an audit process where they'll go back and if it's a multiyear contract, they'll consider the payments that were made and what the company's overhead was during that period of time. At the end, there's a truing up. So, there are situations where the consultant will have to reimburse the State and/or the State will owe the consultant additional overhead because their overhead rate has gone up during that period of time.

Member Savage had a question on Page 3 of 81. Line Item No. 1 underneath the Federal column, it says, it is not federally funded. He was curious, since it's an interstate project, why it is not federally funded like Item No. 4, which is an interstate project that is federally funded?

Mr. Mortensen replied although it isn't federally funded, it doesn't necessarily mean that it isn't eligible for federal funds. They'll try to exhaust and allocate all of their federal resources first and then fall back on state resources for projects. In many cases though, with design and early engineering portions, they'll use state funds because it doesn't come with all the federal strings attached and if something were to go wrong, then they wouldn't have to reimburse the federal government for the funds that had been expended on it. And, it's just an easier way for them to move through the design process.

Member Savage asked if there was any possibility to be reimbursed by the Feds for the design if it is federally funded on the construction side? Mr. Mortensen said he would have to talk to their financial management group about that because there's certain circumstances where they have advanced construction out there where they can request a reimbursement from the federal government. Mr. Mortensen doesn't anticipate doing that for this project however.

Motion: Approve Agreements over \$300,000 as detailed in Agenda Item 7

By: Member Frank AlMBERG

Vote: Unanimous

8. Contracts, Agreements, and Settlements (Informational Item)

Governor Sisolak said these items were delegated to the Director by the Board for action. Director Swallow said the items were informational items only and she was prepared to answer any questions. There were none.

9. Resolution of Abandonment (For Possible Action)

Governor Sisolak said for possible action is disposal of a portion of NDOT right-of-way, a parcel of land northwest of the intersection of SR-146, St. Rose Parkway and Las Vegas Boulevard in the County of Clark, State of Nevada.

Director Swallow said this was an easement that they acquired 50 plus years ago and it's no longer needed. They are asking approval to give the use of the land back to the original property owner.

Motion: Approve Resolution of Abandonment as detailed in Agenda Item 9

By: Controller Byrne

Vote: Unanimous

10. Public Comment

Lieutenant Governor Marshall addressed an unidentified woman as "Madam Director" and asked if she would consider doing a brief presentation at their next meeting on the community outreach and small business outreach the "Madam Director" is involved in. The Governor said they will have a brief presentation at the next meeting.

The next public speaker was Ms. Laurie Rodriguez. She gave a thoughtful, detailed, researched, and quite convincing sales pitch for a monorail system to get people to TRIC. Ms. Rodriguez plans to speak about this idea at the nine different county commission and city council meetings in the coming months.

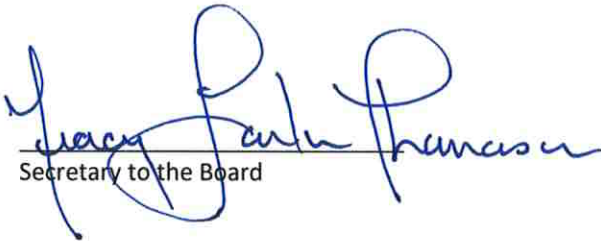
Mr. Bill Wellman was the last speaker. He said NDOT must continue to be forward thinking. NDOT must be more proactive instead of being reactive. And NDOT must do more with less.

11. Adjourn

Motion: Adjourn

By: Member Almberg

Vote: Unanimous



Tracy Park Thomas
Secretary to the Board