

Transcript of Nevada Department of Transportation  
Board of Directors Construction Work Group Meeting  
September 14, 2015

Chairman Len Savage	Jenni Eyerly	Amir Soltani
Controller Ron Knecht	Darin Tedford	Denise Inda
Frank Martin (Absent-Las Vegas)	Rick Bosch	Teresa Schlaffer
Reid Kaiser	Jeff Freeman	Mary Martini (Las Vegas)
Tracy Larkin-Thomason	Sharon Foerschler	Mario Gomez (Las Vegas)
Bill Hoffman	Steven Lani	Paul Schneider (FHWA)
John Terry	Lisa Schettler	Jim Dodson (Atkins)
Dennis Gallagher	Kevin Lee	Bill Wellman (Las Vegas Paving)

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Savage: Let's go ahead and call the September 14, 2015 Construction Work Group Meeting to order. And welcome everyone. I believe Mary is going to be joining us from Las Vegas shortly. Kevin is here from Elko, so that's nice. And welcome everyone around the table administration and staff and we'll go ahead and proceed to public comment.

Agenda Item No. 2, if there's any public that would like to comment here in Carson City. No. It looks like the Las Vegas room is empty. So without any public comment, we will move to comments, Agenda Item No. 3, if there's any comments from anyone at the table here, or discussion only at this time.

Kaiser: Reid Kaiser, Assistant Director, Operations. If anybody talks, please talk loud and clear. We have new court reporters, and we want to make sure they hear and understand everything we say. Thanks.

Savage: With that being said, I apologize, I'm on the tail end of a cold, so I'm a little hoarse and coughing and I see Reid's got the cough drops here, so I appreciate that but it is at the tail end. So, I'll speak as loud as I possibly can.

Any comments from the group here in Carson City? Any thoughts? Okay. Mr. Controller any thoughts or comments.

Knecht: You're doing a great job Mr. Chairman keep it up.

Savage: I want to mention too thank you Mr. Controller, but it's going to take both of us today because member Martin is absent, He had something come up last minute, so it just the Controller and myself.

Moving onto Agenda Item No. 4, if everyone has a chance to review the minutes, if there's any comments, corrections, deletions, additions to the meeting of June 8th, 2015.

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Knecht: Mr. Chairman, page 18 of those minutes, apparently Reid's advice was three months too late because I said government agencies being run by human beings, and it came out as government agency and by human beings, so I'll try to speak louder and more clearly this time, but what that should say on the first line there is "government agencies being run by human beings".

Savage: Correction noted.

Kaiser: I got two, on page 33, about halfway down, it has me saying ESL - it should be CSL. And on page 35, where Bill Hoffman spoke it says "inaudible", that's just Bill Hoffman saying "Bill Hoffman for the record".

And also the one right above that where it has me quoting or saying "O for O". That should be "augmentations".

Savage: Corrections noted. I have one note on page 44, change ATC to "AGC" on several locations, just a typo. Any other comments, corrections, deletions, additions to the minutes? If there isn't we'll take a motion.

Knecht: Move approval as corrected and amended and added.

Savage: And I will second. All in favor aye. [ayes around] Motion passes.

Moving to Agenda Item No. 5, NDOT's Agreement Process.

Eyerly: Jenni Eyerly, Administrative Services Division Chief, and I prepared a presentation that will walk us through the consulting procurement process and by hopefully a little more detailed understanding of what the Department goes through in order to select consultants.

I did provide the material ahead of time. I have the same presentation here today, it just has an updated logo with the Safe and Connected background. So hopefully you won't notice any difference in the content.

So walking through the different procurement types, admin services really oversees two main types of procurement. On the left side, we have the low bid procurements, and these are basically your construction projects.

On the right-hand side we have the - what we refer to as service-based procurements. They are different processes, what we're going to cover today is the service-based procurements, which is on the right-hand side. They're different in that construction-based projects have bid items and quantities,

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whereas service-based procurements have a general scope of services and an overall budget.

There are a whole slew of regulations, processes and procedures that go into defining how we procure consultants. So because we get federal dollars, we follow the Federal Highway Administration and the Code of Federal Regulations.

We also are required to follow several NRS's. You'll see those highlighted throughout the presentation, I've tried to note with a specific NRS or CFR's apply. We also follow the Nevada Administrative Code and the State Administrative Manual. And then we have our own Transportation Policies and Procedures.

This is the general hierarchy of things. So if they conflict, then we would look at the more senior if you will; the one higher on the list that takes precedence over what we do.

So to define a procurement we really need to look at several different factors, and bring them together in order to accurately evaluate who our best, most qualified firm is. So in terms of defining the scope of work, we look at what we're going to do, when we're going to do it, and where we're going to do it.

We develop a project estimate that tells us about how much it's going to cost. And then the minimum qualifications that we set, define who we think is capable of doing it. And then the evaluation criteria tells us how we're going to select the proposal.

Those all feed into the request for proposal, which is a document that's published, and it gives the proposers the idea or the parameters under which we're going to evaluate them, and also defines for them the project and the scope of services that we're looking for. From there we evaluate the proposals and end up ultimately selecting a consultant.

The project manager is one of the key players in our consultant procurement process. The project managers come from a wide variety of departments within - excuse me, divisions within the department, because we procure such a wide variety of services.

So we can be looking at a crew augmentation, a full project design, a safety project, the oversight of an architectural project. There's a huge range of projects that we procure for. And we're looking for project managers that are experts in

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their own area, they're familiar with the project, they know what's necessary, they help to develop all of these documents that go into the Request for Proposal.

So they are following the project through its financial authorization. They also request an enterprise goal as to manage business enterprise goal on a project. Some have DBE goals, and some don't. It depends on the nature of the project, availability of DBE companies and the type of project that it is.

The project manager also defines the evaluation criteria. We do have a template for some general framework under which we evaluate most projects, and they can adjust that depending on their exact project and what its needs are. And once they have all those things together, and they've assembled their committee as to who is going to evaluate these proposals, then we put together the Request for Proposal, the RFP.

So the RFP is going to define the scope. It's going to tell the proposer what qualifications we're looking for. It also tells them up front what the criteria is, so that they know exactly what we're looking for. That criteria as you'll see will carry all the way through to consultant selection. So it forms the basis upon which we select our service providers or consultants.

And then there's a lot of details in the RFP about how to submit, what to submit, there's certain forms that are required, there's certain information that we want, and we also try really hard to have the proposals laid out in such a fashion that it matches the evaluation criteria.

So that when those committee members can review the proposals, they're looking at a finite section if you will that covers one criteria; and then another section covering another criteria. In general, that's what we're looking for.

There's also a page limitation. And that's defined in the RFP, and then some agreements include a cost element and some don't, by law.

For engineering and architectural services we are not allowed to include a cost element. It has solely qualifications based. For those that do include a cost element, the cost proposal must be kept separate, so the evaluation committee doesn't evaluate based upon cost.

There's a mathematical equation behind the scenes that creates a scoring component for cost, but the evaluation committee is looking at the qualifications of the firm.

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And we also have a template which has all of our standard agreement language in it. It is subject to modification through the negotiation process, and discussion with legal, but we publish our basic language that says this is going to be our starting point for the agreement.

So as we move through the evaluation and selection process, admin services publishes the RFP, accepts the proposals and then performs a pass/fail of the proposal and that's to see if it meets certain minimum proposal content.

Once it passes the pass/fail process, then it goes down to - I shouldn't say down - it goes to the contract compliance section and the evaluation the DBE goal piece of the proposal. And then the rest of the proposals go to the evaluation committee.

From there they score them, and determine the top ranked firm. The project manager makes a recommendation to the Director as to whether to go to interviews or to negotiate with the top-ranked firm, and then from there, it moves forward to negotiations. And we do have some details about that coming up.

Knecht: Quick question, Mr. Chairman. Jenni how long is the timeline there?

Eyerly: Well, it is highly dependent...

Knecht: Not by steps.

Eyerly: Upon the - it depends on the project manager, it depends on the project, it depends how complicated it is and how many revisions it has.

In general, we advertise a project for three weeks, and there's a question and answer period in there. So from start to finish from advertising a project to actually getting the agreement, it can take several months.

Knecht: And when you say start to finish, you mean agreement services completes the solicitation and advertises...

Eyerly: Yes.

Knecht: Okay, and then there's how much more before that internally?

Eyerly: Again, it totally depends on the project. A project manager could pull this together in a week if they're racing things through financial management and getting budget approval and really defining their criteria and staying on it, but in

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general it can take several weeks.

Knecht: This chart, are there specified times by which the other agencies must act or by which we must act or is it when we get that round to it?

Eyerly: Act in terms of what?

Knecht: Take their action - for example the second step there DBE goal criteria, etc. when do we get sign-off on that? How long does that take? Is there a limit?

Eyerly: Yes, there is. The contract compliance section generally has about three business days to look at the DBE criteria and get that back to us. And then when the proposals are sent to the committee for evaluation, they're given a deadline.

Knecht: Okay. That's helpful.

Kaiser: Reid Kaiser, Assistant Director Operations. I've got a question probably for Jeff Freeman. How long historically has it taken to get a construction augmentation or a full administration out?

Freeman: Excuse me this is Jeff Freeman, Assistant Construction Engineer. From the very start of the process to when I can have a person on the street working is a four or five month process. And that's from identifying, putting together a budget, trying to figure out what it's going to cost, scope of services, so it's about a four or five month process.

Kaiser: Okay.

Eyerly: And that's for the construction augmentation.

Freeman: That's for the construction augmentations.

Savage: I have something to add to that. I think the Controller is spot on here with the timeline concern.

It's getting real busy out there, and these proposers have to know, as soon as they can as to the results and where they stand, as to what team is going to be where, with what jurisdiction, what project.

And I really complement NDOT for shaking this up Jenni, you know shaking it up. Let's look at ourselves in the mirror, no one is trying to be critical here. Is there a different way of doing things? Are we doing it on an A plus evaluation? What can we do better?

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I know we can do better, so I really complement you and the staff and Matt, you guys were very kind to come by the office, and give me a little preview of this.

And it's very helpful to look at ourselves in the mirror and figure out what we can do better. And the timelines I think is very critical Jeff, and Jenni, it's only fair to the public, to the proposers to respond as quickly as possible.

So please take that into consideration and ensuring that we're on at the department.

Eyerly: Absolutely.

Savage: In that one small category, but thank you Controller, point well made. Thank you Reid. Anyway, continue Jenni, I'm sorry to interrupt.

Eyerly: Nope. No problem at all. So this gives a little more detail about the proposal submission process. It is submitted through our electronic procurement and tracking system also known as ePATS.

It's an online system where PDF documents are uploaded, so that there's no paper going back and forth and things don't get lost or misplaced, and we know what time things were submitted, because the proposals we have a specific deadline for submittal. They're obviously confidential. We don't disclose the proposal contents, and we don't discuss them outside of the evaluation committee until notice of award.

So agreement services starts off by looking at that pass/fail criteria. So they're looking at whether the proposer met the minimum qualifications, which we do have some from time to time that don't meet the minimum qualifications. We, in those cases have sometimes gone back to the proposer and clarified just to make sure that they haven't missed something.

And we've had occasions where they've confirmed that they don't meet the minimum qualifications, and then their proposal is not forwarded to the evaluation committee.

As I mentioned before, there are certain forms that they must have and [inaudible 00:25:23] required, so we make sure they have those, and then any firms that don't pass stage, don't move on, because we couldn't award to them anyway, so they don't get evaluated by the committee.

Savage: Good afternoon Mary. Mary Martini just joined us from Las Vegas. Thank you

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for attending Mary.

Martini: Thank you and Mario will be here in a minute. We didn't realize it wasn't starting until - we thought it was going to start at 1:00.

Savage: That's okay. We're on Agenda Item No. 5. Jenni, please continue.

Eyerly: Sure. So before this presentation, there were some questions I think it's unfortunate that Frank is not here, member Martin actually had some questions about the DBE verification and how it was different between low bid and the quality-based selection.

So I wanted to include this slide just to point out that they are very different processes. The DBE companies are the same and applying DBE goals to projects in general is the same. You look at who's available, you look at the type of work, and provide a percentage goal.

When it comes to evaluating the DBE criteria on a low bid contract, which is depicted on the left, you know the price. You have a bid price. Therefore, you know the dollar amount that's necessary to meet the DBE goal on a low bid contract. You list your DBE firms, you list the dollar amounts that they're going to do and you get some commitment letters from them on DBE company letterhead saying I will do this much work for you.

That's different from the qualifications based selection on the right, because we don't yet know the amount. The final scope and the final dollar amount are to be negotiated. So in working with FHWA and understanding their processes, basically the proposer submits a list of DBE firms they're going to use and the percentage of the project that they're going to assign to those DBE firms.

Those firms also provide a commitment letter saying we plan to do work on this project, we're qualified in these areas, but it doesn't go down to the level of a dollar amount at that point. Once the final project is negotiated, now we can monitor how much DBE participation we have and whether or not they're hitting those percentage targets.

Savage: This is on construction and consultant agreements?

Eyerly: They're different. So on construction projects, we monitor the same way, yes.

Savage: Okay.



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Eyerly: The monitoring is the same. The big review and analysis and proposal review and analysis are different, because we have different information that we base it upon. They also have different implications.

On a low bid project, if you don't meet the DBE goal and you don't display adequate good faith efforts, your bid can be deemed nonresponsive.

On a qualifications based project, if you don't meet the DBE goal, you don't get any points for the DBE evaluation criteria, so you get zero. If you meet the DBE requirements, you get five points. So it's all or nothing.

It's zero or five. There's no in between. If you didn't meet it you get zero, if you meet it you get five. So there are some key differences there.

So then we get the committee evaluation stage, where each of the committee members is sent a link in our ePAT system to view the proposals and to enter their scores. There are - as a department, we've moved towards more consensus rankings and we will continue to evaluate the use of that process as we go forward.

Traditionally - well, I don't know about traditionally, in the last few years, it's been mainly the individual scoring and then tabulating those scores and making a decision based upon that.

But more recently, we've moved to consensus where we have the evaluation committees review the proposals individually, but then come to a consensus meeting and discuss what the pros and cons were of each proposal.

There are pros and cons to each of those processes, to say the least. We're learning a lot about the processes and as project managers go through either the individual scoring, or the consensus, they're starting to see some of those advantages and draw backs to each one.

So we'll continue to work through those processes.

Savage: While you're on that committee evaluation, let's talk about the committee members, who they are, and how they're trained.

Eyerly: Okay. So the committee members are chosen by the project manager, and approved by the Director's office. So a list goes to the Director's office, and sometimes there's some back and forth about if they want a different person on the evaluation committee, there could be some discussion, but the final approval

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rests with the Director's office as to who is on the evaluation committee.

We encourage project managers to obviously choose people who are invested in the project. They have some sort of motivation to want the best firm to be chosen for that project. So in the example of construction augmentation, we might have the ARI some assistant ARI, someone from the construction office, sometimes traffic operations or materials. It could be a variety of people.

On a design project you would have a completely different set of evaluators potentially. So it's highly dependent upon the nature of the project.

Savage: Anyone from the outside?

Eyerly: Yes, I was just going to touch on that. Currently, by the NRS you are required to have two user agencies is the way it's stated. So that's another branch of the executive government. The proposal evaluation requires the participation of two user agencies.

So NDOT reaches out to another agency and gets an outside party to sit on the evaluation panel. You had another question and I lost track of it.

Savage: So the outside is another government entity?

Eyerly: Yes.

Savage: Not a private consultant.

Eyerly: Typically.

Savage: Because I think there's a fine line there with any conflict that may occur if there's a private consultant. So that's not the case, so that's good.

Terry: I've never seen...

Foerschler: Sharon Foerschler for the record. It has happened. It happened most recently on the Carson Freeway augmentation. We had someone from Lewis Berger on the review team, and that was because they developed the plans and were intimately familiar with the project, and actually worked for Carson City.

So although they were from a private consultant, we felt that they had a lot of interest and input and knowledge of the project.

Larkin: But in that case, were they not - they were representing Carson City.

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Foerschler: Correct, although not a direct employee of Carson City if you will.

Savage: And I think we just have to be very careful, because of the perception, you know these consultants wear different hats, and we have to be cognizant of the fact as a department of what hat they're wearing that particular day, because the perception from some of the competition may be viewed differently as to what could be actually happening. So we've got to be really - you know in good faith standings.

But I appreciate you mentioning that Sharon, I was not aware of that, but I think we need to be very careful moving forward, even if they are representing on that day a government entity, they may be competing on another proposal in a month or two, so you know it better than I do. So I appreciate it very much.

Anything else on the committee evaluation? Is it - on the training side, let's talk about the training, because you evaluate the training.

Eyerly: So each committee member is given what we call a jury letter, it outlines their obligations throughout the evaluation process, defines under what circumstances they can discuss or not discuss the evaluation.

There's also - they are given through the ePAT system, the criteria under which they're evaluating the proposals. So as I mentioned earlier, the criteria is set in the RFP, but it also carries through to the evaluation committee, and it says this is what you're evaluating based upon.

Under consensus there is even an additional step where the project manager in coordination with Admin Services develops certain key points that they're looking for in a proposal and what might make that good. It gives you a benchmark for - if it provides more than that it would be excellent. If it provides less than that it might be fair.

That criteria really helps when you come to a consensus meeting, so that people are understanding where the bar is set. It's an effort to try to normalize the scoring and how people are evaluating each proposal. Some people are just naturally more harsh at scoring. Some people are more generous. And so to have those benchmarks it helps to bring the group onto the same page about what we're looking for there.

Savage: That's helpful, because again, it's all about the consistency and the trust that the different consultants and contractors have in the department. You have to work on it every day.

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You know and I know there's - I get a little confused between Admin Services, between construction, and project management. I think it's a good check and balance.

I believe that's what it's set up for, but I do get confused as who is selecting who at times. I think that's probably my simple mind, but I'm still learning on how the department runs some of those functions.

Eyerly: And I've probably helped to your confusion because we refer to the project manager on each procurement as the person whose role it is to pull together the criteria and you know guide the procurement through.

However, they are not project managers by title in the department. There is a Project Management Division that has people titled Project Manager, and those project managers work on our construction projects and for example Lynette Russell during the Board meeting this morning was the Project Manager on the Tropicana CMAR, the escalator's project.

So her title is a Project Manager, however Jeff could be a project manager if he's in the agreement services world, Jeff could be a project manager, if he's going to procure a crew augmentation.

So I apologize for that confusion. They are three distinct, different divisions of agreement services, construction and project management; they're different divisions with different roles.

For the purposes of this presentation, a project manager is a person who is leading a procurement.

Savage: But does Administrative Services, you know yourself, Robert and Matt, do you oversee project management with Amir and construction with Sharon and Steven?

Eyerly: We oversee their procurement processes and functions. So if Amir or Sharon or Jeff wants to procure a service or has a project that needs to be bid, it funnels through Administrative Services in terms of the process.

So they can't go out on their own and say I like you, you're going to come sign this agreement. They need to come through admin services to get that procured.

Savage: So you're kind of like the dentist in the room?

[laughter]

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Gallagher: Is that a ped crossing or...

[laughter]

Savage: That's good, thank you, Jenni.

Eyerly: You're welcome. So either through individual scoring or through consensus we identify the top ranked firm. It's probably helpful at that point to identify that there is a short list if you will ranking firms based on the proposals.

At that point, the project manager makes a recommendation to the Director to either move to negotiations with the top-ranked firm or to conduct interviews. And that decision really depends on the scoring, how close it is, perhaps if we had individual scoring and it was really all over the board, we may move to interviews.

It also can depend on the type of project it is, and sometimes the Director chooses to move interviews, because of the nature of the project if it's really significant and we want to really vet out the proposers.

So there's not a set criteria or set of rules about moving to interviews versus negotiating with the top ranked firm. It's highly dependent upon the circumstances.

Savage: And just a comment from my world is that the interviews, again there's pros and cons with interviews. But if the interviews are consistent, then it can be a pro, because you're getting to see the team who is presenting specifically for that project, if that might be the case.

Sometimes interviews can be a waste of time, we all know that. But if we drill down sometimes interviews can be worthwhile. The concerning part with that is the sales side of things. You know it becomes more of a sales show, rather than a factual numbers type of evaluation, that's the concern.

So I think the department needs to be open and aware of that ensuring that you know if someone wants an interview, I don't know; do you give them an interview. I think you guys need to direct consistently on where you're going with interviews.

Larkin: Well, to do interviews that's usually a decision making house.

Savage: Right.

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Larkin: As a rule, but it's also - we recognize that it costs money to do interviews.

Savage: Of course.

Larkin: So that we don't want to waste. You know if proposals come in, let's say you have five proposals. If three are clearly not at the same levels to ours, we will look to interview maybe the top two.

If there's one that stands out completely, we may choose not to do interviews at all, because there's a substantial - when they're close on there then we'll often go to the top level. But we don't want to be - we want to be cognizant all the way around.

Savage: Exactly, exactly. That makes good sense Tracy, and I agree. Because it can be a waste of time and a waste of dollars with the [inaudible 00:42:09] make that selection.

Larkin: So I think it really comes down to what Jenni was saying all along. It really depends on the project.

Savage: Yes.

Foerschler: Well, Sharon Foerschler for the record. I'd also like to add that as a Division who procures consultants, we have concern and it's not through any control that we have but once you go to interviews, the rankings of the proposals are irrelevant and you're starting from square one.

So you can have and that's per - Jenni, correct me if I'm wrong - but that's per statute. We don't have the ability in our types of procurements to say okay, these are the top three firms.

Here's the scores going in. Now, we're going to interview, average those scores and see what we end up with. We start from square one. The proposals get them to the interview, and then the selection is based on the interview.

Savage: Wow, that's scary. So everything they have done up to this point is out the door if they go to an interview?

Foerschler: That's correct.

Savage: Is that true?

Eyerly: Yes, it is true. And we've discussed it several times from different perspectives,

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but I think what it comes down to is the firms that are at the interview stage are there because they are the top cut.

They made - they made that cut for a reason. Interviews tend to happen when you have close scores between first and second, that's a really common time that we go to interviews; or if the scoring looked to be kind of all over the board, and we might want to try and clarify that through an interview process.

So in general when we get to the interview point, the proposals haven't clearly identified a top-ranked firm if you will, a winner. So there are some - there's pros and cons of course, but there can be some benefit to having a level playing field at the interview stage, because if the proposal scores play into it, now you're coming into that interview, carrying the weight of that score.

When the reason that you're there is to compete for the top spot when you were obviously close in the first place or you wouldn't be in interviews.

Savage: Has the Department ever been challenged on something like that? No. And all the proposers I would assume know that if they do go over to interview, it's a new day.

Eyerly: Yes, and that says in the RFP up front, they know that if it goes to interviews, it gets...

Kaiser: Reid Kaiser. One quick question. When a consultant submits a proposal, the decision to go to interviews doesn't really take place until all the scores are tabulated and so forth, so they really have no idea going into - when they submit the proposal there's going to be interviews.

Eyerly: In the RFP, it says that we reserve the right to do interviews and I don't have it right off the top of my head but there's in the template, it tells them about the interview process right up front.

Larkin: But technically you're right, what goes in, it may go to interviews but there's no guarantee.

Kaiser: That makes sense.

Savage: Thank you Jenni.

Eyerly: You're welcome. So again, the ultimate decision about the interview versus proposal scoring and the action that we take is at the Director's discretion. The

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project manager is making recommendations to award or to negotiate to the Director, and then the agreement goes through into negotiation stage, talking about the scope and budget.

And then ultimately agreement services facilitates an agreement, executing an agreement, in partnership with the project manager.

In between times we also offer debriefs to the firms that were not selected and that is an area that we're working on, because we've heard comments through the individual scoring or through the consensus ranking process where firms get - one person thinks they're great, and another person doesn't think they're so great, what are they going to do with that.

Or in a consensus, you know maybe everything seems like they're fantastic, and they don't know what to do with that, because they didn't win.

Part of that I don't think we're going to be able to overcome, because sometimes we get fantastic firms competing and only one of them can be selected. So maybe the others were really close behind and they're great firms and they had great proposals and they did a fantastic job in interviews, but for whatever that little you know one percent was that put them over the other firm, we're not going to be able to identify that all the time in a debrief.

In other cases, I think there is an opportunity for some good feedback through the debrief process and we're working to align the comments as much as possible, so that we don't get you're good, you're bad, we get more constructive comments from the evaluation committee.

That has to be balanced with the amount of time and energy that we're having our evaluation committee members invest in the process. They've already gone through the proposal evaluations, potentially a consensus a meeting for that. They could also have gone through the interview process and consensus meetings for that.

So again, to try to extract all of that out and put it into a debrief it can be a difficult and time consuming process to try to get a consensus on their comments, you know afterwards.

If we're doing a consensus meeting, it's easy, everybody is all together, we can - we can shape that a little better. If we're doing individual scoring, it's something that we're going to work on.



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Savage: So is the consensus review or intervention going to be standard now?

Eyerly: To do consensus reviews...

Savage: Evaluation.

Eyerly: No.

Savage: No.

Eyerly: No, like I said, there's pros and cons to each. There's - it's time consuming to do the consensus meeting, so if we have a smaller, relatively straightforward proposal, we're going to do the individual scoring. So it's going to be dependent upon the circumstances.

But the debrief is a courtesy that we offer to the firms, to at least give them some feedback on the evaluation, and how their firm fared.

Savage: So are the evaluations public?

Eyerly: The individual evaluations are not. The scores get tabulated and that information is public.

Savage: So the timeline just to throw something out here, what's the timelines after the selection has been made. They have a time for challenge and then the debrief is done after the evaluations are made public or how - what's the timeline there?

Eyerly: Yes. And I don't know - I'm not sure to be honest of the exact timeframe. It's usually soon after the notice of - I don't know if it's intent to award or award, that the firms get an opportunity to be debriefed.

So we don't want it to be a - you know months after we did the evaluation, it's once the top firm is announced, and the remainder of the firms get an opportunity to be debriefed.

Savage: I guess my question is after the notice is issued, the notice of award is issued, you have a time for challenge and then the debrief is given after that time of challenge, I would think, or am I incorrect?

Eyerly: I don't know. I can check into that.

Savage: Does anybody know?

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Dodson: I do. Jim Dodson with Atkins.

Savage: Yes, Jim, welcome.

Dodson: Thank you. Jenni, usually the debriefs are held after notice of intent to award, but the protest period doesn't begin until after the contract is awarded.

Savage: Until after contract is awarded.

Dodson: Yes.

Savage: So we might want to review those timelines. Thank you Jim.

Terry: This is John Terry. You kind of have to do that because it rarely happens but it's possible you may not come to agreement with the number one firm. Remember no price is involved.

Savage: Right.

Terry: So we then have to negotiate with the number one firm. It doesn't happen often, but we could go to the second firm, if we can't come to an agreement with number one. That's why we can't - we have to wait until we have the contract with the number one firm to release - to start the process period. Does that make sense?

It doesn't happen very often, but it's possible that you don't come to agreement with a number one firm.

Savage: Because of the overhead? That's another point of contention is the overhead. We can talk about that later.

Terry: But remember you're just announcing - it's not like a bid you're not announcing so and so won for so many million dollars. You're saying so and so is the apparent low bidder, we're going to begin negotiations with that firm. We wouldn't have the protest until we actually had the agreement with that firm.

Savage: But the protest period is over at that time when you start negotiations? No.

Terry: No.

Savage: No, it's not.

Terry: Until after that.

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Eyerly: Because you don't know who you're protesting. This is Jenni.

Savage: Okay.

Eyerly: Yes, you don't know who you're protesting until the actual award of the agreement has taken place.

Savage: Okay, I follow you. Thank you John. Thank you Jim. Go ahead and continue Jenni.

Eyerly: So from there, Agreement Services facilitates pulling together the final executed agreement. It may or may not need transportation approval depending on its amount. So if it doesn't then it moves forward and gets its signatures.

And then as soon as the agreement is signed, work can begin, as long as they've provided certificates of insurance and things that are required under the agreement. And otherwise it may have to wait for the transportation board approval, and then at that point, it can be awarded and we move into the ten-day protest period, and then from there work can begin.

Savage: Okay.

Eyerly: So just to summarize, we make every attempt to have our processes be known, fair and followed. That's our goal. We want consistency throughout the procurement process, and we really are looking for continuous improvement.

So we take your feedback and try to incorporate it into what we're doing. I noticed at the Board meeting today, that you're looking for some more information and the packets and we're happy to provide that and work on it.

And that may too be a process where we you know put some more in the packet, and it may or may not be what you're looking for. And we continue to work through that.

Savage: Thank you Jenni. My comment on the information in the Board packet would be similar to what is done on the construction side. You know when we're evaluating an award, we need as much information as possible, I think.

And so it's a work in progress. I also - I know this was a concern or an idea of member Martin on this whole consultant agreement process. And so I would like to keep it as an open agenda item, and I also would like to see if maybe Matt and yourself...

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- Eyerly: It's Mark, sorry.
- Savage: It's Mark, I'm sorry.
- Eyerly: Yes.
- Savage: Mark, as well yourself, can meet one on one with Member Martin. And the Controller if he wishes. I know he's been here, but it's important, because I know Member Martin was very, very interested in some of the process. So I'd like to keep it on the agenda.
- Kaiser: I'll add to that, Reid Kaiser. I'll add it to the CWG task list.
- Savage: Yes.
- Kaiser: And what would you like to hear quarterly with this item? Any specific information, do you want me to reach out to Frank to see if he has any ideas?
- Savage: Well, I've got some ideas, you know like you have in agenda number six. It's something along those same lines I think within the last year or so.
- Kaiser: Like every - like maybe ever six months over how many agreements the Construction Division has entered into, maybe something along those lines.
- Savage: The administration, right, right.
- Kaiser: Okay.
- Savage: Project management, something along those same lines.
- Kaiser: Okay.
- Savage: And we can talk further on it.
- Kaiser: Okay, okay.
- Savage: Overhead, I was serious when I was talking about overhead. I'm still not real clear why they can charge 135 to 150 percent overhead. I'm not clear on that.
- Kaiser: You know I don't understand either, but what we can do is maybe in the December CWG meeting get somebody from accounting in here and explain to us, or somebody who can understand it better than I can anyway.
- Hoffman: Bill Hoffman from NDOT. This will be an internal audit function, so just let me

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know if you want an item that needs to be explained at this meeting.

In terms of internal audit, and auditing overhead rates and those sorts of things, I can lay that out, provide it.

Savage: Internal, we're talking about the rate the consultants charge.

Hoffman: Yes. Every single one of those rates gets audited by our Internal Audit Division, and I can walk through that process so that you're comfortable with it, provide some information on how that process works. And then if there are tweaks or things that you all think need to be made, and that we think as a group need to be made, we can certainly do that.

Savage: Right, and how it compares to UDOT or ADOT or anybody else across the nation, you can audit - maybe it's an national deal, I'm not sure. But it's something for discussion.

Hoffman: Right.

Terry: John Terry. And those consultant rates are fair rates that all accounting, regulations, I mean they all meet the federal accounting, and while often the big multinational firms we audit the [audio one ends 00:57:47]...

We often use, they have national audits that are done, that are presented to us to audit those, but those are federal rates that are approved, so yes.

Savage: I wasn't aware of that, thank you John. Thank you Bill.

Knecht: Mr. Chairman?

Savage: Yes.

Knecht: Point of personal privilege, I have a gentleman coming to see me at 2:00, and I don't think we're going to be finished by then. Can I take 30 seconds to call my office and see if they can catch him before he leaves and we'll reschedule him?

Savage: Yes, sir.

[Pause, crosstalk]

Savage: Let's take a five-minute recess.

[Five-minute recess taken.]

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Savage: Mario, I want to welcome you in Las Vegas.

Martini: Say thank you.

Gomez: Thank you.

[laughter]

Gomez: We've been here for the past half hour.

Savage: I apologize, a little slow at the switch there. So do we have anything else on Agenda Item No. 5, from anybody else at the table?

Eyerly: That concluded my presentation, but if you have any questions, I'd be happy to answer them.

Savage: Well, thank you Jenni, was a very thorough presentation, and like I said let me reach out to Member Martin and we'll keep it on the task list as an open agenda item.

Any other comments here in Carson City? Las Vegas, any comments?

Martini: None here.

Savage: Then we'll move onto Agenda Item No. 6, discussion related to the Construction Crew Augmentation/Full Administration/Project Management agreements entered into by NDOT, the last 10 years.

Kaiser: Okay. Reid Kaiser Assistant Director for Operations, I want to thank Sharon and Steve Lani, Jeff Freeman, Megan Sizelove and Mark Stewart for putting together all these agreements, it was quite a feat for those guys to put them together and organize them in a manner that you can actually understand and pull a lot of good information from them. I appreciate all your work with that.

Architecture agreements was not included. If you are interested in seeing the architecture agreements, I didn't want to include those this time. I think that we would have got overwhelmed looking at the agreements, so I just included the construction and the project management agreements.

Okay. Construction agreements, I just got a quick presentation here. And what I did is I went through and pulled out some of the information from these agreements just to kind of put it in perspective what exactly is involved in, and how many agreements we've had in the last 10 years.

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In the last 10 years, there's been 94 agreements from the construction division, totally about \$170M worth of work. There's been 33 firms used and seven firms received about 62 percent of the agreements.

In the project management agreements, there's about 123 agreements totally \$136,000 and I've been told that that dollar amount is wrong, so am I closer...

Terry: \$136M.

Kaiser: \$136M, yeah. But it might be closer to 120 million, there's been 49 firms used and six firms have received 51 percent of the agreements.

The construction division, their agreements are for full administration and what full administration is, is when the district cannot supply a full construction crew composed of a resident engineer, an assistant resident engineer, testers and a survey crew, will go and hire a consultant to take all that work on for us to administer the contract.

Crew augmentation is when the construction crew is under manned and needs additional help, additional testers, inspectors, a survey crew, it might need a scheduler, we'll hire a consultant to augment our crew in that manner.

Biological oversight is for Clark County and for clearing our projects for Tortoises.

Claim support, we've hired consultants in the past to help us out to review the contractor's claim. We don't have a group here at NDOT that that's all they do and there's some very knowledgeable consultants out there, who are very familiar with the claim process on a national level, and they've helped us out and provided schedule oversight, schedule review, those kind of things.

Rewriting construction division manuals. Again we have a handful of manuals in the construction division, we've got the construction manual, the documentation manual, survey manual and we've hired consultants to rewrite those manuals, and there's also miscellaneous items that are in the packet also that are covered.

Now for project management, I'll hand this off to either Amir. Amir is the gentleman right over here, in case - or John Terry, whoever wants to handle this for project management can go ahead.

Soltani: I'll go. I'm Amir Soltani, Chief of Project Management. Just a couple of [inaudible 00:10:29] up front, the list of the agreements, those are just for

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consultant agreements and the costs that you saw. It does not include design-build, CMAR contracts, and those are also our agreements that we work on. That does not include any of our interlocal agreements because they are huge.

So under this list, only - these are also only agreements that we enter into out of Project Management Division, which are tied to major projects primarily. Other divisions have their own agreements and they are not included as part of our work.

Under project design that includes every activity that we have to do under designing a project. It includes all divisions within the department, mobility design, structural design, technical materials and so on.

Gradually—I mixed up—gradually, on the right-of-way, we support our major divisions whenever they need help, so we do turn to agreements to support our divisions under -- with the right of way activities that will include appraisals, utility investigations.

Under NEPA we follow the federal requirements, we develop [inaudible 00:11:55] design, do more local studies, cultural resources, biological analysis and so on.

CMAR support and [inaudible 00:12:05] through the pre-construction agreements that we enter into with contractors to help us with the [inaudible 00:12:14] and cost estimating.

Design-build administration, these are consultants that we hire to help us develop the [inaudible 00:12:24] for our development contracts that help us with the contract administration during design and construction.

Legal advisory, mostly these are supports for design-build activities and they also helped quite a bit under the [inaudible 00:12:45] process we went through.

Scoping visibility studies, preliminary studies, alternative analysis on different type of projects we develop scope of work, project schedule, costs and decide on if we want to move the project forward or not.

And under miscellaneous we have few smaller activities than we do in the world finance plans [inaudible 00:13:16] projects, the [inaudible 00:13:17] plans for major projects.

We do cost risk analysis or risk analysis and those kind of activities following



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[inaudible 00:13:27].

Savage: Thank you Amir.

Kaiser: Okay, some of the other information in regard to these agreements, many of these consultant agreements which you won't see in this packet do have sub consultants working for them, as an example is some of the fine consultants who we hire don't have a tester - don't have testers working for them, so they'll hire a sub consultant, and it's just to help them out with the testing site, or they'll want to have the schedule supports so they'll hire sub consultants for claim support, for scheduling.

And also these agreements typically do have DBE requirements. And that is all I have to present. There's a lot of information here. So I'm assuming there's probably quite a few questions.

Savage: There is a lot of information and I again want to thank you Reid, Amir, Sharon, Steven, Jeff, Megan, Mark, a lot of information here.

And I guess I'll go ahead and start on the questions and again I know Member Martin has a lot of interest in this agenda item, so again, we'd want to kind of keep this open for his review and consideration. At the last minute he was unable to attend today's Board meeting or CWG.

Kaiser: Would you like for me to meet with him, and take him this item and see if I can answer some of his questions, or maybe get a group of people to go meet with him and discuss with him this item?

Savage: I think it would be well worth it, Reid, to meet with a few people and again maybe revisit this when he has a fair chance.

Kaiser: Right.

Savage: But to start out I do have a few questions, and I appreciate your patience again. And I want to thank each and every one of you for taking the time, because it's about fairness to the taxpayer at the end of the day, ensuring that we're getting the right value we deserve as a department, because it's getting busy out there like I mentioned, and there's a lot of work and we want to make sure we're getting the best bang for the buck for the Department of Transportation and the state taxpayer at the end of the day.

So getting down to the weeds a little bit, can you explain - I'm looking at Item

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6A, the numbers here, and I'm not a good numbers guy. And I know Ron is, so you might be able to help me out here and Reid, and Ron, but the consultant payments in '05 for example were 338. The three columns to the right add up to 364. Are these columns supposed to add up to the consultant payments? If so, they don't.

Foerschler: Sharon Foerschler for the record. What you're saying under the breakout is what the agreement was written for? Okay. And so what you're seeing under consultant payments is what we actually paid out. So they will not match.

Savage: They will not match, because...

Foerschler: Not necessarily, they could by a luck of genius faith, right. But normally they won't because the agreement is written as a maximum dollar amount, but we pay actual costs, so what you're seeing under the consultant payments is what we actually paid.

Savage: Actually paid. Thank you Sharon, yes, Mr. Controller.

Knecht: Mr. Chairman, the only time I'd be worried is if the actual amounts paid, the payments exceeded the agreement of dollars.

Foerschler: Sharon Foerschler for the record. That could happen as well, because what we're capturing is in a fiscal year, and we could have agreements we're paying from the previous fiscal year, so you could have instances where perhaps the consultant payments exceed what the agreements for that year are, if that makes sense. So it can work both ways.

Knecht: Thank you that's helpful.

Savage: Thank you Sharon and what happened to the data on 2012 and 2013 and 2014?

Foerschler: Sharon Foerschler for the record. That's when our program crashed if you will. We stopped using consultants and there was some reconciliation so when you look at the 2014 it shows a negative.

So it happens at the end of every consultant agreement, as it goes to internal audit for a final audit of the agreement. So because we weren't entering into any new agreements, we had one agreement for a biologist and another agreement - two agreements in 2013. When we went through the backlog if you will - so sometimes it takes some time for an internal audit in our own division to request the final audit.

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That was actually kind of a billing if you will of the closed-out agreements. Oftentimes we take money back. Oftentimes we give money back to the consultants, or we take it back from the consultants, depending on the final audit.

Savage: For instance in 2012, we paid out 21.7.

Foerschler: Yes.

Savage: And it only shows 4.5.

Foerschler: That would be carryover from the previous year.

Freeman: Or years.

Foerschler: So some agreements might be for one year. Some agreements might be for three years, so what you're seeing under the years for the agreement, that's when those agreements were executed, so the right side, the box of the spreadsheet there shows the agreements that were written for that year with the dollar amounts, but what you're seeing under the payments, are the payments out for those agreements.

So it could be a two-year agreement. It could be a three-year agreement. So you could have additional expenditures in years following the execution date for those agreements.

Savage: So it's a timing issue.

Foerschler: Correct. We could have a two-year construction project, we execute the agreement in 2012, but we're actually paying on that agreement in 2012, 2013, perhaps you know the first part of '14, as they're cleaning up the project. So there's carryover.

Savage: So will there be numbers in the full administration and the crew augmentation gaps there in 2013 and 2014? I mean you said crashed, what did you mean?

Foerschler: Well, we stopped using consultants. So our program decreased substantially. We stopped using as many consultants and that's why you don't see agreements executed. So our agreements show...

Savage: We didn't use them, okay.

Foerschler: Correct. We're just now this year starting to use consultants.

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Savage: Oh I see, I see.

[crosstalk]

Savage: Okay, I follow you now, when you said crashed, I didn't know if it was software crash...

Kaiser: What we've actually done in the past, we've actually - if we had a district that was busy, we will pull crews from say Vegas or District two to head up to Elko for - to manage a project for us or so forth. So we like to try and keep our crews busy and then hire consultants when needed.

Savage: Okay, thank you Reid. Does the department have a category for firms that do better in some categories than other categories?

Foerschler: Sharon Foerschler, can you clarify your question, I'm not sure I understand?

Savage: Do we know what firms may do better in full administration versus crew augmentation, you know biological I understand that, that's a specialty, but do different firms have different strengths in different areas?

Foerschler: Sharon Foerschler, I would say yes, but the way that we do our process now is it's an RFP, a request for proposal for every single project that we hire a consultant. So until you see those proposals and see the teams that they put together, we might not know what their strengths are.

A lot of teams, because of the economy are starting to team with other consultants, other firms, so it just depends on that combination of what they put together, and what they propose.

I know we talked a little bit about it at the last CWG. In the past, we used to get a pre-qualification that was good for a year or two. We'd go through all the proposals and we might get 15 or 20 proposals, we would rank them, say we've got, I'll just use round figures \$100,000 of consultant needs over the next two years. We'll say okay, well, there's a clear distinction between the 10th proposal and the 15 through 20, or we'd short list if you will.

And then we would go down that short list, and spread the work out according to what was fair with their resources and with the budget. We don't do that anymore. We RFP every project that we need consultants on.

So I can't say historically I have in my mind who we've had good luck with in the

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past, but you never know until you receive a proposal in project specific now, the strength of any firm putting in.

Savage: And the RFP process started in what year, Sharon?

Foerschler: Shoot, we've done it since I've been in construction, since 2015, it's just a different process through the RFPs that we have followed over those years. So I don't know when did we start using consultants, I can't answer that.

Savage: No, not starting using consultants. No, I'm talking about the evaluation RFP. You said you used to go back to the library and select your consultants.

Foerschler: Right.

Eyerly: This is Jenni Eyerly. I think it was about three or four years ago, that we stopped doing the mass on call method.

Savage: Yes, okay. That's fair. And one other comment Reid, you made mention about what mechanism we need to continue this review, and like you had mentioned, regarding the close out document section that we have in the construction [inaudible 00:23:51] it might be helpful if we have a continual review of the consultants.

Kaiser: Okay.

Savage: Just ensuring again that we're getting our best value.

Kaiser: Okay, Reid Kaiser for the record. So what I'll do is I'll add like I mentioned to the task list a consultant item, and do you want to hear about it quarterly, semi-annually, every six months, how many consultants we've hired and who that is?

Savage: Bi-annually.

Kaiser: Okay. Okay. What do you think Controller?

Knecht: Yes.

Kaiser: Okay. That will definitely be easier than every 10 years.

[laughter]

Savage: On one of the pages, page three is DCS the same as Diversified Consulting Service? Are they different?

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Freeman: Yes it is.

Freeman: They're the same firm.

Savage: They're the same firm. Thank you Jeff.

Larkin: And PBSJ is the same as ATKINS.

Savage: Oh, it is?

Freeman: Yes Jeff Freeman for the record. If you go through and look at the construction side, there's been a lot of changes in the consultant world, mergers, acquisitions, things like that. So a lot of these firms aren't even listed. I don't even know who they are now, because they - I mean we know who they've become, but I was just going through this history. There have been a lot of mergers, acquisitions in the consulting world.

Savage: Yes, yes there have been. Thank you Jeff. Anything else or any comments on item 6A from anyone at the table? Anyone else in Vegas?

Well is it helpful for the department I guess to kind of look a little bit at housekeeping to see if there were any things that - any areas that we might improve upon? Was it helpful or just a hard task to try to come up with, because I'm hoping it was somewhat beneficial?

Foerschler: Sharon Foerschler. I enjoying assigning it to staff to [laughter] if you will. I also enjoyed seeing how everything kind of was summarized if you will throughout probably the last year or so or in particular since I've come into the position I have, we've taken a harder look through some of the questions you guys are asking and how appreciative how we're procuring consultants and going to more of a consensus.

That's been some of the concern with some team members in the past is interview the proposals and yet you don't have the opportunity to discuss some, and kind of brainstorm amongst your team as to what you think the strengths and weaknesses are.

Because of that we are now going at least in our division more towards a consultant - I'm sorry, a consensus process, and we're making that determination kind of up front, so the team all agrees that that's the right way to go.

So we work very closely with districts who are going to be administering these

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construction contracts to see what their preference is. I think a good example and the highlight in the Board will see this in the next few months for consultants is Project NEON, a four-year project, very large dollar value. We have decided to a consensus ranking on the proposals themselves and the interviews, so it's there across the board.

We've also taken that augmentation and split it into two pieces, so we will have one piece that we will bring on a consulting firm to provide an inspection, augmentation and do a separate proposal RFP for the testing, because it's such a high dollar value, and such a long duration.

It will be the largest augmentation we've ever had in history that I'm aware of for the Construction Office. So we're starting to have those conversations up front as a team, make a decision of the best way to move forward.

One thing I would like to add is it's very difficult to get outside review of these proposals in general. So we really struggle with that.

Because of the way the NRS is written it requires the two entities but to get another entity or person to commit and have their employer agree to commit the time resource it takes to review these proposals is becoming very difficult which sometimes delays our process of moving forward, because we have to have the selection committee in place before we can move forward with other steps in the process. So that's becoming a challenge for us.

We rely on federal highways, and they're very good at assisting us with review, but when you go out to some of the outlying areas, and try to find someone to assist you, it's very much a challenge.

So I think with Jenni's assistance, she's been awesome and her group in Admin Services helping us kind of identify where we can tweak and make changes. She's been very helpful, and perhaps without you guys asking the questions, we might not have explored some of those avenues. So I think it's been a good exercise.

Savage: Well, thank you Sharon. And hopefully it has been and it's always a work in progress, and I just appreciate the way that the department is responding, you know it's very helpful and reassuring that we're trying to do the best we can day in and day out. And that's really what the exercise is all about.

So I can see where the reviewers it's going to be a challenge, because they have a

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full plate as it is, whatever their task might be so I think we have to do some good brainstorming from the director's office all the way down, as to how we kind of spread this out, yet be consistent. It's a challenge.

I can see it from the outside looking in. So maybe the Feds have some ideas, and I'm sure it's happening across the states, I guess, and work picks up, it's a reality. And it's a good thing, but I appreciate everyone's input.

Moving onto Agenda Item No. 6B of Agenda Item 6, I have a few questions on the project management agreement summary. Again, first of all very thorough, great support documentation, I mean it was well put together. Just a couple questions on the summary page, and I'm looking at Item 6B of the Project Management Agreement Summary, 2005 to 2015.

Why is Fisher Sand and Gravel in there as a contractor?

Soltani: I'm sorry, I'm not looking at the same...

Foerschler: Sharon Foerschler, I can't answer your questions on this spreadsheet and this data, because we didn't mine it. We did Construction Office.

Savage: Did I say Sharon; I didn't mean to say Sharon.

Foerschler: No, no, that's okay. I just want you to be clear that Amir and John Terry will answer for you.

Terry: Zero amount I have no idea. There's no dollars, no agreements, they're just on the list. I have no idea.

Soltani: Me neither.

Savage: And the attorney Nossaman.

Soltani: They are - they have the...

Savage: That's the NEON.

Soltani: Yes.

Terry: That's the NEON.

Savage: That's NEON.

Soltani: Yes.



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Kaiser: Did Fisher ever apply for a CMAR project, have a proposal for a CMAR? Because that would be the only reason they would be on there, if they submitted a package with a design-build.

Terry: Or were paid a stipend, but I can't think of either of those cases that--

Kaiser: Well, they were on Phase 2 of Boulder City but that was...

Terry: It's on here, but it has no amounts, no contracts, no nothing.

[crosstalk]

Soltani: There are few initial tiny project management, there are a few projects listed here that should not be on the project management page. We'll clean it up.

Terry: I can't come to any reason why Fisher would be on here.

Savage: And I saw just going through the Item No. 15, it's Overland Pacific Cutler.

Soltani: Yes.

Savage: They're doing the right-of-way work for Project NEON

Terry: Yes, you'll have call it OPC but yes, that's there.

Savage: Now, are they responding timely?

Soltani: Yes. They had a hard start up but after they picked it up, they've been much better, yes.

Savage: So they worked with project management and Paul Salcita?

Terry: Yes. But project management is a little better at doing large consultant agreements, so we put it under project management, day-to-day they work with both the project manager and right-of-way, but project management is the agreements and stuff.

Soltani: You received a contract made to that - in these coordination decisions [inaudible 00:34:02] Right-of-Way Division.

Savage: Okay, that makes sense. But is it such a big issue? I just want to make sure that they're on top of their game.

Terry: And essentially done, I mean really their part of NEON is done, it's pretty much

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the legal is the main...

Savage: The Reno Retail Company that was the Summit Mall acquisition?

Terry: \$21M. Reno Retail Company, LLC. I have no idea.

Savage: It's on - again it's - I don't - these pages aren't numbered, but...

Terry: It sure looks like some sort of interlocal-

Savage: Well, it's on Page 4, university developer for the roadway improvements, I-580 and Mount Rose interchange.

Terry: Okay, so it's like an interlocal, maybe it's what the developer - so he paid some money for stuff.

Savage: To the developer.

Soltani: That was probably an interlocal agreement, not a consultant agreement.

Terry: Yes, they're not a consultant.

Soltani: They're not a consultant.

Terry: Omni owner agreement.

Soltani: I believe there are four or five contracts such as that one listed. There shouldn't be on consultant agreements.

Larkin: It says reimbursing roadway improvements incurred by [inaudible 00:35:36].

Savage: Yes. Okay, and then the last question, one of the last questions was the Southwest Ironworks for 6.9. I don't know if that had to do with landscaping or what.

Soltani: That's another interlocal agreement.

Foerschler: Sharon Foerschler. That was actually a maintenance contract for a road modification on State Route 306. I'm not sure why it ended up on the query when they got this information. That was actually a construction contract.

Freeman: A state stimulus.

Kaiser: A state stimulus projects, and those are all handled by the Project Management Division.

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- Lee: Actually it started there and then we ended up paying for it out of the district.
- Kaiser: Okay.
- Lee: A long story.
- Kaiser: Okay.
- Savage: So we're going to clean this up then I guess when you have a chance. So I guess that leads to my question - don't take this as a setup John or Amir, but does project management feel we're getting the services we require, you know in the best interest. Is there 100 percent grade there.
- Terry: I'll let Amir jump in there. I think we have in the past. I think we had some concerns recently that we're started to overload some of the consultants that we've got out there and we're becoming concerned about it. I don't know, jump in there if you have something to add.
- Soltani: No, so far, we're getting good service, and as the market is coming back, consultants are starting to hire more, and do better. We had some hiccups in the past, it's getting much better.
- Savage: And that's you know from an outside perspective, we just want to see the consistency on their part, and we're trying to be consistent, and we're trying to show the trust, in return, we expect consistency on their side by having the same faces, by having the same people on the different projects, rather than, oh, we've got to send this team over to...
- Terry: That's easy to say, but many of these consultants with the downturn hit, all of the very familiar project managers that we were used to were gone. They weren't going to sit around when there was no work.
- I knew a lot of good project managers, they went to Guam, they went to wherever the work was. So some of the ones that we have used for years aren't around. Some will come back, but when there was no work, they weren't going to stay here.
- Savage: No, no, and I realize that. My point is, the ones we're engaged with now on current agreements, our expectations that those faces don't change, those people don't change because...
- Terry: They're pretty good about that.

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Savage: Because they going to ship them down to ADOT or UDOT or CALTRANS on a different project, where we've already engaged these people and we just want the loyalty to go both ways is what I'm trying to say.

Terry: We get some turnover, but not that bad.

Savage: Okay, okay.

Knecht: On the other side of that Mr. Chairman, I would expect that as the volume goes up, that they will have to do some hiring and they will bring in some new good people.

Speaker: Agreed.

Savage: Absolutely. That's all I have. Mr. Controller, anything? And again, if you could take time Amir and John to maybe speak with Member Martin.

Soltani: Yes, sir.

Savage: I think it would be very helpful, and we'll keep the agenda item open for future reference.

Knecht: I think that's a good idea. And I'll just add one thing. We of course have our fiduciary duty, our principal duty to the voters, the taxpayers, the broad public interest as the Chairman's been talking about, but continuing a line of thought from last meeting, we also have a duty to the vendors to conduct fair process, and to assure that it's proceeding as a fair process.

Savage: Yes.

Knecht: And I think we're doing that, and I won't ask you to open the previous item. I'll just say that when Jenni talked about that item, that I thought the idea that we're working with really effectively is we have our standards, we have our reviews, etc., but we also have an appropriate level of flexibility in the operational aspects with our staff. And so I think you found a good balance there.

Savage: Very well said, Mr. Controller, and it is about fairness to both sides. It's work in progress each and every day. Yes, so I thank you for your comments, Mr. Controller. Any other comments around the table on Agenda Item No. 6? Thank you John, thank you Amir.

Wellman: Mr. Chairman, Bill Wellman, Las Vegas Paving, I've got to leave fairly quick,

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and maybe it doesn't seem relevant but when I printed the agenda yesterday, it might be a little bit different from yesterday what you're using the 6A, 6B, this one does not - regardless, you had an item in here, NDOT contract prequalification and some documents in there, but I don't see it anywhere on the Agenda. Is that something that's going to be talked about or just discussed in general?

Savage: It's on the task list.

Kaiser: It's on the CWG task list.

Savage: 7B.

Wellman: Okay.

Kaiser: Yes, it's not listed on the agenda. If you would like - I can always put those items on the agenda.

Wellman: No, I just - if there was any significance that you were going to talk about it.

Kaiser: Yes, you're probably going to want to stick around.

[laughter and crosstalk]

Savage: Okay, thank you. Okay, Bill, we'll try to take care of some things here. Close Agenda Item 6. We'll move onto Agenda Item 7, in respect to Bill let's move through - if it's okay, Dennis, we'll move to Agenda 7B before A and C.

Gallagher: You're permitted to take it out of order Mr. Chairman.

Savage: Thank you Dennis.

Kaiser: Okay, Agenda Item 7B is the CWG task list, and Item No. 1 is contractor prequalification, and at the request of the CWG, a Steering Committee has been formed to look at our prequalification, our contractor prequalification process and we had our first meeting on August 17th, and in the meeting, just to give a brief history of what our prequalification process involves, that Code of Federal Regulations, it has some comments that are in the packet, dealing with prequalifications and their biggest concern, I would have to say would be that we don't - we do not restrict competition.

And so our prequalification package cannot restrict competition. The NRS Section 408.333 also addresses our prequalification package and it just essentially

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tells us we have to have our prequalification process has to be formed by looking at the contractor's financial documents, we ask them some questions and so forth, and so with that, the Department created a confidential past performance report that is used by the resident engineers to rate the contractors on these construction projects.

So our prequalification package consists of a financial condition computation, a company experience, volume of business, and a past performance rating.

And all those items are given a certain number of points, and then a dollar amount at the bottom is given for your total bidding capacity, since we believe that - or the committee anyway, the Steering Committee believes that the company experience, the financial, and the volume of work are very important, we're not going to change those with our review of the process.

What we are looking at is our confidential past performance report. What our current report asks are pretty open-ended questions that are not real - not as applicable as we think they could be to what an - how an RE manages the contractors on our projects.

So what we're going to do, and REs have brought this up in the past at our RE meetings, that they would like the questions to be more applicable to their interactions with the contractor. So we're going to look at coming up with some new questions, something along the lines of how this contractor dealt with storm water. How this contractor dealt with DBE. How they dealt with public safety, with the safety of the workers and so forth.

And so right now we're in the process of coming up with what those questions are, and our next meeting of the steering committee will be on October 7th, and we're going to go look at those questions and see if maybe we can modify the past performance report.

Savage: Good.

Kaiser: So we are looking at changing that. And what we'll probably end up doing is before it becomes official, and if we change anything, we'll run that through the AGC, so that the contractors at the same time will be able to comment on it.

Savage: That's good Reid, thank you.

Kaiser: Yes.

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- Wellman: And if I may, Bill Wellman, Las Vegas Paving. Could you give some consideration that the contractor gets to - I don't know how to say it - discuss, or vetted evaluations subsequent, because it's very subjective. And maybe there's a threshold that says how the scoring is, but if it's under 85 percent, if it's over 85 percent, maybe it's irrelevant, and you need to discuss it, but maybe we do, I don't know.
- Kaiser: Right now, I believe if a contractor gets a below average...
- Savage: 65.
- Kaiser: 65 percent or lower, then they can be disqualified.
- Wellman: [crosstalk] pretty bad though.
- Kaiser: Yes.
- Wellman: And we just would want that opportunity in [inaudible 00:47:20], you see it in the [inaudible].
- Larkin: Reid, are you discussing it tomorrow at the liaison meeting?
- Kaiser: I didn't plan on it. No. We're not to the point really to take anything to them, other than we're discussing.
- Larkin: Well, that's all I...
- Kaiser: Okay, yes, we can do that.
- Wellman: Thank you, Mr. Chair for...
- Savage: Thank you Bill. Thanks for taking your time.
- Kaiser: Okay, Item No. 4, change orders on CMAR project.
- Savage: Excuse me one second Reid. I have a couple comments on that prequal for the contractors. And maybe I'm just reading my docs wrong, but it look like the department drafted something in 1990, and then we had notes in 2012 that were reviewed, is that correct?
- Kaiser: Yes, what happened was, that's when the TP telling us how to run our prequal kind of process was written was in 1990, and then Susan modified it in 2012 with another TP.

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So we scratched the 1990 in 2012, and used the new process, and they changed very little.

Savage: So how often do the contractors have to prequal?

Eyerly: This is Jenni Eyerly. Every year.

Savage: Every year. And are the questions a work in progress asked, a percentage of work in progress? Or not percentage of work I'm sorry, dollar amount of work in progress. Are those questions asked?

Eyerly: They submit a dollar volume of business. So it would be the dollar amount up until that point in time.

Savage: And I'm not talking about within NDOT...

Eyerly: Oh you're talking about...

Savage: I'm talking about - excuse me. I'm not talking about with NDOT. I'm talking about work dollars in progress for this contractor.

Schlaffer: Yes, Teresa Schlaffer, Contract Services. Yes, they have an opportunity to list their projects with their dollar amounts that they are currently working on, or have worked on in the past.

Savage: But we specifically request that?

Schlaffer: Yes, we do.

Savage: And how about litigation history?

Schlaffer: That is not requested.

Soltani: If I may, for design-build projects we do require all that information. For design bid build we do not [inaudible 00:49:53].

Savage: Because I know on the vertical side when we have to prequal for the State Public Works or different jurisdictions, the litigation question is there, current litigation, past litigation, and I don't know if that's applicable to what the Feds dictate or not, but I think it's something we can look into.

Schlaffer: Mr. Chairman, we do check. They are - we are required to check their - for suspension and debarment which is also - it has to do with litigation. So they do



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have to provide any information if they are currently under suspension or debarment.

Savage: That's State Contractor's Board is what you're referring to Teresa?

Schlaffer: And Federal.

Kaiser: I think that's Federal, yeah.

Savage: Exactly. So we would know if they're in current litigation in a different state?

Schlaffer: We would only know an outcome of suspension or debarment.

Kaiser: Yes, we wouldn't know if they're in litigation.

Savage: Do we want to?

[laughter and crosstalk]

Kaiser: I don't know.

Savage: I do.

Eyerly: This is Jenni. I guess you would have to know what you're going to do with that information. So that could be part of what the committee looked at.

Savage: Yes.

Eyerly: Is if we got that information, what could we do with it, according to federal and state prequalification requirements and the transportation...

Savage: And I don't know the answer, I'm just vetting it, throwing it out there to see because if a contractor has litigation in the one state and another state and another state, then they come over to this state, do we really want to be working with that contractor?

Kaiser: You know if there's federal funds used, I don't know if we could not work with that contractor, you know what I mean. There's - what we have done in the past is we have said that a contractor is not...

Savage: Good standing?

Kaiser: No, he - shoot, this happened up in Elko years ago, where the Director actually wrote a letter, but he never sent it out, because they pulled it - they agreed not to

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be on the project, because they had a bunch of projects go south on them.

We can disqualify their bid in they're not in - it's not in good standing, but I can't remember what the exact language [inaudible 00:52:19] respects. So if they have a bad history or something you know, it's there, but you know a lot of times, that's just going to go to court anyway, and we can't do the work on the project.

Savage: Well, you know I just - I would just like to look into it to see what opportunities are there.

Kaiser: Okay. It sounds like a Dennis item to me.

Savage: But it's something - you know it's work in progress again, it doesn't have to be answered next meeting.

Kaiser: Um-hmm, okay.

Savage: It could be answered you know in six months, but at least let's be aware of who we're dealing with, because it is getting busy is all I'm saying and then work picks up. Sometimes the people don't have their hands on the wheel. So I'm talking about private contractors.

Kaiser: Okay.

Knecht: Them too.

Savage: Safety, is safety on the prequal? Safety rating?

Kaiser: No. Now, it is the REs do get to rate the contractors on safety, and the confidential and the past performance report. They get to rate the contractors on safety.

Savage: But their safety record, their EOR?

Kaiser: I don't think it is. I don't see it on here.

Savage: It just something I think that the department ought to be aware of.

Kaiser: What did you call that, EOR?

Savage: Yes.

Kaiser: Okay.

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Savage: I can get more specifics for you too, Reid.

Kaiser: Okay.

Savage: Storm water violations? I don't know, EPA violations.

Soltani: If I may, Amir Soltani, we have all that in the safety record, safety requirements and past litigation is under contracts, we do have those as part of the prequalification. That information is readily available from us, and Lou Holland, you can get all that information. And we can provide our - how we do the safety check to you, Reid.

Kaiser: That would be good.

Savage: Thank you Amir. That's all I have on 7 - 7B. Next task item.

Kaiser: Okay. Change orders on CMAR projects, right now we have two active CMAR projects, the Verdi bridges and the Tropicana escalators, and there were no change orders this last quarter on any CMAR projects.

Okay, As-Builts, Items Number 5. We are going to implement contractor supplied As-Builts on a project in Las Vegas on I-15, and we're going to see how it goes. And if it goes smooth for us, and it's a good process, then we may implement it you know, but we're going to go take a look at it, and see if that's something that we could do for NDOT.

Savage: Just test it out.

Kaiser: Just test it out.

Savage: Test it out.

Freeman: Yes, it will be test, Jeff Freeman for the record. It will be a test, we'll do our as-built as per we usually do, have the crew do it, and we'll have a contractor provide it, and we'll be able to compare it to see what we get.

So it's a trial, but we've chosen a pretty decent project down in Vegas to try it on.

Savage: Good, thank you.

Kaiser: Okay, unbalanced bidding, Item Number 7. Right now the department has - does have a record of dealing with unbalanced bidding, just on a contract that was approved at the Board this morning. That project was awarded to the number two

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bidder, so we are dealing with it.

Still trying to see if unbalanced bidding has affected us in the past, I haven't received any information yet to confirm that it has, but I'm still - some folks are still compiling information to get to me to see if it has affected the quality of work that's been done in the past on some of our projects.

Savage: Like I said in the Board Meeting, Reid, I complement the Director's office, Construction, the BRAT team with you, I think it's important to keep everybody honest, from the contractor's side and the penny per ton you know let's try to get this thing as a level playing field as best we can.

I know there's always different strategies out there from different contractors, but I really commend the department and support - and the Director's office support on this. That was a wise decision and a good move.

Kaiser: We had another contract last week that rejected all bids for the same reason, you know a contractor came in and unbalanced the bid, and it actually - if we - when we corrected the quantity, it put number two as the low bid, but we rejected all bids, since the work doesn't need to begin on this project until next Spring.

So we are taking positive steps to deal with it.

Savage: Good. [audio 2 ended]

Kaiser: Yes.

Savage: That's a good change.

Kaiser: Okay, do you want to go back to Item 7A? Are you guys interested in getting updates on eDocumentation? Do you think you've heard enough on eDocumentation? It was going to a verbal update.

There's nothing in the packet for you to look at, but do you want me to leave that on there? Do you want me to remove it? It think that's the...

Savage: I think it was to ensure that you know the wheels on the bus and things are going forward, there's no reason - unless you want to leave it on there.

Kaiser: Okay.

Foerschler: Sharon Foerschler for the record, Megan's not here today, we are implementing - she's out at an AASHTO Leadership Conference.

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Everything is going smoothly, we're making tweaks as we go, as needed be. Some decisions were made with the software, with the previous administration, that we are looking at. We've purchased iPads for the field testers to implement their data. Everything is going really smoothly. We've gotten great feedback.

The contractors are getting paid. From our perspective everything is going well. So if you want to hear that same thing every quarter, we're happy to report it.

[laughter]

Foerschler: If we have any glitches or you hear anything from contractors aren't getting paid, please let us know, and we will address accordingly.

Savage: We'll reopen it up if need to, thank you Sharon. Be sure to thank Megan as well.

Foerschler: Will do.

Kaiser: Okay, Item 7C, just got the Agenda for a handful of AGC meetings we attended this last quarter. If there are any questions, in regards to these meetings.

What you'll see a lot in this packet is just like what we talked about with the prequalification, when we change any of our specifications to deal directly with the contractors, we'll take them to the AGC meetings and some of the information here is - are some of the changes we've made in our specs.

You know we're looking at implementing percent within limits, that's been a big concern to a lot of contractors. Our executive partnering group, that's been - they're into some contractors, so I see items in here related to those items.

Savage: How about any determination as to how the DRTs are being formulated?

Kaiser: Right now...

Schettler: I can address that. It's a later agenda item, but I can address it now.

Savage: No, no, if it's a later agenda item, let's just talk about it then. Okay.

Schettler: Yes. Oh, it was Lisa Schettler, I'm sorry.

Savage: I'm getting ahead of myself there. That was 7C.

Kaiser: That was 7C.

Savage: We'll discuss it on the agenda item Lisa.

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Schettler: Okay.

Savage: Anything else Reid?

Kaiser: That's all I have for Item No. 7.

Savage: Okay. The only question I have was Item 7B, and I think this goes to John and Amir. On the term GMP, you know for the term GMP for the CMARs, we see it all the time at the Board meetings, and I don't know if this is per the federal regulations or not, but are there are any shared saving - in the vertical world on a GMP, you have a not to exceed limit, guaranteed maximum price. And if that comes in below that price, there's a shared savings clause.

And it can go 50/50, it can go 60/40, it can go 70/30, and I don't know if that mechanism is in place on a GMP project or not for the Department of Transportation.

Soltani: Amir Soltani, Project Management. We are following the NRS requirements and that is - is that under NRS, however we are not using it.

The way we are set up is all the construction, bid item risks are transferred to the contractor. So overruns and under runs are all contractor risks. So if it goes down it's their savings. If it goes up, it's their risk.

Anything that is on the risk reserve comes back to the Department. But we do have the option of doing it this year and not exercise that.

Savage: So have you seen cost savings come back on CMAR projects?

Soltani: Yes. Risk reserve cost has not been touched fully. Typically, we tap into [inaudible 00:04:57] 23 percent of our risk reserve.

Savage: So the risk reserve Amir, is the contingency.

Soltani: Yes.

Savage: But I'm talking about the base contract. If you have a base contract GMP, have you seen costs come below that GMP price for any CMAR projects that we've had?

Soltani: It's a lump sum contract.

Savage: Oh it's a lump sum contract.

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Soltani: It's a lump sum contract. So we do not measure - we pay based on progress items.

Savage: Oh, so it's not a GMP contract?

Soltani: It's - yes, I think maximum price contract for the amount they're bidding, plus the risk reserves. They're not entitled to the risk reserve unless it happens [crosstalk].

Savage: Oh, because I thought the support documentation has to substantiate the GMP price, but that's not the case.

Soltani: It does substantiate it. It does - the contractor and the department go and agree on what could go possibly wrong, and that amount goes into a risk reserve. And if any of those events occur, the contractor is entitled to use that amount that was set aside.

If it doesn't occur, that money comes back to the department. That's per contract as we have set it up.

Savage: Okay, and rather than taking the construction work group time, I would like to have a meeting maybe Amir and John, yourself and your staff and talk about some of that.

Terry: I'll set something up.

Savage: And talk about some of that language. So we can be on the same page, rather than holding everybody up. Any other questions or comments regarding agenda item 7B?

Foerschler: Sharon Foerschler for the record. I just want to clarify during the contract execution for the CMARs, the construction crews still track quantities, what they pay is the plan quantity.

Savage: Yes.

Foerschler: So we still do the tracking, it's just not here is your money for your roadway excavation, we still track and document those ones.

Savage: Well, thanks for clarifying that yeah. A couple of items possibly for future, Reid?

Kaiser: Yes.

Savage: Would be landscape, I'd like to chat about landscape.

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Kaiser: Okay, what about landscape?

Savage: Everything about landscape.

[laughter]

Hoffman: Save it for later.

Savage: That's what I'm saying later. This is a future...

Kaiser: Okay.

Savage: And then you're going to love me on this one, morale and image for the department.

Kaiser: Again, Reid Kaiser. We'll have Sean at our - at our December and give an update on the communication plan.

Savage: Okay.

Kaiser: And so that will cover one of those, but would you like to have a discussion regarding morale, like human resources?

Savage: Well, I know - did we ever engage in an internal audit that you know, we talked about engaging - there was two firms, and I don't know if we ever engaged a firm. It was an accounting firm.

Kaiser: Oh you're talking about - that was for our operational audit.

Savage: Operational audit.

Kaiser: Um-hmm.

Savage: But I don't know if they have any discussions about morale and image.

Kaiser: Not in the operational audit.

Terry: John Terry, I mean we do do surveys. I mean we do do department wide surveys, which many of the questions are pay and satisfaction with your job and whatever.

And I think the latest one is out, but have not come in. So we do do those, but the operational audit really doesn't get into that, it's more of a numbers.

Savage: Okay. I wasn't sure, and the reason I bring up the morale and the image is just because work is picking up, private side is getting busy, and we have to ensure



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that we keep our own people and how are we replacing those people? I know it's a big, big item.

Kaiser: Um-hmm.

Savage: But maybe it's something we can just start a discussion on.

Kaiser: Okay.

Savage: How everybody feels. Are there enough smiles? I know this meeting is going long, so let's keep moving. 7C, request reports and documents.

Kaiser: Yes, I just talked about one with the AGC meeting. Probably jumped ahead of you there.

Savage: So we covered that, okay.

Kaiser: Yes.

Savage: So that will close Agenda Item No. 7, unless there's any other comments, we can move onto Agenda Item No. 8. Briefing on the status of projects in development, five-year plan.

Terry: This is John Terry. I didn't print out the latest five-year plan and really kind of beg off a little bit. It's going to change partly because of the presentation we made today, and the additional projects we're going to add to that. Other than that, you know not much has changed in the last quarter, I guess I would add we were able to put out all of the major projects and we want them in this state.

Well, in this federal fiscal year have gotten out, so with this SR 160 that we talked about the October [inaudible 00:10:23] being the last one. So I guess would be federal fiscal - and the five-year plan is based on federal fiscal year.

The federal fiscal year, '15 is essentially behind us, and we're moving into '16 and we have some challenges waiting on the federal bill, but we fully intend to do what's in there and to add to this list projects from the presentation today.

Savage: Thank you John. And just a few words on my behalf; you know I think it's - the department is doing their work with full transparency, and I don't think it's been done like this in the past, so I complement you, John Terry and the rest of the administration for a job well done.

And I think it's work every day, but these plans, they're transparent to the public

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and to the contractors, and that's what it's all about. So I really sincerely thank you for your hard work, everyone at this time. Any other comments on Agenda Item No. 8?

Moving right along, we'll move to Agenda Item No. 9; briefing on status of projects under construction.

Kaiser: I think we might have mistitled that one. We got - that's not till Item 9E - Item 9A is projects closeout status, and so Item 9A. We closed out 10 projects this last quarter.

They're listed on - under Section 9B. Section 9A is - has a list of every project that we are in the process of closing out. Are there any questions you guys have for us on those projects?

Savage: I have a question on the contract 3409. It seems like it's been there since 2012.

Kaiser: That's with Capriati Construction and I believe right now it's on hold, due to some legal issues.

Savage: Okay.

Kaiser: That's the one of Capriati 95 north Vegas.

Freeman: Jeff Freeman for the record. It is labor compliance issues. So they have to go to the Labor Board. We can't close the contract out until the Labor Board renders a decision.

Savage: So we're waiting for the Labor Commissioner to render an opinion?

Freeman: Yes, that is one of the things we're waiting on.

Gallagher: For the record, Dennis Gallagher, counsel for the Board. I believe the Labor Commissioner has ruled on this matter, and one of the parties has appealed, and it's simply to the District Court. But I may be confused with another matter before the Labor Commissioner.

Savage: Okay.

Gallagher: There's a handful before the Labor Commissioner or Labor Commissioner decisions that are being reviewed in the District Court.

Savage: Okay. Thank you Dennis. Thank you Jeff.

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- Freeman: We can finish this discussion up when we close the door session.
- Savage: Okay. The other question I have is on contract 3529, why is there not any retention held in Trans Corp ITS LLC project?
- Savage: It's not closed out. The retention has been paid.
- Inda: This is Denise Inda, Traffic Operations. I'm going to suggest, I don't know if Jenni, you can correct me, but that's a - it's not a contract, it's an agreement, and so I'm pretty sure we don't do retentions on those.
- Eyerly: That's correct. This is Jenni. We don't - do you have the number.
- Inda: I think we call it integration.
- Freeman: It is actually a design build.
- Soltani: Is that the stipend.
- Freeman: Jeff Freeman for the record. Contract 3529 I believe was the design build with Trans Corp to do the ITS down on 15.
- Savage: Okay. My question is again why isn't it closed out, ready for payoff, waiting for EEO.
- Soltani: The contract - this is Amir Soltani. If it's design-build project, it was supposed to be closed out by my staff, if not, I will look into it.
- Inda: I just - verify which project that is, which fast project, because I just saw in...
- Savage: 3529.
- [crosstalk]
- Inda: I mean is it FAST package.
- Speaker: 3529...
- Martini: This is Mary Martini in Las Vegas, District Engineer. 3529 was the ITS design build on I-15, south of Las Vegas. Trans Corp was the contractor, and the RE was Glenn Petranko and Tony Lorenzi was the Project Manager.
- So it was a construction project, but it was a design build, and the process for design build doesn't follow the same rules as a design bid build contract.

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Savage: But we still hold retention, do we not?

Terry: Yes, yes, we do.

Savage: We do. We didn't on that.

Kaiser: We'll find out and let you know, Len, okay.

Savage: Thank you.

Kasier: Yes.

Savage: Then on the detail sheets, Contract 3433, underneath 9C, and I think we talked about this before, but if you can just refresh my memory, why the change order magnitude up there at Cave Rock.

Foerschler: Sharon Foerschler for the record. These were the slope stability projects when the contractor went in and opened up one of the slopes, it started failing. And so we had to go to a much greater scope to stabilize. It's as you come from Glenbrook up the hill on the mountainside, and we have talked about this in the past.

Savage: We have talked about it, okay. So that's what it was. It was a whole different scope of work, once they got involved with the sloping.

Foerschler: Different [crosstalk] yes.

Savage: That's right, okay. Thank you Sharon.

Foerschler: You're welcome.

Savage: Okay, so did you cover Item D.

Kaiser: No, we have not covered Item D. That's the status of our active projects. Do you have any questions for us?

Savage: No questions, just one comment; my last comment of the day. It has to do with the top three or four that are in red, and I see that CH2M Hill is the engineer of record on the top three that are in red?

So my concern goes to Project NEON. To ensure or to reassure I guess that CH2M Hill their top management, their administration and their people realize that we cannot have any major holdups or any issues on Project NEON.

Kaiser: Okay.

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Savage: Just a comment. Because we have - I'm not going to - page one of one, the 580, the Meadowood, the widening, those three under the consultants for CH2M Hill.

Kaiser: Yes, they're the engineer of record.

Savage: They're the engineer of record.

Kaiser: Um-hmm.

Savage: And it's only a comment that we need to feel comfortable as a department that CH2M Hill is on top of their game for Project NEON. Because this is our biggest project ever, and we want to ensure from their very top people to their boots on the ground that we are reassured that they have their A Team on Project NEON. And it's not - it's a reality check to make sure that we're getting the bang for the buck, and we're getting the value we deserve as a taxpayer.

Soltani: This is Amir Soltani, Project Management. I can assure you that CH2M Hill on NEON, just on NEON, they have performed exceptionally. They have gone - they've gone out of their way to accommodate us, and have done fantastic work, helping us and supporting us during this few years' process. And in fact they been traced by me and by my staff just a few weeks ago for the good work they have done.

We will keep continuing watching them, working with them, and making sure they continue to perform at a high level.

Savage: I think it's very important, Amir, because they're in my red zone, or our red zone, they're at the top of the sheet, and we cannot have that on Project NEON.

Soltani: I understand your concern. Unfortunately, I'm a bit baffled by that red zone, I need to double check it.

Savage: I appreciate your comments Amir. That's all I have.

Knecht: One final thing Mr. Chairman, and I don't think it needs to be agendized, but sometime somebody can take me aside and explain one of the inside baseball aspects of contracting here with the construction contracting.

Under 9C at contract number 3562, bid price was \$2,886,886, and these kinds of patterns seem to crop up, unusually frequently in some contracts we reviewed this morning. One party had something like \$3,192,192 and the other party in the same one had \$4,333...

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Terry: Contractors are superstitious just like everybody else, and certain ones like certain ways, and they'll adjust them at the end so that the numbers...

Knecht: Sometimes you'll get six 3's in a row, or six 7's or something. I understand when it comes in at \$2,999,999. They're trying to avoid getting to three million, but they must be superstitious.

Kaiser: One other thing, Reid Kaiser, one other thing they will do is on bid day, they will still be getting prices within an hour of when the bids are due here at headquarters, and they'll already have their bottom line numbers, so they'll be able to write them in on their...

Knecht: By the way, the superstitious part didn't work, because all these bids lost.

Savage: But you're right Mr. Controller, and being a contractor, we're not the sharpest tool in the box, I'll tell you that. So we are very superstitious. We have the voodoo dolls and the number 7 patched all around our office.

Your point is well made, but there's no - no statistic there. Anything else on Agenda Item No. 9D, now I'm going to Agenda Item 9E, Partnering Dispute Process.

Schettler: Next time I'll let you know who I am before I start talking. Lisa Schettler. Before I get to the dispute resolution, I wanted to mention that - as I've mentioned before we had gotten funding from Federal Highways Administration to do kind of a survey research project on partnering, best practices, and compiling documentation, nationwide.

I've finally gotten our [inaudible 00:24:23] for that project, facilitate that, and so we had our kick-off meeting on Friday, and so we're going to [inaudible 00:24:31] with developing our expert panel for that project, and we are looking at September 2016 date to hold the conference that will showcase the top findings in this project. So that one is moving forward.

The dispute resolution we had our first - and partnering, we had our first steering committee meeting July 16th, and mostly we focused on dispute resolution at that meeting, although the steering committee will also be addressing partnering on construction projects and overall partnering in the department.

And from that meeting, we've developing a working group to develop and finalize the process and documents and specifications that we're going to be using

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for our dispute resolution program.

The working group consists of two contractor representatives from up north, and two from the south, and also an AGC representative north and south along this key NDOT folks. And we have a meeting in September, October, and November so that we can finalize our process, our documentation in a collaborative way and we hope to fully implement the program starting in 2016 in a consistent manner.

So that's kind of where we are with dispute resolution. And if you have any questions let me know.

Savage: One question. Have the DRTs been established on the Carson Freeway and the Boulder Bypass?

Schettler: We have - we've provided Ashley, the resident engineer on that project with our dispute resolution candidate list that we have along with their resumes. She's sharing that with the contractor, and they also - we've suggested other resources, because at this time, we do have a rather small pool on our list.

Savage: This is on Carson and Boulder?

Schettler: This is just Carson Freeway. So they do have that list of people and they're in the process of establishing the resolution team.

Savage: Has there been a partnering meeting held?

Schettler: Yes, they have had a partnering meeting. We've had a partnering kickoff meeting on that project.

Also the other thing that we're going to be doing on the dispute resolution once we've kind of finalized the program is move into offer training in early 2016 for dispute resolution team members so we can get a better pool of candidates that are trained here in Nevada. And also provide training for contractors and NDOT staff, so we can successfully use the dispute resolution teams.

Savage: That's great, thank you Lisa. Any other comments on item 9E.

Freeman: Jeff Freeman for the record. Boulder City Bypass, we're at the same place we are with Carson City Bypass project. We have provided all the language, candidate pools, and we're trying to weed through the issue of not having the full pool set up of you know our specs saying pull out of this pool and it not being set up fully.

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So we do have a search for candidates, we have the [inaudible 00:28:00] as well, and the RE and project manager for finishing our walk through, establishing [inaudible 00:28:07], but they have the language and they have everything put together. So we are working on it down there as well.

Savage: Has the partnering meeting been held on that?

Freeman: Yes, we have held initial partnering.

Savage: Thank you Jeff. Any other comments on 9E.

Kaiser: No, but Jeff found the reason why we don't have any reten on 3529.

Freeman: Contract 3529, I was getting it confused, I was getting it confused with Contract 3429, which was Trans Corp's as well. This was a single job in Las Vegas, we have held reten, because we only spent 67 percent of the funds. Reten is held out at 85 percent.

And we are to the point of wanting to close it out, because we reduced a bunch of the work, so we're not ever going to hit 85 percent. So our system had no way of actually collecting the reten.

Savage: Okay. Thank you Jeff.

Larkin: Nice, Jeff.

Savage: Thank you. Okay, so let's move onto Agenda No. 10. Is there any public comment here in Carson City? Mr. Controller.

Knecht: Mr. Chairman, if I may, I'd just like to say to everybody at NDOT, keep up the great work we appreciate it.

Freeman: Thank you.

Kaiser: Thank you.

Terry: Thanks.

Savage: Thank you Mr. Controller. Any public comment in Las Vegas Mary?

Martini: None here, Sir.

Savage: Okay. Then with that moving onto Agenda Item 11, I'll take a motion to move to close the session.



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Knecht: So moved.

Savage: I'll second.

Savage: Close session.

[end of meeting]

  
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Representative