

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
November 10, 2014

Chairman Len Savage	Tracy Larkin-Thomason	Dave Olsen
Controller Kim Wallin	Bill Hoffman	Mary Martini (Las Vegas)
Kevin Lee	Jeff Shapiro	Mario Gomez (Las Vegas)
Reid Kaiser	Jeff Freeman	Sharon Foerschler
John Terry	Lisa Schettler	Frank Martin (Absent)
Dennis Gallagher	Megan Sizelove	

Savage: Good morning, everyone, and welcome to the Construction Working Group meeting. And it is still morning. It's 11:00 (inaudible) setting a new record here. Welcome Las Vegas, and we have Mary in Las Vegas.

Martini: And Mario Gomez.

Savage: Mario. Good morning, Mario and Mary. Member Martin is absent today, and both Controller Wallin and myself in attendance, along with the NDOT staff. So we will take Agenda Item No. 2, if there's any public comment here in Carson City. Public comment? No? With that being said, any public comment in Las Vegas?

Martini: None here.

Savage: Okay. We will move on to any comments--Agenda Item No. 3, any open comments from Construction Working Group staff, administration either here in Carson City at this time or in Las Vegas.

Kaiser: None here.

Savage: We're flying through these pretty well.

Kaiser: Yeah.

Wallin: I think we might be able to beat the Governor's (inaudible).

Savage: There's a lot of paper here to go over.

Wallin: I know.

Savage: And I like your method much better, but--moving on to Agenda Item No. 4. Approval of the September 8, 2014 Nevada Department of Transportation Board of Directors Construction Working Group Meeting Minutes. If

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everyone's had an opportunity to review the minutes, if there's any comments or corrections?

Kaiser: I found one on Page 19, at the bottom. It's 3292. I think there's 3092 written down. I did read them.

Freeman: And I have one comment as well. This is Jeff Freeman and I should be listed as attendants, and (inaudible) I was not listed but I was here. I didn't say much, but I was here.

Wallin: Oh, in spirit or like--

Freeman: No, I was here. I sat and listened to the whole thing. I don't think I threw in anything, but I did listen.

Shapiro: You've got to sit at the big boy table--or—big girl

Freeman: I was.

Shapiro: --big adults table.

Wallin: Adults table.

Shapiro: Sorry, Madam Controller.

Savage: Madam Controller, did you have any comments?

Wallin: No, they're fine other than those changes, so I'll move to approve with those changes.

Savage: There's a motion to approve and I'll second the motion. All in favor say aye.

Group: Aye.

Savage: And a comment, I noticed there were a lot of inaudible in the minutes. So we would make sure we speak clearly in front of the microphone. And DJ, if you have any questions or concerns, please step in.

DJ: I could (inaudible), but I don't know yet.

Savage: And I would also like to note that Kevin Lee is here from Elko, at the table. And I don't know about those online. Do we have anybody up in Elko, Kevin.

Lee: I don't doubt it.

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Savage: Okay. So we just have Kevin Lee here in attendance here in Carson City, and then we have Las Vegas. We'll move on to Agenda Item No. 5, Report on Tracking of the NDOT Employee Job Costs on Project Litigation.

Kaiser: Okay. This item was requested at the last Construction Working Group meeting, and Jeff put together this item. You can see he stuck in his timesheet. And what I've done in the past when I was involved with claims and so forth, is I got ahold of accounting and had accounting set up numbers that we can charge to. So we went--when we would go into litigation, anybody who worked for me or below me or worked on the project, I gave those numbers to, so that we could track how much time we put into it in case we ever did get into a point where we wanted to charge the other group with those costs.

But looking through these numbers, you can see it's--we tracked everything down to the penny. I mean, there's some of those items are down even to \$0.02 worth. So it's a tremendous amount of information. Jeff.

Shapiro: Right. Chairman Savage, Jeff Shapiro. I put this together and basically, we used the same system to track all our labor efforts as NDOT employees. And so I know the request was on projects and litigation, but this is what we would do on every project. And we used the NEATS systems just like all the state employees do. And what I did is I gave some example timesheets. I used my timesheets so I figured nobody would yell at me for using my own timesheets. That's in Attachment A-1.

But as you can see, I've got some projects that I'm coding, you know, the 9100 number activity, that's just a general overhead number. But there are some activities with some project numbers on there, and that's where we're actually charging to--time to something whether it's--in some cases, it might have been the Kingsbury Grade, which I'm using as an example in here as well. In other cases, it might be our electronic documentation system.

We all go off of our coding manual, which accounting does every fiscal year. That's in Attachment A-2, and it's quite a large document. I only printed out--or made copies of pages that are pertinent to what construction activities would be doing, but it is quite a large document. On Attachment A-3, Reid Kaiser talked about getting a job number. There's an example of a job authorization that we actually created for the Kingsbury Grade litigation, and that's the job number we were charging to. We passed it out

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to all the team members as they were preparing for the depositions and whatnot.

On Attachment B-1 is a printout of example job costs that we got from accounting. And the reason why the document is relatively hard to see is this is kind of a scan of a screenshot of a scan of a screenshot, so it's not the easiest to get some of this information out. But you can see it's coding different names and labor efforts and amounts, and I believe the total amount on this particular one is about \$50,000. And for the last two years for the time period in question.

And then the last attachment, B-2, this is an example FHWA billing form that accounting puts together every time they send a bill to FHWA for reimbursement, but it shows contractor payments. It's about--totals just a little over \$30 million. It shows contractor payments of about \$25 million, it looks like on Page 2 of 20. And then I just--on one of our U.S. 50 projects, I just made copies of an example of how detailed that can be, as far as salary goes, and there's about five or six pages showing just on that one project, how that's broken down. And other than that, I really don't have anything else to present on, if there's any questions from the Working Group.

Savage: I have a few questions, just looking from the outside in. So does construction have meetings with accounting as to try to simplify--to simplify some of these reports?

Shapiro: Chairman Savage, I can answer that question. Actually, Dave Olsen is probably the best person to answer that. These are pretty standard reports, and I hate to use the word "Legacy," but I think part of this is part of our Legacy system. David, would you like to chime in?

Olsen: Yeah, they come out--

Wallin: He'll need to come up here so he can--

Hoffman: Just a little closer.

Wallin: --(inaudible) in the mic. We won't bite.

Shapiro: He's soft-spoken.

Olsen: Yeah, like I just said, we use the NEATS timekeeping system so the employee has to keep track of their time anyway to get paid. So they put in

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the code to charge the job they're working on and then we have the HR data warehouse, which is fed from the timesheets. It all gets costed based on what the person actually makes. It's gets--there's labor that's--or there's overhead that gets added based on federally approved overhead rates, and it all gets costed against the job. And they have to fill out their timesheet anyway, so I think it's a pretty simple system.

Savage: It's simple to the point of maybe entry, but what is returned here, four or five pages for \$2500 of breaking down to the pennies, is where I'm confused. I mean what--when you have \$0.10, \$0.02--you have over 300 line items for a total of \$2500. That's what I'm not comprehending. And this is on Attachment B-2 of the FHWA billing format.

Olsen: Well, if it's--is this the--does it look like that one?

Shapiro: Yes, the billing detail.

Savage: Yes, mm-hmm.

Hoffman: Like on Page 15?

Olsen: Yeah, what it does is it costs every single transaction, so we have the detail of everything that happens. So if someone worked for 10 minutes or 15 minutes, it's going to cost out that 15 minutes for that day and it's going to multiply by their labor, it's going to multiply by their overhead, and there's going to be a charge to this federal project for that amount. And if 20 people worked on it, there's going to be, you know, 20 charges. It can be summarized, but--this is the e-mail.

Wallin: I guess, Dave, is this the format that the feds want to see?

Olsen: Yes. We have to have the detail of every transaction that we charge.

Wallin: Okay.

Olsen: And that makes sense. You need to know where the number came from. So when we do the bill, the feds--I don't know if--you can't really tell what (inaudible) it is, but it's \$30,515,000 and it has my signature right next to it. That bill was about this thick. We electronically submit this to the feds, but we need to have the detail of what came back or what caused it so we can drill down to just timesheet, say on, you know, 9/16 he worked for a half hour on this job. It's all integrated through the financial system.

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- Hoffman: So Chairman Savage, if I could. Bill Hoffman, for the record. The goal for the Construction Working Group is to provide costing information on internal resources working on litigation--construction litigation cases.
- Savage: Yeah, I think the objective was to ensure that the Department is made whole...
- Hoffman: Mm-hmm. Oh, I see.
- Savage: ...for all expenses during litigation that don't have to do with that specific construction project.
- Hoffman: Gotcha.
- Savage: And I don't know if we're job-costing those internal costs to the point where we need to when we have litigation. And that's the goal.
- Hoffman: Okay. So it sounds like more of a process type of issue where we need to make sure that we're tracking the internal employee's cost and making sure that then that is passed to the contractors or legal staff for the other side, so to speak, and we make sure we get reimbursed for that.
- Savage: Right.
- Hoffman: Okay.
- Savage: Because in the private world, you know, in our company, we don't set the job up to know that there's going to be litigation. But if we start to see there might be litigation then we certainly try to allocate those job costs towards the time and the expenses it takes, because it really, as the Department understands, it takes everyone's concentration off putting that road in, and here we are worrying about delays and claims and responses. And I just want to ensure that the Department is made whole by all those internal costs that we have towards the litigation.
- Kaiser: Reid Kaiser. I've been involved quite a few years in the different litigations that we've had here when I was on the construction side of the house. And very rarely do we get to the point where we back charge a contractor in a lawsuit or a claim. And something like this (inaudible) and we do go into litigation, we do track it but it just--it doesn't...
- Savage: It never happens.

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- Kaiser: ...it doesn't happen very often.
- Wallin: So when you track it then do you usually then--if it's available to be reimbursed by the feds then you...
- Kaiser: Yeah, because typically, when you work on those things it's regular--it's part of your regular day, and it's charged to either overhead--your time is either charged to overhead or you charge it to whatever the job cost numbers are for that lawsuit. But where it goes from there, you know, I'm assuming it just gets tracked by the numbers that are put in on your timesheet.
- Shapiro: But...
- Wallin: Let me ask Dave this question. Okay. So from NEATS we had the example of the timesheet showing that, okay--and you guys gave a coding for the Kingsbury Grade project for litigation and stuff. So then that's gets broken out and that would show up on a federal billing claim at some point or what happens?
- Olsen: It would if it was a federal job.
- Wallin: Okay. Okay.
- Olsen: So we...
- Wallin: So you are doing that, right?
- Olsen: Yeah. So on the timesheet there's an activity code also. So if the activity code is a federal activity...
- Wallin: Okay.
- Olsen: ...then it would get charged to a federal job. If it's a state job, the information is still captured but it wouldn't get billed to the feds. So we could still run reports, and like if Dennis gets some sort of settlement and we get reimbursed for our employee time, we can run the report and generate however much state money was put against that job, too.
- Shapiro: And, Madam Controller, I was just going to add that whether we do the job authorization form like you see in A-3 or we use some of the codes that are already in the coding manual, there is a coding. It's contract claims and equity adjustment associated cost codes that has a federal breakout and a state breakout that, you know, people just need to be diligent in their

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timesheets, code it to the right activities and then accounting can send the bill wherever it needs to go. And that's really the key there, but we can do it. It's just part of the normal process.

Wallin: And so, you know, all the employees understand that, all right, when you're doing your timesheet and you're working on something that might be litigation, they know to go and use the litigation codes?

Shapiro: We do have to have that conversation. Yes ma'am, you're absolutely right. Make sure everybody's on the same page.

Wallin: Okay.

Savage: And that's an example. I think what instigated this was a project that's, I think, done with litigation. The Peak, is that--are we allowed to talk about that?

Gallagher: We can talk about it. As painful as it may be for many people in this room, we can speak about it.

Shapiro: I would like to stop talking about it.

Savage: But from administration's side, I would like to be able to take a look at what costs Q&D did in that project that should have been charged back to the peak portion of their work. And we don't need to go back and look at that. I think moving forward, we have to ensure that there is litigation, there is a lot of work that didn't get done. And we were going to job cost and track some of those items...

Kaiser: Mm-hmm.

Savage: ...and we should be able to look and see very quickly, from legal standpoint, of what dollars there were in the field as well as in the office, is the point.

Kaiser: Mm-hmm.

Savage: And we have to do a better job, I think, in moving forward. Are there any questions that accounting has or anything that construction has that we can do a little simpler or a little better? It seems pretty complicated for a simple job.

Hoffman: Well again, Bill Hoffman for the record. Jeff has shown that we can go down to any detail and in terms of job-costing or tracking.

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- Savage: Yes.
- Hoffman: There's no question about that.
- Shapiro: Sometimes a little too much detail.
- Hoffman: Thank you, Jeff. What we need to ensure is the process is there to make sure that those charges get made per the Construction Working Group's request.
- Savage: Exactly.
- Hoffman: That's what I was talking about earlier. This is a process. This may be a policy, internal communication...
- Savage: Mm-hmm.
- Wallin: And training.
- Hoffman: ...issue.
- Kaiser: Yeah.
- Hoffman: Training, yes. Which codes to use, those sorts of things. So then we need to take the ball from here and then make sure that all of this detail then gets charged back either to the feds or back to the other side, you know. So we'll make sure that we move forward based on CWG's recommendations.
- Savage: Thank you, Bill. I think that's all we're trying to do...
- Hoffman: Okay.
- Savage: ...is to make sure that we're all made whole at the end of the day.
- Hoffman: Right.
- Savage: If there's no further questions, we'll move on to Agenda Item No. 6, the Report on the NDOT Construction Manager At Risk Program, projects that occurred in the past.
- Kaiser: Okay. This item was, I believe, requested at the last Construction Working Group meeting also, and we've put together some information for you. I think we've had, what, four CMAR projects up to this point. We've had the Moana Interchange; Carlin Tunnels, which had two contracts underneath it; the Stateline Bikeway up at Lake Tahoe; and State Route 207 Kingsbury

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Grade Project. You see the numbers there and the attachments have the information presented. Jeff, is there anything that we need to add?

Shapiro: No. Jeff Shapiro again. You know, basically we've done four projects like Reid said, anywhere from a bikeway up in Tahoe for \$1.4 million, to tunnel work on Interstate 80 out in Carlin. Total of those two contracts is \$31 million about, to diverging Diamond on Moana, almost \$7 million. All those projects are complete construction wise. Some of them are in various stages of the final cleanup contract closeout.

The attachments have some financial latest and greatest amounts paid information on them, B-1 through B-4. And the only other project that's--we're considering a couple other projects. Well, one that's underway, I guess they call it in Predesign or Preconstruction. It's in design from our standpoint. It's the Tropicana escalator that's--project. That's one down in Las Vegas.

Terry: It's an approved CMAR project...

Shapiro: It's an approved CMAR project.

Terry: ...(inaudible) but it hasn't had a GMP.

Shapiro: It has not had an GMP yet, but they're doing that process right now. That's not on this list. And I guess we are--we had recommended that the ADA improvements on Tropicana go CMAR as well, but that has not been brought for the Board. The team has recommended it...

Savage: Mm-hmm.

Shapiro: ...to Project Management Division. I don't--the Department has not presented that to the Board yet as far as their final recommendation. And that job is out a ways because of utility issues, relocations, and the right-of-way acquisition and those kind of--but basically, the four projects we've done in here are complete. We're just closing them out right now.

Savage: Thank you, Jeff. And, again, thank you for the wealth of information. Very involved. And I do believe that the CMAR delivery has been very successful to the Department of Transportation. I commend everyone around this table, staff included, administration for a job well done. I know of other entities within the state, and I'm not saying Public Works. I'm talking about other institutions that have not had success in CMAR

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deliveries, and I want to compliment everyone here again. And I'd just like to get a little feedback as to what you feel the reason why it might be--it has been so successful for the Department of Transportation, if there's any comments.

Hoffman: I'll answer that. Bill Hoffman, for the record. The teamwork and cooperation (inaudible) that come--you know, you have a project where quality is the focus, really. So the focus is on the customer, the traveling public, the agency that's receiving the infrastructure improvement. And from what I've seen, the cooperation and teamwork, based on the contractor's staff that comes in early and works with the design staff, there's really a very good dynamic that's built through that process. Learning with the contractor, how the contractor approaches a certain project, learning how NDOT approaches the design of a project.

But there's a real bond that develops during that interim phase, the front end of the CMAR project, where the focus is more on quality and customer service. And I know that we try very hard to do that in our normal design-bid-build--or design, you know, low-bid process. But there's some--there's just some dynamic that's created during that process where the focus is not on the individual agency or the individual contractor; it's a true team effort and the focus is on the project. That's what I've seen on all the cases that we've done. And, you know, having quality as the item that everybody is trying to achieve. Instead of low bid, let's try to get through this as quickly as we can, as cheaply as we can.

And CMAR, there are costs--there are measures within that process that protect the cost of the project. But really, it's--I think it's just a team effort towards the project itself. That's just what I've seen, and it's difficult to explain, but it's there. And the focus is on trying to deliver the very best project that they can, so...

Savage: Well, thank you, Bill.

Hoffman: Yeah.

Wallin: Do you think that--you know, because I know--I remember when you did the first CMAR project, and it was like, well, this project makes sense to do CMAR. And you haven't just gone out and made every single project a CMAR project, so you have a very good evaluation to decide which ones fit for CMAR and which ones might make sense to not use CMAR.

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Kaiser: I can speak to that on Kingsbury, because back in the 1990s, when I was a resident engineer and my first job was up at Lake Tahoe paving in 50 down at the casinos. Well, another job I had assigned to me was Kingsbury Grade, and this was back in 1997. And that project was about an \$8 million project. We had to complete some drainage on the commercial area and then just pave the upper portion. A pretty simple project. Well, that was to start in the spring and the summer of 1997.

I got moved to build a different job up in Reno, the Pyramid Interchange, and two years later in 1999, I transferred back--or they moved me back up to Lake to finish that same job that I left in '97. So it just goes to show, is that road is a very tough area to work in. And you guys all are familiar with the Peak issues. That's the second time we've worked on Kingsbury Grade. So knowing going into--when we had to do a reconstruction of Kingsbury Grade with all the utility problems that we had there, we believe it was a good decision, because there was so many unknowns going into a roadbed mod or reconstructing Kingsbury that CMAR was definitely the best option for us.

And I do agree not every job is set up to do--would work good with CMAR but, you know, just Kingsbury is a great example of where it did work for us.

Hoffman: Oh, I should mention that John Terry has worked with the project management staff and roadway design. And there's actually a project selection tool that he walks just about every project, I think, through that process, isn't it, John...

Terry: Yeah, I do.

Hoffman: ...where they look at design-build, CMAR, low bid. And, you know, it's a fairly involved process, where they select the best delivery tool for that project based on risks, based on maintenance of traffic, political issues, whatever you could imagine, gets considered and then you get the resulting recommendation by project management as to what delivery method should be used. So...

Terry: Yeah, I...

Hoffman: ...I think it's a very good process that John has developed with his engineers.

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Terry: Well, John Terry for the record. And project management really developed that process. And I think the difference between NDOT and some of these other agencies, we're not using CMAR as the delivery method for every project, and we're not doing CMAR just to avoid the pitfalls of design-bid-build.

Savage: Mm-hmm.

Terry: We're using it for a specific purpose of sharing the risk on certain types of projects. And I think we're, kind of, finding the sweet spot for CMAR, which are not our gigantic projects, our big projects. Those tend to go design-build for various good reasons. It's more the little bit unique, somewhat challenging with risks we've got there that we don't think we can manage in design-bid-build. For instance, the escalators in Las Vegas is stuff we don't usually do. We're not that familiar with administering. It's outside our comfort zone, and there's such the risk of pedestrians and lots of other issues to deal with in that. Kingsbury has already been discussed. So I think part of it's the sweet spot.

The second part of it is we use an ICE. A lot of the other agencies don't. And so they're negotiating a little more at risk with the contractor, versus we have a little more definition of our negotiation with the contractor. So while certainly we're paying more than probably design-bid-build prices. Not significantly more. And so I think those are the two factors that have helped us. And I think that's where we're going in the future, is kind of that sweet spot on CMAR projects and not all projects like some are doing.

Savage: Thank you, John and Bill and Reid. And I think it's very important, again, to ensure that everyone stays competitive for the Nevada taxpayer and NDOT. You've all done a phenomenal job in not just going CMAR, because it's easier, you know, it's easier internally. But internally, we have to remain on top of our game and we do that by competitive bids.

Kaiser: Mm-hmm.

Savage: So I'm really happy to hear your approach, John and Reid and Bill and Jeff...

Shapiro Mm-hmm.

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- Savage: ...and staff that you continue to remain competitive bids and utilize the CMAR as a delivery very successfully. And, Bill you had a question or comment?
- Wellman: I do. Bill Wellman with Las Vegas Paving. A couple. Maybe first and foremost, a reminder if NDOT doesn't remember or is not aware, you have a reporting responsibility, as does all the entities in Nevada, to use CMAR come this January 1st, to the legislature. And every January 1st, frankly.
- Hoffman: Right.
- Wellman: We hold meetings with AGC. We've held two on CMAR and that has come up, and it looks like most of the entities were not aware of that. So I think there's an attempt by D.C. to try to pull those together. And NDOT participated on the phone in those (inaudible). So, in other words, that's just a reminder of what the success has been and where you stand on them. So...
- Hoffman: Mm-hmm.
- Wellman: ...please follow through if you will, because we'd got to get the sunset lifted in two years. So that leads me into the next thing, because I believe I've heard that there is a potential BDR by NDOT to lift the sunset. Is that true or not?
- Hoffman: Oh, I can speak to both points, if you want, Bill. So the first, the reporting, we did include in the CWG packets the December 2013 report that not only has to go to the legislature, but also has to go Federal Highway Administration. John has been working diligently to try to get that report completed by December 2014, so that we're up...
- Terry: He has a copy.
- Hoffman: ...to speed. (Inaudible) actually delivering the...
- Terry: We have the draft (inaudible), but we're going to use (inaudible) as an update of what was in there. But we do a report every year. So that is our draft report that we will give to the legislature before we finalize it.
- Hoffman: And then on the second point, we do not have a BDR in on lifting the CMAR sunset.
- Terry: Wheel it out until the next Legislature.

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- Hoffman: There is a BDR related to procurement, and maybe Dennis could go into a little bit of detail on that. But it is protecting those proposers that submit proposals. While we're in the procurement process, we consider that confidential information. So when we receive a public information request, that will--we're hoping that that will remain confidential for various reasons, specifically to the contractors that have submitted proposals. So those are--I just wanted to respond to those two. Dennis, if you have anything further on that, I think I've pretty much summed it up. But I appreciate the comments, Billy.
- Gallagher: I don't have anything further to add, Mr. Chairman.
- Savage: No. Again, it's just a--I think it's a model tool for the state that NDOT has led from the front on the CMAR deliveries. And I just--I believe everyone continues to work towards success. And I just compliment NDOT and the contractors. Anything from Las Vegas, Mary or Mario?
- Martini: No, not at this point. Thank you.
- Savage: Kevin, were you happy with the CMAR...
- Lee: Yes. And it hit...
- Savage: ...up in (inaudible).
- Lee: Yes. And to hit, like Bill was saying, I mean something with some high risk definitely worth doing it on that project.
- Wallin: And I have to say I had the opportunity to go through those tunnels Labor Day weekend, and I loved the lighting. It's wonderful. I wish we would do that in the airport tunnel down in Vegas. When you drive through it during the daytime and you're like blind going through there. But I thought they came out really nice.
- Savage: And one last thing. I know I've talked about marketing in the past, you know, I think the Department needs to do a better job in taking some good accolades. For instance, the Kingsbury project is actually finished a year ahead, and I think the public needs to know that. We know it in this room. We know it at the board level, but I think any publicist or good advertising to really sell what we've done. is important. And I think there ought to be some dollars allocated towards a good marketing.

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Wallin: Well, and you've been doing that with the work that Las Vegas Paving did on the floods and stuff down in...

Savage: Exactly.

Wallin: ...(inaudible) area. I mean that was a tremendous project that, you know, got people back on, and the money that we saved in interstate commerce, was huge.

Savage: Absolutely.

Wallin: We just need to start promoting...

Larkin-Thomason: (Inaudible) more mileage out of that one.

Wallin: You really need to do that.

Savage: Okay. We'll move on to Agenda Item No. 7, Report on the Consultant Agreements for the Past Two Years.

Kaiser: Okay, Jeff, go ahead.

Shapiro: Okay. Chairman Savage, Jeff Shapiro. Chairman Savage, I realize that when we had initially talked about this we were talking four years. It turned out getting data going back four years was a little bit more complicated than expected. Two years was readily available, so we started with that. But in this Agenda item, we've got 393 agreements, and these are all agreements that have gone in front of the Board over the past two years in some form, either to get initially executed or had amendments, so they've all been presented in front of the Board.

In Attachment A, we tried to summarize them to kind of--to give the CWG a magnitude on how it's going. Attachment A--or what's going on. Attachment A-1 is just agreements by different divisions in alphabetical order. Attachment A-2 is the agreements by division in order of number agreements. So right-of-way, during this time period, had the most agreements with 63, reproduction and graphic arts had the least number--well, they had one agreement, so they're down towards the bottom of the list. And then Attachment A-3 has agreements by dollar amount. And as you can see, project management is on the top of the list with \$125 million in payable amounts. And at the bottom of the list is the PIO Office, Public

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Information Office, where they had two agreements but there was no payable amount associated with them.

And then in Attachment B, it's just all the agreements that have come before the Transportation Board within the last two years. I guess--in talking with Reid Kaiser, I guess we did want to have a conversation as what are the next steps, what would the CWG like to see as far as trying to organize this stuff that would be the most helpful for you all, because some of the work, like I said, getting it and getting it out of our database does take a little bit of effort. But maybe, if we had a better idea of what--how we could better give the information to you, we could tackle that thing (inaudible).

Savage: Yeah. Thank you, Jeff and Reid. Again, a wealth of information and every vendor, I think, was provided in the last couple of years. I think we need to get more specific with just construction.

Shapiro: Okay.

Wallin: I agree.

Savage: And I've highlighted a few here on this one, Attachment A-3, agreements by division. I went and did some quick calculations and I noticed that project management--these are just--we're just talking openly right now as far as for discussion purposes only. And what's allocated through the consultants, because the whole objective here, I believe, is to try to ensure that the taxpayer is getting competitive bids from some of these consultants. And we don't become complacent in extending consultant agreements for 10 years, or years. And I know there are instances. Mr. Terry has spoken on this before. It's a better value for the Department that we maintain this consultant, and I understand that and I think everybody does. But we have to make sure that everybody, from the consultant side, supports NDOT in that specific term.

And, for instance, the project management had 26 agreements, about a \$4.8 million average agreement. Planning, \$1.6 with only four agreements. Hydraulics caught me off guard. I mean there was two agreements at \$9.9 million. Construction only had four agreements. And, again, Public Information Office, we talked about marketing; there were no agreements. And so, I think that--I think from the Construction Work Group tasks moving forward, I know this is important to Member Martin. He wasn't able to attend today. I would like to see it come up again next March, I

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think is our next meeting, to try to ensure that maybe this comes up semi-annually for discussion at the CWG level. At a big-picture level. And if any one of us has questions, we can...

Kaiser: So you only want to--Reid Kaiser. You only want to see the construction consultant agreements then, submitted?

Savage: What's applicable to construction.

Kaiser: Okay.

Savage: Yeah.

Kaiser: Okay.

Wallin: And I think the other thing for me, I would have liked to have seen this spreadsheet in Excel format, not in PDF, so that way I could sort it, because there are some things that's like, okay...

Kaiser: Mm-hmm.

Wallin: ...wait, you've got e-bidding and we've got this contractor up here doing the e-bidding. Oh, here's another e-bidding. I'd like to be able to sort it by what they're doing as well...

Savage: Mm-hmm.

Wallin: ...so I think that--I won't be here then, but I think if you gave it to them in a format that they can sort it how you want to look at it, I think it might have made it easier for you. You mentioned Public Information Officer didn't have any contracts, but then we kind of have some stuff, you know, we're talking about advertising as, you know, zero fatalities and things like that. So we--I think that it should be in the format where you as the Construction Work Group can sort it how you want to see it, because I think you might find other things that might be of additional use (inaudible).

Savage: Exactly.

Wallin: Plus then you can total it, and you don't have to manually divide that through.

Savage: That's nice.

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- Shapiro: And we could certainly provide the Excel files. We work with administrative services on that.
- Savage: And I think the whole point, again, is to ensure--and I've taken different names. Atkins for example. Atkins does a great job. Jacobs does a great job. What other competitors are there in the Atkins category, in the Kimley-Horn category...
- Wallin: Mm-hmm.
- Savage: ...in the TransCore category, you know? And you people know that and at times there aren't any other competitors. I understand that because of the Tetra Tech, for example, down at Boulder City, you know. We just want to be transparent and understanding as to the taxpayer getting the right value. And you all are on the same page there. I'm not saying you're not, but that's our goal.
- Kaiser: Okay. Just so I understand, like TransCore, they don't do construction. You won't be seeing those on our list in six months.
- Wallin: I think you're going to want us to have all--I think you're going to want to look at all the results anyway. You know it?
- Kaiser: I mean, we could do it in two groups. We could them all like this and have another separate sheet of just construction only...
- Wallin: Mm-hmm.
- Savage: Okay.
- Kaiser: ...I mean pretty simple to do that.
- Wallin: But put it in Excel so they can sort it.
- Shapiro: Right.
- Kaiser: Right, Megan?
- Sizelove: This is all Jeff's doing. I didn't get to be involved with (inaudible).
- Shapiro: All right, Megan, where's Denise? The database is owned by the administrative services, so it's going to have to be a team effort.
- Kaiser: Yeah.

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Shapiro: We can provide whatever you need.

Savage: It's a work in progress, and we understand that.

Wallin: Mm-hmm.

Savage: We understand that.

Lee: I've got a quick question. Is there a way to separate this from, say, agreements that are based on RFPs as opposed to three quotes, because this is all agreement. This isn't just consultant (inaudible).

Shapiro: I'll take a stab at that, Kevin. Jeff Shapiro. I do know in talking--or Jeff Shapiro, Chief, Chief Construction Engineer. I do know in talking to Jenny Eyerly, who is the chief of administrative services--and we're seeing the same thing with the project status and budget performance that we have on our end. And, we have a great Oracle database with a lot of data in it. But, the challenging part is getting that data back out in a usable format.

So some of this is still a work in progress. And admittedly, this item here in Attachment B that went with it, that's a work in progress. But that's what we could get easily, because it's already been in front of the Board. So now, we've got to figure out how to make it a little bit more informational for the CWG.

Savage: Mm-hmm.

Kaiser: And we have five months to work on it.

Savage: And go back to your comment earlier about the two years rather than the four years.

Shapiro: Part of it was there might have been a misunderstanding. My notes said four, somebody else's notes said two. We had two available, and that's what we went with. But we can go back--try to go back as far as the CWG wants, as far as I'm concerned, but agreement services is the people that have to do the work on that so we'll have to get together with them on it. So...

Savage: I think the two years is adequate, at this point.

Wallin: I mean, you've already got the spreadsheets for all the Board meetings for the last almost four years...

Shapiro: Yes, mm-hmm.

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Wallin: ...that we started getting these contracts brought before us, so you could always, you know, sort and use those.

Shapiro: Yes, ma'am, and that's where this comes from.

Wallin: Yeah, so (inaudible)...

Shapiro: So we'll just keep doing that from here on out.

Wallin: Yeah, so you should have had the previous two years--not quite two years, because we didn't start doing this until July of '10.

Savage: Mm-hmm.

Wallin: Or '11 rather. July of '11, I think. So...

Terry: If I could, before we leave this item, the Director wanted me to bring up that the consultant selection process is a part of the operational audit that we're about to start, so they will be looking at that process.

Savage: Okay. Thank you, John. Any other comments or questions here in Carson City or in Las Vegas, on the consultants? Then we will move on to Agenda Item No. 8, Report on the NDOT Partnering Efforts on Construction Projects.

Schettler: Good morning, this is Lisa Schettler, NDOT Partnering Program Manager. And we're continuing to move forward with some of the items we've discussed in the past. The Steering Committee, we've delayed that until we got an assistant director of operations in place. So we'll soon be forming an agenda and having our first meeting pretty soon. We are also moving forward with the FHWA project to identify best practices with other states and compile that information into best practices documents, specifications, things like that, that we and other states can use in the future. And that will--and with a conference scheduled for 2015. So we're moving forward with that. We're looking at--we're working on an RFP to have a consultant facilitate that project.

We're also moving forward with an RFP to hire somebody to help us to do training, trainee-trainer-type training to help resident engineers, district engineers, kind of the managers to train others in partnering on construction projects. So, those are things we've discussed in the past. We're still moving forward with them. The performance measures that we're working

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on, it's a work in progress, so we're still trying to refine those and identify what data is available that would really be relevant and help us (inaudible) how effective what we're doing with partnering is, and what's really practical, viable in the field and things like that. We've identified some data that's somewhat easily accessible through two of our databases like Discover and other things that we'd like to look at that's a little more difficult.

We need to pull the REs on a regular basis to figure out things like how often they're holding meetings and what type of meetings and, you know, things like that; comments just on how it's working. So we have been reaching out to try to get that type of information as well. And then, we want to look at how we can correlate that with effects that partnering may have on the projects, things like claims or schedule or budget impacts. So we are working on that. It's a work in progress and we're hoping to get that information going more regularly and refining it.

Also, I wanted to mention that we're trying to give a little more guidance on the partnering meetings on when invitations are sent out and who they're sent to, so there's a little more consistency. And, we're getting the best--I don't want to say the best people, but the people that can contribute to the meetings...

Unidentified Male: Very good.

Schettler: ...and make them, you know, the best benefit we can to all the people that we're taking up their time and, you know, we want it to be a good benefit. So we're working on that. We just posted our award application for 2014 projects on our website. So that's available just this last week. And those are going to be due in January, January 16th, I believe. So, we can recognize projects that really did a good job in partnering and showed some benefits for it. So, we're looking forward to that. We recently had another meeting with Nevada AGC here up in the north. And, we--this Friday, we're having our next--our second AGC meeting with Las Vegas--AGC Las Vegas. So we're continuing to collaborate with them. And they are actually collaborating with us on some of the projects like the FHWA project, the trainee-trainer project and things like that.

I also wanted to mention on the dispute resolution efforts, we have been talking with the Dispute Resolution Board Foundation, which is a nonprofit national--or maybe it's an international...

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Freeman: It's international.

Schettler: ...organization. And they are--we've identified them as a sole source to assist us in providing some training for dispute resolution team members that we can utilize on our projects, and also for NDOT and contractor staff to learn to use--utilize dispute resolution teams. So we have been talking with them. We have been refining a proposal from them to provide this training during the winter shutdown periods (inaudible) could be before March or April. And we're looking at doing a four-year contract with them so we can develop a good pool of people we can draw on, and have the dispute resolution team members be involved in projects from the onset of the project and keep (inaudible) with the project, so that if they are called to meet and make a recommendation on a dispute they're already familiar with what's going on. So that is in the works.

They're also assisting us with reviving our specifications a little bit. We're drawing on their experience with different states and dispute resolution teams or boards, as they're most commonly called in other states, to make sure our specifications are in a good place to utilize these teams on a more consistent basis. So that's all I had, if there's any questions.

Savage: Thank you, Lisa. I know I have a few questions...

Wallin: Go ahead.

Savage: ...Controller. You mentioned something about the Steering Committee.

Schettler: Yes.

Savage: And where does that stand?

Schettler: We've identified the members, and so all we really need to do at this point is develop an agenda and organize our first meeting. We did want to wait until, like I mentioned, the assistant director was in place over operations.

Savage: Mm-hmm.

Schettler: And so I know that--I think that Jeff and Reid had a conversation about it, so...

Shapiro: The members have been identified, I would say by title, not necessarily by name on every one. And we were waiting for the assistant director position to get filled...

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- Savage: (Inaudible).
- Shapiro: ...and then we could move forward with that, so (inaudible)...
- Savage: Is that an internal NDOT Steering Committee or is there...
- Schettler: We're including AGC industry with it.
- Savage: Okay. That's good. And then you had mentioned the RFP a couple times. I know there was a \$300,000 approval, I believe, during the last Department of Transportation meeting and the Construction Working Group. We talked about \$300,000 allocated towards partnering. So this RFP that you're alluding to, is this something additional...
- Schettler: Well...
- Savage: ...or is that part...
- Schettler: ...there's a couple different RFPs. That RFP is the FHWA project, and that's completely funded--federally funded. And that one is to get a consultant in place to facilitate the--it's kind of a research project working--there's going to be a panel of experts that are identified from not only Nevada, but other states and from industry and from--sorry, what's the organization that does the arbitration?
- Shapiro: American Arbitration Association.
- Schettler: Yes. Yes, thank you. And that panel will identify some survey questions that will be distributed to all 50 states, and we will identify from that some best practices and we'll identify some programs that are maybe the best in the nation that can be--at this conference can be showcased.
- Savage: Mm-hmm.
- Schettler: That's the word I'm looking for.
- Shapiro: Chairman Savage, if I may. That \$300,000 that you're referring to, that's federal aid that's been obligated for this project, so to speak, and now we're in the process of trying to get a consultant on board to help us with the research that Lisa is talking about there. So it's not a separate RFP; it's all part of that...
- Savage: It's the same part of that?

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- Shapiro: ...it's the same part of that, yes, sir.
- Savage: That answers my question.
- Schettler: The other RFP I was referring to is, we're working on one for the trainee-trainer, get somebody on board to (inaudible).
- Shapiro: That's a totally separate thing.
- Schettler: That's a totally separate one, yes.
- Savage: And I don't know if the Department has looked at this or not. I mean, the reasoning for the partnering, is to mitigate our legal expenses.
- Schettler: Right.
- Savage: Everybody is very clear on that. And have they looked at a goal to try to reduce the legal expenses on the ones that have gotten into litigation?
- Shapiro: I would offer, Chairman Savage, that's why we're pushing so hard on the Steering Committee just to try to help us out with goals and make this partnering program a little bit more--not objective--quantitative, so to speak, and from a numbers standpoint. And that's one of the things we need to look at. And this spreadsheet that Lisa put in here is our initial attempts at trying to quantify this and find out where we are so we can establish some goals. But I believe we need the Steering Committee to help us out with that as well.
- Savage: I like to hear that, Jeff, because that measuring stick, if you have a dollar amount out there and can quantify, hey, we just picked up--we saved \$150,000 or \$350,000 on legal expenses from the prior year...
- Shapiro: Mm-hmm.
- Savage: ...because of partnering. And if everybody is engaged, this Attachment A I found very, very interesting. And you can certainly see the contractors that didn't participate and the ones that did. What I was questioning, the line item breakout that the contractor has to provide. Under partnering bid amount, and I just two examples. I took the Meadow Valley had a \$2500 amount for a \$22 million job. And Granite had a \$20,000 amount for a \$21 million project. And I think that NDOT needs to look at ensuring participation from the contractor's point, as well as the Department's point. And I don't know if it's done by force account allowance, or what thoughts

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or discussions there might have been in the past, to do everything you can to get them engaged, because I know you can't take a horse to water, but you've got to try to get them engaged somehow, some way. So just some thoughts and ideas there, Jeff.

Shapiro: Chairman Savage, I can address part of that. The partnering bid amount is a bit of a misnomer. We don't have contractors bidding on what they're going to do for partnering. It is actually a line item. It's what we call a 736 line item that we can--it's a budget item that we can pay off of, but it kind of gets mixed up with the other, you know, hundreds of bid items we have on some of these projects. So they're not bidding on that, so to speak.

Savage: Oh, they're not?

Shapiro: No, sir. No, sir. That's...

Savage: Oh.

Shapiro: ...a budgeted item that we established for that contract. But like you said, you can't get a horse to water--you can take a horse to water, but you can't necessarily...

Savage: You can't make him drink.

Shapiro: ...make him drink. So depending on who you get is really important (inaudible).

Savage: I think there's needs to be some internal discussion on how to further engage these people come to the people at the top of the first inning. From project closeout, you guys have done a great job. We've made huge progress. Now the partnering is something that's coming down the ditch.

Kaiser: Reid Kaiser. I think we've--I've been thinking about that and I think it's a matter of just making sure that the construction crews are pushing that, even though we've got to make sure that they believe in it. And at the same time if it takes maybe the construction office going out and reaching out to them, or the Director's office reaching out to the resident engineers, making sure that they're involved with it. And that, you know, if we elect to use the dispute review team, make sure that they pursue getting those three members assigned to that contract--to the contract, visiting it quarterly or semi-annually, whatever is set up, and making sure that that process gets followed. So...

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Shapiro: I would like to add to that. The contract--the whole team has to be involved in this process...

Kaiser: Mm-hmm.

Shapiro: ...and everybody has to walk the talk, so to speak.

Savage: Mm-hmm.

Shapiro: And that includes the contractors, the leadership, construction division, whomever down on the field. So Reid is absolutely right. But it takes the whole team and that's why we want the AGC involved with the Steering Committee to try to help us with this to push the whole team forward.

Wallin: Have you got at least a thank you for doing this? I know it's a lot of work when you're--it's not like you just get it out of a database. You probably had to go talk to this person and do all this stuff to try to put...

Schettler: it's time consuming.

Wallin: ...to put it together. But maybe one of the things to do, in looking at this should be, and it goes to your performance majors almost, is looking at it by districts, too. I mean is one district participating more than another district. So you can, kind of, focus your efforts there. And then also maybe have something in here that says, "Okay, this is how much we avoided, you know, this is what we saved, our potential risk," or something, because that's one of your majors. That's what we want to see here that you're doing and stuff. And now that, you know, Len brought up that, okay, it's not partnering bid (inaudible). I didn't think they bid on it, but I wasn't--I just thought that was the number that we had there.

But when it has "Partnering Paid To Date," so like the very first one, Fisher Sand and Gravel, the bid amount was \$15,000; paid to date, \$34,000. So you have \$15,000 that you have to work with, so then the \$34,000 would have a (inaudible).

Shapiro: Well, here again our contracts are structured so they get paid for what they do.

Wallin: Mm-hmm.

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- Shapiro: And then that's how all our line items work with all our items and, you know, whether it's roadway X, or asphalt, or whatever. But that \$15,000 in that first project is a budgeted line item.
- Wallin: Right.
- Shapiro: They've actually--through facilitations and meetings and whatnot, they've actually spent \$34,000 and some change against that \$15,000 budgeted. So they basically overran the budgeted item on that amount.
- Wallin: Okay. All right. And then just some of the--Lisa, some of the comments that you have on here, not all of them have comments probably, because you couldn't find the comments and...
- Schettler: Well, I will say that the comments you see is what I received from the resident engineers. And I did not hear back from all of the resident engineers. So if there's blanks in some places, it could be that I just haven't heard back from everybody, which makes it a little difficult to assess...
- Wallin: That might be...
- Schettler: ...by district and...
- Wallin: ...that might be something good to put in here that, you know, resident engineer responded, yes/no. So that way...
- Schettler: Right. That's a good idea.
- Wallin: ...when you have comments and stuff and then you have it by district because then...
- Savage: That's a great idea. Accountability.
- Wallin: ...you know--yeah, then you and Jeff can go and do some follow up and say, you know, "We can't do our job if you're not following up on this," and stuff. But I think this is a good first pass...
- Savage: Mm-hmm.
- Wallin: ...what you're doing in going forward, but I think that you really should look at by districts, who's doing it, who's not. And, again, it's the tone at the top. You guys are embracing...
- Kaiser: Yeah.

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- Wallin: ...that this is our way of doing business and stuff, and I'm glad you're working with AGC and stuff (inaudible). That's good too. Thank you.
- Savage: Thank you, Madam Controller. Your point is well made. And just to add a little bit more as far as the industry liaison meetings. I think it's important that the contractors--the good, strong contractors come together to ensure that all the contractors are participating in--and I know it's a long, hard road, but the good people need to bring the contractors that need to rise to the occasion. And that's all of us collaborating in trying to achieve that goal. Any other comments here in Carson City regarding partnering; or Las Vegas?
- Martini: None here.
- Savage: Let's move to Section No. 9, Old Business.
- Kaiser: Okay. What I'm finding out is that the more I dive into the information that was left for me, is these are kind of items that Rick had set up to go over at every Construction Working Group meeting. And so like the first one, NDOT DBE process, do we need to hear any more on that? I think we had a pretty good shot at it this morning...
- Wallin: Yeah.
- Kaiser: ...at the Board meeting.
- Larkin-Thomason: On with it.
- Savage: I think we're good.
- Kaiser: Okay. And correct me if I'm wrong, isn't that what Rick had set up to hear?
- Shapiro: Well, some of it's a work in progress, too.
- Kaiser: Okay.
- Shapiro: We haven't really addressed all of these, but you're right. With the presentation today, we can probably put that one to rest.
- Kaiser: Yeah, okay. Item No. 2, Change order request on Kingsbury Grade.
- Savage: That's closed.
- Kaiser: Does that...

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Unidentified Male: (Inaudible).

Kaiser: So that's closed, that was just the--Buy America.

Savage: Mm--hmm.

Kaiser: Okay. Item No. 3, Contractor prequalification and bidding. I'm not quite--haven't been able to find the stuff Rick left, but...

Shapiro: We haven't started anything on that one yet.

Kaiser: Okay. Okay. Will this be--well good. Then I'm not behind. But something I can say is back in 2005, I put together a report, when I was working in construction on our prequalification program, because at that time, we were dealing with the AMES issues here in Carson City. We were dealing with the Nevada Bridge Builder, Kramer...

Savage: Mm-hmm.

Kaiser: ...on the Galena Creek structure. And our prequalification is mandated by legislature, but it's pretty gray. And what we do here in Nevada is require the contractor to fill out some forms. They can either supply at bank note saying they have this much capital behind them and so forth, but--and then we also require our resident engineers to fill out, at the end of the project, and rate the contractor. Some of the history that we have with our--these forms is a contractor can get low ratings every time by the resident engineer, but if he has--submits a bank statement with a certain dollar amount, he can still bid all of our work.

So we do need to work on our prequalification program. What we do with it is--I'm not quite sure, we haven't got to the point yet. California, they don't even have a prequalification program. They let the bonding companies take care of prequalifying contractors. So some states don't do anything. Other states like Oregon, they require all their contractors to meet with the RE at the end of every project and fill out a form together. And, if the contractor is over a period of time they get a rating, say, below 80, then they have to get approval from the construction office before they can start bidding work again. So every state is different. So where we go with that--there's a lot of different directions we can go. But whatever we do, it has to be approved by our legislature.

Savage: Right.

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- Kaiser: So...
- Savage: It's quite a task.
- Kaiser: ...it's going to be a big task.
- Savage: It's a task.
- Kaiser: Yeah, mm-hmm.
- Savage: But it's reality in the fact that contractors can only do the jobs that monetarily they can complete per the plans and specifications. It's that simple.
- Kaiser: Yeah.
- Savage: And we're trying to hold everyone accountable in those different categories. Not about if there's monetary limits, different contractors with NDOT like there are with Public Works. They have \$2.5 million and below, \$5 million and below, \$10 million and below. They have limits underneath their prequalification. So I think it--there's a lot of discussion and I think keep that line item open.
- Kaiser: Yeah. And we do have limits here at NDOT, also.
- Savage: You do?
- Kaiser: Yeah, we do. Mm-hmm. Okay. Project delivery methods roles, project management.
- Shapiro: That was an item that was--I had in our notes, and I think we made it on the last CWG. We haven't really started any work on it yet, but--and I don't know if we need to. I guess that's a decision for the CWG to make. But we have--you know, whether it's the district administering a contract or the CMAR process or design-build, all the delivery methods are a little bit different and people's roles change.
- Savage: And people...
- Shapiro: And it was my understanding that was one of the reasons why we were going to do this, to talk about stuff like that.
- Savage: Yeah. What instigated that was, you know, we have construction and we have Project Management. And I think we talked briefly on when project

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management came into play with the Department, and I think it's just an overall review of what each box is doing, and how they integrate amongst one another, and who's on first and what's on second, you know...

Shapiro: Right.

Savage: ...from an outside perspective, is all they're trying to achieve.

Kaiser: Okay. So like, when project management runs the design-build projects, you want to know the process they go through to approve a change order, which is different than the operations side of the house goes through to approve a change order.

Wallin: Yeah.

Terry: They're close, but they're (inaudible).

Terry: We have them all documented in...

Kaiser: Right.

Terry: ...the Pioneer Program.

Kaiser: But I mean different people sign them and so forth. So are those--like, is that an example?

Wallin: Just kind of report so we can see what it is and then do we need to do any tweaking.

Savage: Yeah. I think it's just oversight--not oversight--an overview of how the different departments (inaudible)...

Shapiro: Right.

Kaiser: Okay.

Savage: ...and how they work together and how much construction actually works with project management with boots on the ground and REs and everything. Just an overall picture, snapshot.

Hoffman: And I think we can do that fairly easily.

Savage: And what we can do better.

Hoffman: Project inception to project closeout roles and responsibilities, right...

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Savage: Right.

Wallin: Right.

Hoffman: ...is kind of what (inaudible)?

Wallin: And didn't we have--Len, didn't we have something on--that we talked about--I don't think--it wasn't the last one, but the time before where we were saying that--and I think it was dealing with 580 and the warranty.

Savage: Mm-hmm.

Wallin: And holding the job open until the warranty period was up and we said, "Why can't you guys just go and, you know, close it out and change your methodology of how you're doing it?" And you have a warranty that, you know, I think Bill even talked about...

Savage: Bond the landscape.

Wallin: ...or Frank talked about.

Kaiser: There was a plan establishment period.

Savage: Right.

Wallin: Something like that because it opens us up, which it did in 580. So I'd like to see that maybe as part of this piece here, project delivery and closeout and...

Savage: Warranty.

Wallin: ...warranty.

Shapiro: Okay.

Kaiser: Okay. Item 5, NDOT job-costing and project litigation. We got that one.

Shapiro: Mm-hmm.

Kaiser: And then report on CMAR.

Wallin: We did that too.

Kaiser: We did that one.

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- Savage: Another item I had discussed earlier was (inaudible) task item was performance reviews, what the Department does regarding contractors and consultants, and what type of system does NDOT have set up.
- Kaiser: Okay. That's kind of in line with our prequal...
- Savage: Yeah.
- Kaiser: ...system, so--okay.
- Savage: Mm-hmm.
- Wallin: Didn't Frank have something he was asking the question about performance reviews of the employees, I thought, or something like that?
- Savage: I know it was performance or contractors he was...
- Wallin: Yeah, I can't...
- Savage: ...concerned about.
- Wallin: Yeah.
- Martini: Yeah. Actually, I was going to chime in and suggest something along the lines of what the Governor asked for. As we're moving forward to do a capacity review of the industry, not only at the employee level and the skilled trades that--and what we have, but also just the capacity within the companies themselves for the work that's coming out.
- Wallin: Okay.
- Savage: Any other items--future Agenda items, that may be applied to the open task list that we might have missed?
- Wallin: Not that I can think of...
- Savage: I can't think of any right now.
- Wallin: ...but I won't be here, so...
- Savage: We're going to call you. But what Rick had done, Reid, and Jeff was kind enough as well to sit down prior with myself and just come over and we can go through some items...
- Kaiser: Okay. Sounds good.

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Savage: ...on the Agenda.

Kaiser: Okay.

Savage: And also, engage the construction. Okay. So an update on the eDoc documentation.

Shapiro: That's 9-A. And we did not put anything in the packets for that. That's strictly a verbal update. Megan and her staff are doing a great job and been very busy. Megan, take it away.

Sizelove: Okay. Thank you. We have been busy, but it's exciting. Last week, we provided our first round of training to District 1 resident engineers and their assistants and office people. So Field Manager, which I don't--if you all remember, it's kind of the meat and potatoes portion of the software. That is the field administration portion that we'll be focusing on training first for that.

And, again, the first contract that will be a Field Manager, an eDoc contract, will be 3576. So, therefore, any four-digit contract larger than that will be ran through Field Manager in electronic documentation. So the way the timing of NTPs and everything falls out, District 1 will be the first--the guinea pig, if you will, that get to run with that system. And we're really excited. A very good response from them. We trained 13 individuals last week. We have another round of training this week, Wednesday and Thursday for the same training again in District 1. The remainder of the group will come up and we'll provide training to them. And then in December, we'll provide training on Field Book, which is the inspector's portion of the software.

So everybody seems to be pretty excited and ready to ditch the orange books and move into the modern world. And then we'll start training District 2 and 3 after the first of the year.

Savage: Nice.

Shapiro: But the staff that have been working, Chairman Savage, they have been piloting the program and helping us develop it over the last year or so. We got a lot of good feedback at the training last week. Everybody is really excited. And we're now going to start using it for real--and actually 3577, which was approved by the Board this morning, will be one of those Field Manager projects. So...

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- Savage: That's great news. It's great to see the Department, you know, moving forward with the electronic world. And I need to get there myself.
- Wallin: Yeah. I mean come on.
- Savage: I will one day.
- Wallin: Come on, Len.
- Shapiro: We'll start sending you spreadsheets.
- Sizelove: It's a big shift, but everybody, for the most part, seems pretty excited...
- Savage: That's great, Megan.
- Sizelove: ...out in the field.
- Savage: Again, thank you and all your staff.
- Sizelove: Absolutely.
- Savage: We really appreciate it.
- Sizelove: The team has been busy.
- Shapiro: Mm-hmm.
- Savage: The task list we are talking about and the reports and documents in Attachment C.
- Shapiro: The only thing we have in here, Chairman Savage--this is Jeff Shapiro again--is, you know, we recently--you know, I think Lisa mentioned that we recently had a luncheon with the AGC in Northern Nevada., and this is the agenda for that. And we'll be having one here--I mean next--I think with--yeah, next Friday. This Friday? Oh, I better make my plane reservation--with AGC. And other than that, if there are no questions, there's really nothing else to talk about there.
- Savage: Let's move on to Agenda Item No. 10 then, if there's no other comments or questions about Item No. 9. (Inaudible) No. 10. Contract summary closeout, if you can kind of explain that...
- Kaiser: I don't need to...
- Savage: ...in Attachment A.

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Kaiser: ...Jeff can go ahead and handle that.

Shapiro: Yeah. A lot of these documents, they're kind of old business in nature. They're similar to documents we've seen in the past previous CWG. But we have Attachment 10-A, which is our closeout summary. It's a one-page--this was relatively new officially last CWG. We didn't change it much from a formatting standpoint, but we can certainly do that if this information is--there's a better way to present this. But we've had 20 contracts closed out since the first of the year, and right now we're up to \$179 million in payments--that's calendar year--since January 2014.

In the last--Item 10-B, it shows details on the two contracts we closed out since August, with some budget-type numbers on them. And then, of course, there's detailed sheets behind that, which give the contractor and the resident engineer and engineering costs, construction engineering, preliminary engineering costs in each one of those projects. I'm not sure if the CWG has any questions on those. I'm on Item 10-B right now. And then on 10-C, which is just our standard--not standard, but it's our construction closeout status spreadsheet as of October 7th. This is a living document. It changes. So I think staff and the contractors have been doing a pretty good job trying to get these things closed out as quickly as we can.

There's copies of meeting minutes in there from the, you know, we're still doing the monthly teleconferences with the districts. And then the last item, Item 10-D, is the open contracts and the status and the spreadsheet of all the open contracts. Unless there's any questions, we really don't have anything formal to...

Savage: I think this is very well done, and my compliments again to everyone. For example, Item 10-C, Pages 4 through 9. You can go to each one of those and get specifics as to where the project is in each district. That's a great snapshot. Great snapshot. Thank you, Reid. Thank you, Jeff and Sharon, everybody, Jeff. Thank you.

Wallin: Yeah. So (inaudible) from when you first started to now, I mean we've made some major headway. So thank you to all. Thank you.

Kaiser: Don't look at me.

Wallin: You just have to keep going.

Kaiser: Yeah.

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- Shapiro: Thank you to the CWG and the Controller (inaudible).
- Kaiser: Did a good job (inaudible).
- Shapiro: Yeah. Thanks.
- Sizelove: While we're on this topic, if I could be so bold as to bring up a question. On the contract closeout summary sheet, that one-page sheet that kicked off Item 10-A, there is a fair amount of work that goes into compiling this information. I just want to make sure it's useful to you guys' needs. Or if you guys--it's a relatively new as Jeff mentioned, so I'm just looking for feedback. If this is useful then, by all means, we will continue to provide it in this format. If there's tweaks that you guys would like to see incorporated, we could do that as well. I just want to make sure it's...
- Savage: So let's just take an example on that. AK Earth Movers, arrows up one. So they completed one closeout?
- Sizelove: Since the last time--let me see.
- Freeman: They have one more job in closeout...
- Sizelove: In closeout.
- Freeman: ...I believe is what that represents.
- Sizelove: Construction was completed and the arrow one indicates that it's--one more time since the last time we reported a change.
- Savage: Yeah, it's a bit confusing from my...
- Wallin: Yeah, I...
- Savage: ...crow's nest, on the arrows. I'm not quite following the arrows.
- Wallin: Because to me, when I see up means it's improved...
- Savage: Yes.
- Wallin: ...and down means it's not improved. So I'm glad you asked that question, because I was misinformed.
- Savage: Yeah, I...

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- Shapiro: Maybe we could try a format where we show last period how many they had, and this period how many they've got.
- Wallin: A change.
- Shapiro: And that might make the math a little bit more self-explanatory, I hope.
- Savage: Yeah, I think there's (inaudible), so...
- Wallin: Yeah. Or what the arrows mean...
- Savage: ...(inaudible) you might add.
- Wallin: ...or something. Yeah.
- Savage: Yeah.
- Wallin: Yeah, because that's what I thought. Okay. District 1, okay, completed 11 more than last time or something. They're doing really good.
- Savage: Mm-hmm. Yeah, we closed out 14 in District 1 and...
- Wallin: They're doing good and, you know--so...
- Sizelove: Okay. Well, we'll--maybe we can have some additional internal discussions on this then...
- Shapiro: Yeah.
- Sizelove: ...and present--try to find a different way to present the information.
- Wallin: But thanks for asking the question.
- Sizelove: Okay.
- Wallin: (Inaudible). Excellent. We (inaudible)...
- Shapiro: The goal is--oh, sorry. The goal is try to keep it on one page though.
- Wallin: Mm-hmm, yeah.
- Shapiro: An 8.5 x 11.
- Wallin: No, but I think if you just kind of, you know, have definitions; what's the arrow mean or what does that arrow up/arrow down mean.
- Savage: Mm-hmm.

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- Sizelove: Okay. We'll take a stab at trying to make it a little more user friendly and...
- Wallin: All right.
- Sizelove: ...be ready to present next time.
- Savage: Good. Any other questions or comments here in Carson City or in Las Vegas on Agenda Item No. 10?
- Martini: None.
- Savage: And then we'll move on to Agenda Item No. 11, Public Comment. Anything in Las Vegas?
- Hoffman: I'll make a...
- Martini: No one here.
- Savage: Carson City?
- Hoffman: So Bill Hoffman, Deputy Director for NDOT. I just wanted to thank Member Wallin for all her hard work and dedication to helping improve NDOT. We've come a very long ways in a short period of time in terms of transparency and just being a better transportation agency. I know Rudy has something planned formally for you at the next Transportation Board meeting, but I just wanted to say thanks from old Johnny back in the plane...
- Wallin: I know.
- Hoffman: ...my airplane buddy. I wish you well and thank you for all that you've done for the Department. We really appreciate it.
- Wallin: Well, I have to tell you guys thank you, because you guys have stepped up, okay, and made a true difference, I think, here. And you guys have--you're really making changes here. You're improving the transparency. You're making sure that taxpayer dollars are spent wisely, efficiently. And I know that it was a few rough bumps at first for a little while here, when Rudy took over and you guys were all like, you know, the message barriers and were all learning together and stuff. So thanks for putting up with us, asking the hard questions that sometimes you're like, oh God, what's the Controller going to do now.
- Kaiser: We never thought that.

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- Wallin: Yeah, right.
- Hoffman: We figure it out. If we comply and provide that information...
- Wallin: If you comply. That's...
- Hoffman: ...then it's better for the taxpayers of the State of Nevada. So, it took us a while to get it through our thick skulls, but...
- Wallin: But you did. But you did and I...
- Hoffman: But thank you very much for all your...
- Wallin: I've been...
- Hoffman: ...patience and work and everything you've done on the Construction...
- Wallin: Hey, thanks for putting up with me, too. I've enjoyed serving and I've enjoyed serving with Member Savage and Member Martin, as well. It's been fun. I mean, when I was questioning the contracts closeouts and all that stuff when we formed this group, it was like careful what you ask for, right.
- Savage: Well, Member Controller, I'd just like to add to Mr. Hoffman's and everyone at this table. It's been a real pleasure.
- Wallin: Thank you.
- Savage: Having you, not only on this Construction Working Group Board, but the NDOT Board and the great state of Nevada is going to miss you. I know I'm going to miss you. You're very engaged in all that you do, and it's a privilege and an honor to work arm and arm--no, it (inaudible) is with someone of your capabilities. And all the best to you in your future, Godspeed, and I know the sky is the limit because there's great things ahead. And make sure you're here in March...
- Wallin: I get a raise.
- Savage: ...is it March 10th?
- Wallin: I get a raise.
- Savage: But thank you so much.
- Shapiro: Thank you.

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- Wallin: I get teary-eyed.
- Savage: Okay. So that'll close Agenda Item No. 11. We will now move to closed session if necessary.
- Gallagher: There's no reason to close the meeting. There are no updates in any of the litigation matters.
- Savage: That's good to hear, Mr. Gallagher. So no closed meeting at this time.
- Gallagher: I'm looking for wood.
- Wallin: I think you beat the Governor's meeting today.
- Savage: I know. So we will take a motion for adjournment.
- Wallin: So moved.
- Savage: I'll second. Thank you, everyone. Have a good day.



Representative