



Department of Transportation
Board of Directors - Construction Working Group
Notice of Public Meeting
1263 South Stewart Street
Third Floor Conference Room
Carson City, Nevada
March 10, 2014 - 1:00 pm

AGENDA

1. Call to Order
2. Public Comment -*Discussion Only* - No action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken. Public comments are limited to 3 minutes unless the Committee elects to extend the comments for purposes of further discussion. Comments will not be restricted based on viewpoint.
3. Comments from Working Group - *Discussion Only*.
4. Approval of December 9, 2013 Nevada Department of Transportation Board of Directors Construction Working Group Meeting minutes - *Discussion/For Possible Action*.
5. Report on Practical Research by the Materials Division to Improve the Materials Utilized in NDOT Construction Projects - *Discussion only*.
NDOT Materials Division continually conducts and coordinates research in order to improve the quality and efficiency of materials utilized in NDOT construction projects.
6. Discussion of Potential Changes to NDOT's Dispute Resolution Process - *Discussion/For Possible Action*.
NDOT is working to improve the dispute resolution process on our construction projects. Through the application of Partnering and the utilization of Dispute Resolution Teams we have been successful at resolving many disputes. Currently NDOT Specifications call for a Claims Review Board, however, this tool has been less than successful in resolving disputes. Alternatives to the Claims Review Board are being sought.
7. Old Business - *Discussion Only*.
 - A. CWG Task List
8. Briefing on Status of Projects - *Discussion only*.
 - A. Briefing on Internal Resource Five Year Plan and Upcoming Construction Projects.
 - B. Briefing on Status of Construction Projects.
 - C. Summary of Projects Closed.
 - D. Status of Open Projects.
9. Public Comment - *Discussion Only* - No action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken. Public comments are limited to 3 minutes unless the Committee elects to extend the comments for purposes of further discussion. Comments will not be restricted based on viewpoint.
10. Closed Session to Receive Information from Counsel Regarding Potential or Existing Litigation - *Discussion Only*.
11. Adjournment - *For Possible Action*.

Notes:

- Items on the agenda may be taken out of order.
- The Board may combine two or more agenda items for consideration
- The Board may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

- Reasonable efforts will be made to assist and accommodate physically handicapped persons desiring to attend the meeting. Requests for auxiliary aids or services to assist individuals with disabilities or limited English proficiency should be made with as much advance notice as possible to the Department of Transportation at (775) 888-7440.
- This meeting is also expected to be available via video-conferencing, but is at least available via teleconferencing, at the Nevada Department of Transportation District One Office located at 123 East Washington, Las Vegas, Nevada in the Conference Room.
- Copies of non-confidential supporting materials provided to the Board are available upon request. Request for such supporting materials should be made at (775) 888-7440. Such supporting material is available at 1263 S. Stewart St., Carson City, NV 89712.

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Nevada Dept. of Transportation
1263 South Stewart Street
Carson City, Nevada

Nevada Dept. of Transportation
123 East Washington
Las Vegas, Nevada

Nevada Dept. of Transportation
310 Galletti Way
Sparks, Nevada

Nevada Dept. of Transportation
1951 Idaho Street
Elko, Nevada

Governor's Office
Capitol Building
Carson City, Nevada

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Chairman Len Savage
Controller Kim Wallin
Frank Martin
Dennis Gallagher
Bill Hoffman
Rick Nelson
Tracy Larkin-Thomason
Sharon Foerschler
Paul Schneider
Jeff Shapiro
Kevin Lee (Elko)
Denise Inda
Mary Martini
Jeff Freeman
Anita Bush
Thor Dyson
Reid Kaiser

Savage: I'd like to call the December 9, 2013 NDOT's Construction Working Group Meeting to order. Can you hear us in Las Vegas?

Larkin: Yes, we can.

Savage: And is Member Martin in attendance? Tracy, is Member Martin in attendance?

Tracy: Yes, he is.

Martin: Yes, I am.

Savage: Hello, Member Martin. Thank you. And Elko, Kevin, can you hear us up in Elko?

Kevin: Yes, I can hear you just fine. Thanks.

Savage: Thank you, Kevin. So, with that, let's get started. Agenda Item No. 2 is public comment. And I notice a lot of contractors here today. I thank you for coming. And we do have a specific Agenda item, which is No. 6, regarding the bimonthly and monthly payment status. And I would imagine that you're here to probably speak on behalf of that issue. So I would like to

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take the Agenda Item out of order and move this to the front of the list here, if that's possible.

Gallagher: Absolutely, you may move items out of order with concurrence of your fellow Board Members.

Savage: Thank you, Mr. Gallagher. And, again, we'd like to recognize the contractors here today to speak on this Agenda Item No. 6, regarding bimonthly and monthly payments. So I think, at this time, I'd like to hear from individuals from the community. If you could so kindly speak and try to keep your comments to three minutes, It would be appreciated.

Madole: John Madole with the Associated General Contractors here in Reno. And I'll keep my comments very brief. But I think the proposal to pay monthly rather than twice a month puts a particular hardship on people in the highway construction business, where you have huge investments in oil -- particularly in things where you have to turn the cash around pretty fast. Also it creates a hardship on subcontractors and particularly the minority contractors that you were talking about trying to help are disadvantaged -- I guess is the proper term.

So I'd just like to say, I know a lot of people that are in our association and others made written comments, which I think have been shared with all of you. And there are contractors here that can probably address it more specifically than I can. But I'd just like to say, we are absolutely supportive of continuing paying twice a month. Thank you.

Savage: Thank you Mr. Madole.

Hiatt: I'm Scott Hiatt (ph) with A&K Earth Movers. And I did provide a written comment in there. And I think that maybe some of it was education. In the summer time, when we lay asphalt on the roads, the cost of oil is a huge, huge number. And it's gotten really a lot huger over the years. But we can lay almost \$200,000 worth of oil in a day. And we might pave ten days in a row. And that's a \$2 million figure. And the oil companies will not allow us to carry lines of credit, well, beyond \$2 million. I've had them actually call me and want payment, right, for me to get another load of (unintelligible) oil.

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So we would either have to shut the job the down or dig into more borrowing -- more than \$2 million lines of credits. And so we're definitely dead against changing the two-week pay cycle. Thank you.

Savage: Thank you, Scott.

Linderman: Kevin Linderman with Q & D Construction, Vice President of Engineering. My comments are that extending the payment terms to a full month versus biweekly is a huge detriment to our company. To reiterate some of the comments before, the oil companies have calls of up, you know, sometimes down to seven days. Like Scott said, we pay quite a bit oil out in front. Then we get paid based on that cutoff that follows another month after that. So we could be six weeks out on oil that we bought prior to ever paying for it, and sometimes have to pay for it before.

Also DBE Contractors -- that is one field that DBEs -- we can get commitment from, is the oil industry. A lot of times, they do not have the lines of credit that allow them to pay on seven days already. Having them go out further in a month would be extremely detrimental to them. We don't believe that many of the people that we deal with in that field will be able to withstand that kind of credit and allow us to purchase the amount of oil that we can from them.

We like to pay on time. And just as much as everybody else, we pride ourselves on that. Getting money to the oil contractors in seven days isn't a choice. If you don't pay for it, you don't get it, and it stops the job. So Q & D is opposed to the move to go to a once-a-month payment.

Savage: Thank you, Kevin.

Markwell: Mark Markwell, SNC Construction. Not to be repetitive, but I echo the gentlemen's comments. The only other thing I would add is that not only do the oil companies not give you, you know, any credit after you, you know, hit a certain amount, they actually take it right out of your bank account. So they have a direct line into your bank account. And they take it right out within, you know, five to ten days, depending on where you are in the credit.

The other thing is, it's been mentioned, is with respect to the subcontractors and the DBEs -- I mean, they're the ones who -- we're paying as soon as we get paid. And if their payment's delayed, it's going to hamper them and the

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competitive nature of the business. It's the entry to -- the barriers to entry is very high in the construction industry. It requires a lot of capital. And these types of things will really hamper the competitive nature of that. So one of the things that we like to do is help out some of those smaller subcontractors and the DBEs and help pay them even before we pay. If this, NDOT pays twice a month -- or once a month, rather -- it would deter us from being able to do that. We support the current plan right now. Thank you.

Savage: Thank you, Mark.

Kunebaugh (ph): My name's Kelly Kunebaugh, Granite Construction. These gentlemen have all addressed the same issues that we have at Granite Construction. We really focus on paying the DBEs early, if we can do so, as well. The oil credits is very big in our industry, so we -- not to be repetitive -- but we're going to oppose the once-a-month payment as well, so...

Savage: Thank you, Kelly.

Grock: My name is Mike Grock. I'm with MKD Construction. I'm president of MKD Construction. I founded the company with my father back in 1999. It's been very challenging times, as you all know, from 2007 up to 2013. We are a general engineering firm. We like to prime the jobs. We're a prime contractor (unintelligible) we've done a lot of subcontracting. And we've done a fair amount of NDOT work.

In the infancy of the company, '99 on to about 2007, we did some fairly good-sized jobs, and it really helped us tremendously to have the bimonthly payment. It really, really helped us out as a small business and a small business owner to be able to fund the job properly, cash flow the job properly and pay your bills, you know? That's -- business works really well when you can pay your bills. It works well for everyone: not only the big guys, but also the small individuals, the smaller contractors.

So I'd like to continue to work for NDOT. I have a long history with NDOT as the company does also, MKD Construction. So I'd like you to certainly consider keeping the bimonthly payment approach. It's very pro-business-friendly if you'd do that. So that's all I have to say right now. Thank you.

Savage: Thank you, Mike. Anybody else here in Carson City? How about Elko, Nevada?

Kevin: None here, thanks.

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Savage: Las Vegas?

Martin: None here, sir.

Savage: Okay, thank you, Member Martin. I thank, again, the contractors for taking the time. There's several letters -- I believe there's 47 letters of record that were in our package and will be part of public record as well. And at this time I would like to have staff discuss their recommendation on Agenda Item No. 6.

Nelson: Thank you, Chairman Savage. For the record, my name's Rick Nelson. You may recall, about a year ago November, this idea of moving towards a monthly payment came up. And that was largely in response to a cash-flow issue that we were experiencing about a year ago. There was some analysis that was done that looked at the Department's cash flow and determined that there -- if we went to a monthly contractor pay cycle, that there was an opportunity smooth out NDOT's cash flow from beginning to the end of the month.

In order to evaluate that a bit more thoroughly, we put together a team here at NDOT to take a look at all the different elements that would come up if we were to move towards a monthly pay cycle. Staff has done that, and they've completed their report. I'd like to go ahead and turn it over to Sharon, who led that effort here over the last year.

Savage: Thank you, Mr. Nelson. Sharon.

Foerschler: I'm Sharon Foerschler, for the record. As Mr. Nelson stated, we put together a team, internally, to look at the impacts to NDOT if we were to go to a monthly payment cycle. Jeff Freeman (ph) was part of the group. We did a couple -- and everything's in the report for you guys to peruse -- as Mr. Nelson stated, the idea of going to monthly payments was based on our cash flow back in 2012. In analyzing the information to date now, that seems to have stabilized a little bit. So, in my opinion, and in the team's opinion, the fluctuation to NDOT's cash flow isn't as volatile as it was back then.

Some of the impacts that we're going to see from the industry and that the team was very concerned about, number one, was the cash flow and the ability for the contractors and subcontractors, material suppliers, et cetera, to kind of force their hand to carry our cash-flow problem for them, if we will. Per CFR, we're -- contractors are required to pay their employees weekly, by

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the Davis-Bacon Act. So there's a cash-flow issue with making payroll for the contractors. There's the material procurement, primarily the oil. There's also some concern that we may increase project costs so that the contractors can adequately fund their projects as they begin work with NDOT by going to a monthly pay cycle.

The reality is and, as I think everybody in this room knows, day one, when you're awarded a contract, you're starting to incur costs that you're not going to realize until you actually start doing the work for NDOT, so, therefore, your entity. The potential to have possibly 60 days of cash flow before they receive a payment is going to be very detrimental, we feel, to having these contractors be successful.

We have a big outreach for DBE and subcontractors firms -- excuse me, I'm getting ahead of myself. I'm getting nervous. I feel like I'm in the hot seat.

But, anyway, we've got some real concerns with our smaller subcontractors and our DBE firms being able to perform work in a positive manner for NDOT. And it's the team's feeling that, in going to monthly contractor payments, that's going to even increase their difficulties that much more.

Basically our recommendation, the team's, I want to say -- not NDOT's recommendation -- is we stick with biweekly contractor payments.

We were asked to look at another aspect of going to contractor invoicing as opposed to NDOT basing payment on our tracking of quantities. We do have some federal guidelines that say NDOT will track quantities. We don't think it's necessarily detrimental to have the contractor submit an invoice. But we're still going to need to document our quantities and payment for our federal guidelines.

A side note: I think you're probably aware that the Department is currently in the phasing portion of electronic documentation. We're looking to go live next year. And I think a lot of these issues with time and resource allocation on NDOT's part and preparing contractor payments is going to be streamlined considerably with our electronic documentation process. And part of that platform includes a screen for the contractors to go in and see, at any point in time, what we're putting in the system for payment.

One thing we did look at as a cost savings for the Department to go to monthly contractor payment insofar as resource allocation and the work that

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our employees put forth. In researching that, the team determined that there wouldn't be a huge cost-savings, if you will. The crews will still go through every two weeks and cap their quantities. To do it once a month would be a little cumbersome and, I think, we believe too much would get lost in the process. So the actual time savings would be our people inputting the system into our financial system to process the payment. We estimated, and it's just a rough estimate, it's about \$67,000 a year is what the Department would save in employees salaries, if you will and freeing up the resources of those employees to do other tasks.

Savage: Thank you, Sharon. Can you touch on a couple of items in the packet. And I want to thank yourself, Jeff, Megan, Felicia and, I believe, Gizachew (ph)...

Foerschler: Gizachew.

Savage: ...all participated in the NDOT group. And I thank you, Mr. Nelson, for putting this together. But can you speak on the outreach efforts in the survey with the other DOTs, as well as the cash-flow graphs, I believe that Felicia had put together?

Foerschler: Yes, I can.

Savage: Thank you, Sharon.

Foerschler: Sharon Foerschler, for the record. Mr. Shapiro put together a survey that we sent out to all the DOTs to get a feeling from them on their frequency for contractor payment and also whether they based that payment on invoicing or DOT documentation. We had 37 responses out of all the states that we requested information. 57 percent of them pay more frequently than monthly. Some pay biweekly. Some pay weekly. Some pay at the request of the contractor. Some pay based on a dollar threshold of when they cut that check. So it was a real mixed bag of how they pay.

43 percent of the states say they pay monthly, but with the caveats that if the contractor were to request more frequent payment based on cash outflow, that sort of thing. 97 percent of the states prepare their own documentation and they do not have the contractor invoice. 3 percent of the states, the contractor submits an invoice and then they work with the DOT to rectify those quantities, if you will, (unintelligible) to balance those quantities.

Savage: Reconcile, yeah, uh-huh.

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- Foerschler: (Unintelligible) on the contractors survey.
- Savage: The contractors survey, if you could touch on that a little bit, please?
- Foerschler: Yes. We initially started out making phone calls to gather this information, and through the guidance of Mr. Nelson, decided it was probably a better outreach if we went across the platform. Through our contractor bulletin, we sent out two weeks in a row, asking for their responses. We set up an NDOT construction-specific email for them to submit their comments. We also met with Jeff Freeman, sat down with John Madole, with AGC, for them to get the word out. We talked about it at our quarterly AGC meetings, requesting their feedback. We got 47 responses. It's good to note, though, there were 43 companies represented in those 47 responses. We had a couple of firms submit more than one response.
- I've got some information I can pass around to you. We had 11 prime contractors respond. Ten were against, one was for. We had 26 subcontractors. Of those subcontractors, nine were DBEs. 23 are against it, nine -- I'm sorry, three were for it. We had four suppliers, all were against it. And we had two consulting firms, one being a DBE, and they were also against the -- going to the monthly payments.
- Savage: Very good, Sharon. And, lastly, is Felicia in attendance today?
- Foerschler: Felicia's not here, but Jin Soo is supposed to be to explain the graphs.
- Hoffman: Should I go find, Gizachew (ph)?
- Savage: Or maybe Mr. Nelson can just -- or Sharon can briefly discuss the two graphs that the Department had worked on during this review? If you feel comfortable.
- Foerschler: The two graphs represent what happens with -- in regards to cash flow -- with biweekly, and the second graph is with a monthly contractor payment. And this is looking at one month -- a one-month type of cash flow, or a one-month time period, I should say. So you can see the beginning balance. We have twice a month NDOT -- or I should say biweekly processes employee payroll...
- Savage: Mm-hmm.

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Foerschler: ...which includes not just NDOT, but DMV, DPS, and there's a few other smaller state agencies. Twice a month we get DMV deposits. The middle of the month is the smaller deposit. The end of the month includes -- sorry -
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Nelson: Is it okay if I jump in, Sharon?

Foerschler: Yes, please do.

Nelson: Okay. For the record, Rick Nelson. What the two graphs depict are the -- the spot cash flow -- the balance in the highway fund, if you will, for each day during this typical month, if you will. This data doesn't represent a particular month, because, you know, there are variations in the money that comes in and flows out of the highway fund. Again, I wish Felicia were here to talk about it, but she's at the IFC to help support Rudy with the Project NEON item.

But what it shows is, as we march through the month, there are a whole series of payments that come out of the highway fund. And the length of the bar on the graph represents the amount within the highway fund. So, as we pay miscellaneous expenses; as we make a typical contractor pay, which runs between \$10 and \$12 million a month through the course of the summer; again, miscellaneous expenses; we have payroll that comes out. Payroll is fairly stable at about \$9.5 million a cycle.

And then there's reimbursements that come in. There's the federal reimbursement that occurs a few days after we make our contractor pay. So there's DMV deposits, and so on. So you can sort of track the spot balance in the highway fund as we go through the month, where the first chart shows two contractor pays during the month, and the second chart, which just shows the single contractor pay.

Now, interestingly enough, you know, what happens is, the beginning and the ending month balances were going to be the same, regardless of what pay cycle we select -- whether it's a monthly pay or biweekly pay. The beginning and the ending balances should be the same. It's where the daily cash balance is that it becomes impacted.

You can see in the second chart that the -- those bars are much smoother. There's fewer dips that occur in there. Now, what's -- I guess what's important to remember is, as an agency, we've made some commitments to

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keep at least \$90 million in the highway fund. And you noticed, yourself, Chairman Savage, that in the biweekly pay cycle, there's about a \$25 million dip from the max to the minimum. Now, if we keep that monthly, you know, that beginning balance or the ending balance at \$90 million, there's enough reserve within the highway fund to absorb those dips as they march their way through.

We had a lot of discussion about this and, sort of, the collective believe we were in a very unique situation back in November, at the end of last year, with the high amount of state-funded projects that we had underway. Of course state-funded reimbursements of the gas tax and those revenues only come in once a month. And so the Department's carrying that balance for those state-funded contractors throughout the course of the month. And that's -- that's sort of why we see that big dip, was because of the amount of state-funded projects that we had out there.

We think that's a fairly unique situation, not likely to happen again. So, you know, when we look at this double dip, if you will, in the highway fund -- assuming we start out with a suitable amount of money in the highway fund, we can absorb those double dips without the kinds of problems that we saw last year.

Savage: Thank you Mr. Nelson.

Nelson: And I wish Felicia were here to be able to explain that in more financially relevant terms.

Hoffman: She would have explained it the same way. You did good. I think they get the... So, for the record, Bill Hoffman. But really the charts just show the difference between biweekly and monthly. And Rick explained it perfectly. The monthly smoothes out those fluctuations. The amount of the cash balance is at 90 or above regularly. We don't see ourselves dipping down as far as we did last year in November.

Savage: Absolutely. Thank you Mr. Hoffman.

Hoffman: Sure.

Savage: Thank you Mr. Nelson. And then, Felicia, for the record, we thank you. The graphs were very informative. And I think at this time, if there's any other further comment or discussion from anybody at staff, I'd like to go to

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Las Vegas and Member Martin and see if there's any comment or discussion (unintelligible).

Wallin: Staff, thank you very much for working on this project. It's nice having the analysis done that, you know, we request. My feeling on this, after looking at the little bit of savings that we would have -- right, I think you said \$67,000 so that's not a whole lot of money, all right, in the scheme of things -- and the fact that we have another issue that hasn't even been brought up, that this old statewide accounting system might not even be able to be reprogrammed to pay on a monthly basis, right, and not to mention the cost because you guys don't have programmers here and you'd have to rely on our staff to do that -- so that's a whole other issue that we haven't even thought about -- and then, also based on my understanding of what the contractor's issues are, after talking to them and hearing what they had to say here today and reading their letters and comments, I do not feel that we should switch to a monthly payout schedule.

A couple of reasons: Lack of cost savings. The other thing, I think it would be reducing our competition, all right, that only a few contractors would be able to afford to do work for Nevada. We're not just talking about DBEs, but the regular contractors as well. And I don't really feel that our cash-flow problem should be their problem, all right? When we dipped last time, I don't think that our cash-flow problem -- we shouldn't have to finance on their backs, right? So my feeling is, is let's keep it where it is with the biweekly payments at this point in time.

Savage: Thank you, Madam Controller. Member Martin, Las Vegas.

Martin: Len, I think my position's been pretty well stated in the previous -- in the previous meetings, so I'll let it stand at that.

Savage: Okay. So my only comment would be -- from my point of view would be I'm very content that this group and NDOT staff have taken the time and the energy to pursue this option of a monthly payment. And I think it's an exercise that has exposed some good things. And I believe that the contractor community has seen difficult times in the last, I think, since December of '08. And I thank them for their attendance today. And I believe they're instrumental in the process of this Department. And I believe that the Department depends on good contractors, solvent contractors. And I don't believe anyone expects anyone to be the bank.

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We have to put the roads in. Times have been challenging. And I thank you all for attending. And I'm ready to call for a motion to continue -- or a motion to follow with the staff recommendations as: Number one, continue with biweekly payments. Number two, do not move toward contractor invoicing at this time and continue to prepare the source-payment documents at this time.

Wallin: I'll make that motion.

Savage: It's a motion made by Madam Controller

Martin: Second.

Savage: and by Member Martin. All in favor?

Group: Aye.

Savage: Opposed? Motion passes. Thank you everyone. Mr. Gallagher.

Gallagher: Mr. Chairman, for purposes of clarity, for the record, I think your vote would be a recommendation to the full Board as a matter of policy. And I think it was directed to this Committee to look into and make a recommendation back to the full Board. And I think that's what staff will do next month.

Savage: Yes, we have a quarterly CWG report to the TBoard. So I thank you Mr. Gallagher. And, I believe, Mr. Nelson, you can put that on the Agenda to pass to the TBoard. Thank you.

Nelson: We'll certainly do that.

Savage: Thank you. We will...

Unidentified Male: Thank you.

Savage: Thank you, everyone. We will move on to Agenda -- back to Agenda Item No. 4, approval of the meeting minutes from the past two meetings, May 13, 2013, as well as August 12, 2013. Have all the members had a chance to review the minutes?

Nelson: Mr. Chairman, for the record, Rick Nelson. There's two sets of minutes to be approved at this meeting. You may recall, at the last Construction Working Group meeting, there were some issues trying to capture corrections to the May 13 minutes. We neglected to put page numbers on

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those minutes, so it was very difficult to mention the corrections that needed to be made. That's why the May minutes are here.

I would also like to bring to the attention of the CWG that, for the August 12 meeting, there were issues with the recording that occurred at the first -- very first 15 minutes of the CWG meeting, and we were unable to capture the transcript for the first 15 minutes.

Now, on my copy of the minutes, there's a note that says the initial 15 minutes of the recording of the proceedings of the Construction Working Group meeting were missing due to file corruptions. As a result, these minutes with a partial discussion of Agenda Item 4. It's my understanding that that note isn't necessarily on everybody's set of the minutes. But, that note does appear on the minutes of August 12. I apologize for the first missing 15 minutes.

Savage: Thank you, Mr. Nelson. So, at this time, have the members had a chance to review the meeting minutes from May 13, 2013 as well as August 12, 2013? And are there any additions, deletions or comments?

Wallin: Can we vote on them one at a time, because I wasn't present at the August meeting, so it'd be hard for me to vote to say it's okay.

Savage: Thank you for bringing that up, Madam Controller. So at this time we will just discuss the May 13, 2013 meeting minutes. Member Martin, have you had a chance to review?

Martin: Yes, sir. And I move for approval -- without the first 15 minutes.

Savage: No, excuse me. This is -- this is for May 13, 2013, where there were not corrupted meeting notes.

Martin: I'm sorry. I was still on August 12. My apologies, sir.

Savage: So your motion is for approval of the May 13 meeting?

Martin: Yes, sir.

Savage: I'll second that motion. All in favor?

Group: Aye.

Savage: Opposed? We'll move to approve the meeting minutes of August 12, 2013. Has everyone had a chance to review the meeting minutes and are there any

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comments? I'll take a motion to approve the meeting minutes of August 12, 2013.

Martin: Move to approval, minus the 15 minutes.

Savage: Thank you, Member Martin. Is there a second?

Wallin: I second.

Savage: Thank you, Madam Controller. All in favor, say Aye.

Group: Aye.

Wallin: And I abstain.

Savage: And the minutes passed. We'll move to Agenda Item No. 5. And that has to do with a report on the actual and estimated cost to self perform the Freeway Service Patrol activities in District 2.

Nelson: For the record, Rick Nelson. This topic of the Freeway Service Patrol was debated during the Transportation Board meeting. And, during that meeting, I had reported that NDOT had self-performed these Freeway Service Patrol activities in District 2 for a period of, I think it was, about two months, while we were in between contracts. During the Transportation Board meeting, we reported that we spent about \$90 an hour self-performing that activity. And there was some additional discussion about the variation in what it cost us to self-perform that activity versus what the contractor had bid.

We've gone back and we've recaptured these -- or not recaptured but reanalyzed these costs. And we also looked at the cost, if we were to design a Freeway Service Patrol program with the appropriate staff level, with the appropriate equipment, what costs those might be. And I'd like to turn it over to Denise Inda, who's been running the Freeway Service Patrol program, to discuss those costs.

Inda: So you all -- included in the packet, was the summary from two months' worth of the pilot program. And the third sheet was a breakdown of the costs. And, as Rick Nelson explained, we were -- we put together the pilot project using available resources that we had within the Department at that point in time. And so, I think, as Controller Wallin questioned at the Board meeting, you know: Why were we using employees that are a step 10 and a

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certain grade? And it's because those were the available employees who had the minimum level of skills and then some to do this job.

And we had the same situation with vehicles. We could only use vehicles that we already had that would be available to be redirected for the pilot program. And that did increase our costs more than we had originally estimated. And, as Rick said, we spent, for April and May, the hourly cost was \$97.53. Our original estimate had been just below \$69. So it was a little bit more.

We did go back and take a look. And Mike Stair with the Equipment Division had his staff go do a little bit of additional investigation -- go back and review, what, in a perfect world, if we were starting the program from scratch, we were requesting the right level of staff, the right level of full-time positions, you know, through the whole legislative process, and then the corresponding vehicles to do that job -- so sort of right-sizing the program. And those costs were indeed lower.

And the -- I'm sorry, let me flip to the right page here -- and so, instead of using, you know, what we would do is we would use a much -- a lower level of employee -- if we -- service worker 3, which is about, you know, depending on their steps, between \$15.65 and \$22.80 an hour. And that is lower than the average that we -- that we used of a Grade 33 with a variety of steps in there. You know the average of our actual pilot program was \$27.00 an hour. So that would bring the hourly wage down significantly because the biggest portion -- the biggest cost of this program is because of the hours -- the employee hours.

We also, instead of using the existing fleet service trucks that Equipment Division utilizes, we looked at using a three-quarter ton cargo van, which is comparable to what the program is using -- the service-provider program is using. And so that brought down the cost as well. So we, I think, Controller Wallin's question was, at the last meeting is, if we could do this less expensively in-house, why, you know, should we be looking at -- why would we outsource this as it is?

And we looked at all of this and the results from Mike Stair in the Equipment Division's analysis show that the vehicle cost per hour at the lowest step would be \$53.23 an hour and at the highest step would be \$64.10 an hour. And that's actually fairly competitive with the programs that we're paying right now. Right now, today, we're paying EUR (ph)

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Towing in Reno, \$61.50 an hour. So, even though there's value to performing the program in-house, by going out with our RFP and soliciting bids, we were able to put a program in place that's pretty competitive with what we could do in-house.

And we -- the situation -- the issue is that even though we could, with a perfectly designed program, we could do it for slightly less, but we can't do that right now. It would take, you know, you would have to go through the process. Wait until the next legislative session. Put in -- work through the - - the director would have to work through all the right processes, up through the governor -- getting approval from the governor for these new positions, new vehicles, those kinds of things. So it would -- we couldn't -- we couldn't do it in a timely fashion.

But I think it is worth noting that, after having done these -- having done the pilot program and the analysis about a right-sized program, we're right on the money. It's -- so I think we're in a good place with that. I don't know if you have any additional questions about those numbers or those figures. I'm happy to go over the parts that I have. And then, Mike Stairs is here with us today, and he could perhaps provide more information about the Equipment Division perspective.

We also have -- because the -- we have -- the new programs have been in place since October 1, I could provide some feedback or an update on the existing outsource programs both in Las Vegas and in Reno, if you're interested in that.

Savage: Very interested.

Wallin: Yes, definitely. I'd like hear that.

Savage: I'd like to hear that as well.

Inda: So both programs have been up and running in Reno and Las Vegas since October 1. In Reno, we have two vans and Las Vegas we have six vans. The schedules and the routes are strategically designed for the specific location to make sure that we're providing FSP services during the peak volumes on those specific routes.

If you remember months and months ago when we first started talking about Freeway Services Patrol, we did some analysis to find out where the highest volumes are, where the highest crashes are. And we adjusted and modified

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the hours and the routes accordingly. So the program that we see today, particularly in Reno, is different than the program that Samaritania had in place, say, a year ago or that.

We do -- now, one of the reasons that the Reno program had grown significantly was to accommodate significant construction that was going on. We had the I-80 design build. And prior to that we had the U.S. 395, I-580 Spaghetti Bowl to Moana project. And we -- what we have done in the past and what we have the ability to do in the future is to adjust the hours and the routes to provide extra service or additional service in the areas of a large construction project, where the work zone is likely to increase congestion and increase issues.

So we have the ability to put that program where it might be needed. But after those programs are complete in Northern Nevada, and so a scaled-back version of a schedule and hours is appropriate.

Both programs are moving forward very nicely. The folks in my staff spent, and still are spending a significant amount of time working with both of the districts and the services provider. Essentially, we're working with Highway Patrol, both the operation centers in Reno and in Las Vegas, the NDOT maintenance personnel in each of the districts, as well as the Equipment Division. And we started by having bimonthly coordination meetings. And now that the program has been in place for a little while, we've stepped that back to monthly meetings. But we've -- we've been able to address issues and concerns that have come up to make the program function as smoothly as it can and provide the best service for all of the involved parties.

We have some new performance evaluation that's going on, because we want to make sure that the program is effective, essentially. We want to make sure that the money that we're paying the service provider is really providing benefit to the public. So what they've come up with is this concept that -- and it's based on the concept that most of the time, the incident or the assist is going to be very quick and fast. It's going to be a stranded or minorly damaged vehicle in the travel lane or on the side of the road. And it's going to take the Freeway Service Patrol very little time to help them and get them on their way. And so we're looking at, really, the bulk of the assists to last less than 30 minutes.

Now, the Freeway Service Patrol will be out there, particularly in the Reno area. And they will be assisting on major incidents, where they're providing

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assistance to Highway Patrol and to NDOT and other emergency responders out there. But the bulk of the responses are really quick, short responses. And so we're monitoring that number. And what we're looking at is -- and I'm going to read this so I can say it -- we're tracking their performance by analyzing the number of the min -- excuse me -- mitigations per van hours for each route. And so what we're trying to determine, look at, is how many assists or mitigation they perform each hour.

The pilot project, when we were using staffing and vehicle from the Equipment Division, was providing just under one mitigation per hour, it was about 0.9. And we felt, because we were working so closely with the Equipment Division as well as the district and their staff, we felt that was pretty effective and was an improvement over the previous program. And so that's kind of our baseline is that 0.9. And we're really -- we're pleased that, as we're evaluating both the Reno and Las Vegas programs, that they're both performing at or above that base level that the pilot program was performing at.

And so what we're doing is we're monitoring those numbers. We're looking at those numbers. We're evaluating where the outliers are occurring. We're finding out why. We're working to make sure that the response guidelines and protocols are appropriate, so that we can keep seeing those numbers increase.

And then the other thing that's slightly different in Las Vegas is we've just introduced the IRV program, which is Incident Response Vehicle Program. And that's going to address the larger crashes and incidents. And so that's only been in place for two weeks. So we've developed a program where the IRV team -- the service-provider team -- is working very closely with the District 1 maintenance personnel.

And when situations arise, they're both looking at the situation, responding and evaluating them. And once we have a significant event or two, we're going to be able to revise the processes we've set up as we get a better idea of where their value is, where they can provide the most service and not have any duplication of effort. So we're working on IRV, but we haven't had any major progress with that yet, because it's so new and fresh.

But we are pleased with the results of the programs -- the FSP programs in Reno and in Sparks. And if -- I don't know if you -- I don't want to talk too long. I would -- I'd rather, if you guys have any specific questions, and you,

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too, Member Martin, in Las Vegas -- if you have any specific questions, I'll let you point me in the right direction.

- Savage: Thank you, Denise. I'll take any questions or comments from members.
- Martin: I have two. Of the \$90-plus an hour that you said it cost us to run the program ourselves, could the members of this group get an itemized breakdown of that cost? In other words, what the multipliers were, how much was the equipment, how much was payroll, how much was overtime, et cetera, et cetera.
- Inda: Member Martin, have you seen the sheet in the attachment of today's packet?
- Martin: I'm working at a disadvantage, ma'am, because for some reason or another, I was not able to. I was able to access the Board package and all the attachments, meaning the stuff on the pay and so on, but I was not able to access the actual Agenda and get it downloaded to my iPad. So I am working at a disadvantage.
- Inda: Okay. Well, I -- and I don't know how you would like to handle this. There is some data and some information that was included in the packet today. I think addressed perhaps some of your (unintelligible) It doesn't show a breakdown of regular time worked.
- Martin: Okay. Mary is going to -- Mary is going to -- I have my IT guys working on it. I don't know what's going on. Mary's going to go print me out a copy of it.
- Inda: Excellent.
- Martin: Because I couldn't -- I couldn't get to it in any way, shape or form for some reason. I got everything else. I just couldn't get to that piece.
- And then the second thing is, when -- I heard you say something about when we have our Freeway Service Patrol vendor respond to an incident, we're also going to have somebody from NDOT respond as well? Did I hear that or did I misunderstand?
- Inda: I may not have phrased that actually correctly. When there is a large -- when there is a large incident on the road, it's very standard for Highway Patrol to call for NDOT assist. If they're off -- if there are (unintelligible)

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type of work of that need to be done as (unintelligible) to the large incident or, say, something that happens commonly is you might have a large truck and trailer that crashes and it spills the contents of the trailer across the road or wherever it might be. And so a lot of times, it's the NDOT personnel respond to those kinds of situations to provide cleanup. And so what -- so that's very -- it's standard procedure for certain kinds of situations for Highway Patrol to request support and assistance from NDOT, because we work so closely with them and help them -- they help us.

So we're not duplicating effort. We're making sure that we're evaluating when those kinds of requests for assistance are made. We're looking at the kind of work that needs to be done and making sure that the process that we've set up really fit the kinds of situations that are going on.

So, yes, we're having NDOT respond when they're requested. But that's nothing new.

Martin: Okay. I understand now.

Savage: Thank you Member Martin. Madam Controller.

Wallin: Yeah, I just -- I guess my question here, and I think this is where I was having the difficulty, was the original numbers of it costing about \$97.53 per hour or something like that. And we only did it from April and May actual costs, but then we're saying supplies. We're saying it's \$5,000 per year divided by 260 days. So, and that said it was actual costs, but we didn't do it for a whole year. So I'm confused about how we decided to use that number.

Inda: Let me explain. And I'll say some things and, Mike, if you need to step in for anything, that's fine. When we originally -- when we put an estimate together for a pilot program, we estimated that it would cost about \$5,000 per year for supplies. And so if you take that \$5,000 per year and break it -- and divide it by 260 days, which is the number of (unintelligible) in a year, you get \$19.23 per -- per day.

Wallin: Right.

Inda: And so, perhaps, when that -- maybe the wording on that is not as clear as it could be. Actual cost is maybe not what it should have been. So we estimated that it was going to be \$19.23 per day. After the deadline for this meeting -- for the documents for this meeting -- we did do a final analysis of

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the program from April through the end of the program in Reno, which was September 26. The actual cost per day for supply expense was \$40.57, just for your information. And once we did that final estimate, or the final evaluation of the actual costs, the cost for the program in Reno was \$83.37.

And so it dropped slightly. And the variance essentially is based on the two big numbers in the costs are the number of miles driven each day and then the payroll for the drivers driving those vehicles. And what we saw is the -- as you can see on the documents you have -- the total hourly labor rate, which was an average of the four drivers was \$40.68. In our final analysis, that number dropped to \$35 an hour. And, really, that just -- essentially it's because we had the -- out of the existing employees that we were using, it happened that the -- I believe that it happened that the lower step employees worked a little bit more than the higher step employees during that timeframe.

So it wasn't -- it was just because we had a person with less steps who worked more hours than other people. It, you know, that was the fluctuation. It was the same pool of folks. It just happened that during different months, they worked different hours on the Freeway Service Patrol program. So the -- but our final costs -- our final hourly cost was \$83.37.

Wallin: Okay. You know, and I appreciate the other schedule that you did, that what if you were to design your own Freeway Service Patrol, start from scratch and stuff. That schedule is great. It's really easy to follow and understand. But when I try to compare it to the schedule that we have for what we did in the pilot, it's like mixing apples and hand grenades, I guess. That's how extreme it is. You know, I mean, I can't -- I can't cross-reference it at all.

Savage: The base, yeah...

Wallin: The base, yeah. Because like in the -- if we were to design our own, you've got -- your supply includes, supplies, uniforms, two hours per day supervision 25 percent of the time. And that's all lumped up here. So I think this is kind of broken out a little bit better than the other one. It just makes more sense. You know, it'd be nice, as we ask for comparisons and stuff, to make them the same.

Inda: Mm-hmm.

Wallin: It's easier for doing analytical work. It's an accountant thing, I guess.

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- Inda: No, I think that's certainly a reasonable request. We -- I think the challenge was that we've been working with this data for a while now, and it didn't all stem from our division. And so we didn't always have direct access to the numbers. And so maybe we didn't know how to manipulate it and put it in format that was the easiest to read.
- Wallin: Okay. Okay. And then something, Member Savage, that I would like to have going forward -- because Denise mentioned that they have new performance measures and that they're evaluating. I'd like to see something on a quarterly basis to see if we're still in that \$60 an hour scope and what they're doing. Because I know that, before, and this is why we had the whole problem with the Freeway Service Patrol is that it started out and it was about this much an hour, and pretty soon it crept up to about \$120 an hour.
- Well, it did, it grew. Because remember we started questioning the numbers and how much it was and stuff and the amount that we were spending. And part of it was they were going outside of their area; am I right? That was a big thing that was happening and stuff. But I would like to have a quarterly report on their performance.
- Inda: Absolutely. I think we can do that. Now, keep in mind the hourly rate is going to be the same for every hour that a person is out there in the vehicle associated with the Freeway Service Patrol or with the IRV, the service provider will charge NDOT a certain rate. So the rate will not change. The value -- the numbers that we can look at are the number of assists.
- Wallin: Right.
- Inda: Oh, I see what you're getting. You were looking at the cost per assist.
- Wallin: Yes. Mm-hmm.
- Inda: That's what you were referring to, not the cost per hour.
- Wallin: Yeah, the cost per assist. So you're -- you've got that, because you said that in the pilot it was 0.9 incidents per hour.
- Inda: Right.
- Wallin: All right. And so, we want to make sure that we're still within that 0.9 or below...

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- Inda: Actually above.
- Wallin: Above, rather. 0.9 or above.
- Inda: Right.
- Wallin: You know, that all of a sudden it's not costing us more per assist.
- Inda: Per assist, yes.
- Wallin: Because that's what had happened.
- Savage: And I think -- thank you Madam Controller. And I think this is a classic example of the cost-benefit analysis of what the Controller has spoken so many times about at the TBoard level. This FSP program, which I thank you Denise and Rick, has been a good example of what the Department can do to ensure that our vendor is giving us and our state taxpayers the right service for the right value. That's all we're doing here. And I think this is just a little exercise that I compliment your staff, Denise and Rick, and everyone involved, because now we're on top of it.
- If this vendor were to get out of their box and fail at what they're doing, we call the bullpen and NDOT can step in and take care of business. And that's very satisfying, I believe, because times are difficult. And we know that we can perform this service if need be. So I thank you and I think we look at quarterly reports and we keep moving forward.
- Any other comments or questions from anyone here at staff, administration?
- I just had one question for maintenance. Were the -- are the odometers read on a daily basis when we did the FSP service in house?
- Stair: Yes. Mike Stair with the Equipment Division with NDOT. The odometers or the mileage is tracked at the fueling station each time we fuel, which is daily, it will then be recorded for every vehicle.
- Savage: Thank you, Mike.
- Stair: Only because of the amount of usage that we have. Otherwise, if it took two days before we need to fill up, then we would be collecting it every other day.
- Savage: Very good. I was just interested on the base data. Thank you, Mike.

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Stair: You're welcome.

Savage: So that'll close Agenda Item No. 5. And that was a discussion only. We'll move to Agenda Item No. 7, discussion of change orders.

Nelson: For the record, Rick Nelson. During the September 9 Transportation Board meeting, the topic of change orders came up during the discussion of the agreement and contract approval matrix. It was during that full Transportation Board meeting that it was suggested that we take up change orders at the Construction Working Group, which we've done here today.

I guess, from a very high level point of view, construction change orders have not gone to the Transportation Board for information or approval. That said, there was a couple of projects that were delivered using an alternative delivery method design build. And the way that those contracts were paid was against a -- using a purchase voucher. And the actual contract with the contractor was through what we call an agreement. It was through an agreement. And so what happened on those projects were -- there were change orders, there were increases to the contract amount. Those increases exceeded the agreement amount with its contingencies. And so we had to bring that agreement back to the Transportation Board for approval.

And so I think that's where maybe some of the confusion about change orders going through the Transportation Board stemmed from. That said, what I'd like to do is take a little bit of time and have Jeff Shapiro go through the change-order process with just a little bit of detail -- enough to hopefully provide some assurances that there's enough procedural safeguards in place to assure the Construction Working Group that this change-order process isn't something that occurs without a lot of thought or concern. So, with that, Jeff, why don't you go ahead and explain the process a little bit about how we get to a change order.

Shapiro: Okay. Thanks Rick. Jeff Shapiro, Chief Construction Engineer, for the record. We did provide a memo to the Construction Working Group with some attachments, basically copies of our internal procedures and policies and the construction manual documents and federal regulations as well.

But basically how this works is our contracts, our conventional contracts, now -- when we say change orders, I'm referring to a conventional contract - - it allows us to make changes within the limits of the contract. And the intent here is to address issues that we encounter -- might be encountered on

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the field in a timely manner to avoid delays or impacts of traveling public. And, you know, typically, as I know the Working Group knows, is our projects are linear in nature. They can be as long as ten miles in length. I believe the Board approved a contract this morning that's a traffic signal retrofit-type project, multiple locations throughout a district. There's a lot of different areas out there. Every one of our projects have the traveling public driving through our work zones. So it's really important to be able to address issues.

As hard as we try to address everything in the plans, we run into things out there every once in awhile. And it's really important to try to address these issues quickly to avoid delays as well as impacts to the traveling public when we have lanes closed.

The way the change-order process works on our conventional projects, there's two basic mechanisms. One's a letter of authorization, which allows the resident engineer to take care of minor incidental issues with some limitations, less than \$10,000 per occurrence. And a typical example of these type of issues, if they run across a drop inlet that's damaged and needs repair, that isn't in the plan set, which can happen, they can use this mechanism to fix and repair -- restore the drainage the way it's supposed to work.

It's not uncommon on our projects, after the plans have been advertised and the contract awarded, between when the design is final and when they get out there, say a guardrail got hit. And we don't know who hit it and it's a safety issue that we need to fix. Our contractor is right there. We could use this mechanism to help fix that type of an issue. But, like I said, there are limitations. You cannot change specifications with a letter of authorization. This is just to repair or take care of minor issues.

If you have to do something other than that, then the change-order process, which is detailed in the construction manual as well as in our standard specifications, is used. And before proceeding with the actual change, there is a -- you know, basically anyone can request a change -- but there is a process that involves the resident engineer, the district engineer, headquarters, the designers, whether it's traffic, structures, whatever. Headquarters, we're involved. We're discussing this as to whether NDOT wants to make the change or not. On a federal aid job, FHWA would be

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involved in that process. A lot of conversations go on with staff behind the scenes to make sure if it's the right direction to go.

And then once, if it's agreed that we need to make this change to address whatever it is, then the resident engineer will contact the contractor and start negotiating, preparing the change order. So that, you know, the checks and balances are there when we're discussing the change, within the limits of the contract, again. And then, once we start negotiating with the contractor with the change, and the resident engineer prepares the change order, there's another series of checks and balances.

Once the change order is prepared and signed -- the contractor signs it; the resident engineer signs it; the district engineers have to sign it again; technical divisions, whether it's design or materials division or structures, they're involved with endorsing the change order -- the change order doesn't come into effect until it's actually executed, which is the director -- actually it's the assistant director of operations, Mr. Nelson, here. And, of course, on a federal aid project, somebody must sign off for the federal aid participation. And on a full-oversight project, that would be literally FHWA, the division office would have to sign off on the change order.

That's basically how the process works, per se. We are looking at ways to make this a little bit more transparent as far as the information that's out there. In my humble opinion, our system's a tad bit cumbersome because of the paper-based nature of it. We're trying to develop methods to do a little bit better job of reporting it from a programmatically standpoint -- programmatic standpoint, excuse me, which would include things like dashboards. You know we have various types of change orders, putting those on a dashboard type submittal so we can look for trends and publish that.

And we certainly -- we're working on the tools right now. They're not ready to show the Working Group. But, personally, I think it would be a good idea, once we have those tools, to start making them part of this Agenda in our conversations on the projects. But I firmly believe that if we do have something that's significant in nature, that we could also bring those up at these meetings as part of when we talk about the active -- we actually do discuss these type of issues when we're talking about our active construction projects, as they're going. But we probably could do a better job of explaining some of the changes that are occurring out there right now, so.

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With that, I don't know if anybody in the Working Group has any questions. I'd be more than happy to try to answer them.

Savage: Member Martin.

Martin: No, sir. I -- you and I have talked before about this Jeff, and the timeframes that it takes. And that's always a concern, because a little bit ago, I heard from staff talking about how sensitive they were to how quickly the contractors got paid, yada yada yada, and then the change orders take extended periods of times to get issued. So we've talked about that before. I just wish there was, as you said, a simpler way to get this stuff expedited.

Shapiro: Yes, Member Martin. One thing that I didn't explain as part of my presentation, but it's addressed in the memo, we do have a prior approval process that gives the resident engineer internal authorization (unintelligible) if it's time sensitive, so to speak. And there are certain limitations to that based on the size of the project. For example, a project of \$5 million or less, the resident engineer can authorize. Not necessarily pay for it, but at least authorize (unintelligible) for at \$25,000 is their limit, whereas anything over that, district engineer has up to a \$50,000 on that type of project. Anything bigger than that, the numbers change to \$50,000 and \$100,000, I believe, is what I put in here.

But anyways, the payment -- the whole process on trying to review these and get them executed in a timely manner is a concern to us, too. And we are looking at ways to try to streamline that. One of the things we started last winter was the actual change order class my assistants and I put together. And up until this point, I don't think NDOT had ever given a change order class resident engineer. You know, so we went out there and we literally talked about what our expectations are, how to, you know given them some pointers and hopefully some help on how to write change orders. So hopefully some of this training and doing a little bit more outreach with the folks out in the field will help have the orders processed and executed in little more timely manner, so we can pay the contractors for extra work that we direct.

Martin: Yes, sir. That's -- I think that's what our entire desire to examine this process, just so that they do get paid in a timely manner, and that the paperwork gets issued in a timely manner.

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Wallin: I thought that -- it's been awhile, but I thought that what the reasons those -- that we talked about was when (unintelligible) going over the approval process. What part's been approved that they don't approve. And I (unintelligible) that was some concern that change orders to not go to (unintelligible). And, you know, you look at some of these that are over budget here, significant, you know. Here's one, it's \$1.375 million over budget.

Shapiro: Mm-hmm. Mm-hmm.

Wallin: The Board probably didn't say anything about that. And so, I guess, I think that was some of our concern about when we have significant change orders or that maybe the Board should know about.

Shapiro: Mm-hmm.

Wallin: And then, also, you sent all this material out, which was great. So I have a couple other questions on the supplemental agreements, right?

Shapiro: Mm-hmm.

Wallin: What process is that? Does the Board approve those or not -- supplemental agreements?

Shapiro: Madam Controller, Jeff Shapiro, for the record. Supplemental agreements are very rare. And they are only really issued when we do work outside of the contract or the terms of the contract. And I'm only aware of one. We actually had to do one down in Las Vegas as part of the U.S. 95 widening, when we had an injunction against us with the Sierra Club. They shut the widening part down. And we still had to do some drainage work. We issued a supplemental agreement to address that drainage work. And that did get signed -- supplemental agreements, long story short, do get signed by the Transportation Board and the Governor. But they're very rare.

Wallin: Okay. And then, you know, reading in here, because it talked about liquidated damages and stuff -- now, who does the authorization and makes the determination that a contractor owes for liquidated damages, or that we owe? What's the process there? And does the Board know about those things either?

Shapiro: Madam Controller, Jeff Shapiro, again. The contracts already include clauses for liquidated damages, whether it's time or substandard materials.

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They vary -- they're project specific and they vary between projects. But basically the resident engineer is responsible for the project, successful completion of the project. They are the point of contact with the contractor. They're the ones that make the determination on whether or not to assign liquidated damages. We encourage them to discuss that with the -- their district engineer, their supervisors, as well as the headquarters, the front office, because when you are -- we are -- basically when we assess liquidated damages, we are withholding monies that are due the contractor for various items of work.

And that can be a sensitive issue with our contractors. And, in some cases, it can actually acerbate the problem that's out there. So we want to make sure everybody's in agreement that assessing liquidated damages are the proper thing to do, when we have to go there. But that's basically the process. The resident engineers, the project manager can pull that trigger, so to speak.

Wallin: So it'd be the resident engineer and the project manager. Okay. And then with district...

Shapiro: District conference, yes, ma'am, and front-office conference, too, because they can -- liquidated damages can, to be quite frank, generate some nasty phone calls.

Wallin: Can -- are there any times when you would have the resident engineer, the project manager and district saying, yes, there's liquidated damages that are due and just and front office says, no, forget it?

Shapiro: There have been occasions where the director's office and the construction office, myself included, have advised against assessing liquidated damages. Yes, ma'am.

Wallin: And what's the signature track on there? Who's -- do they all sign off, even...

Shapiro: There -- we really don't have an approval process, per se, where people must sign off on that. But the -- since the payments go through our office as well, we are involved in the process, including assessing the liquidated damages. But there are cases where we have -- say, the chief construction engineer may advise against it or for it. And if the director's office -- you know, the director's office is the ultimate authority on all these issues. They are the

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engineer in the contract. The resident engineer is their point of contact in the field, but the engineer, the director is the ultimate authority. And really it's their decision whether or not to assess damages.

Wallin: Okay.

Savage: Thank you, Madam Controller. Along those same lines, Mr. Shapiro, first of all, I want to thank you for the information you provided. There was a lot of reading there, a lot of detailed reading. And I think what this is all about is streamlining, getting more efficient, making a tighter system so it's not -- it's like the close-out process. I mean, we went from x-number to x-number and we've made a jump of about ten per month...

Shapiro: Mm-hmm.

Savage: ...improving. And I think that -- as a Department, I think we need to look at this change-order process. I mean, there's 21 different categories to categorize a change order. Do there need to be 21? That was 1999, you know?

Shapiro: Mm-hmm.

Savage: Regarding -- and it's a good measuring stick, don't get me wrong. But how detailed do you need to really get? That's the question that I think we need to look at as Department. The question I have for -- and Madam Controller had alluded to this -- as far as sign-off of change orders, you have the contractor, the RE, the district engineer, and the chief construction engineer, and then the director's office.

Shapiro: Correct.

Savage: That's the policy.

Shapiro: Yes, sir.

Savage: And is that followed 100 percent of the time?

Shapiro: I will say, no, Chairman Savage. The only exceptions where it's not followed -- there are cases where the headquarters will negotiate a change order directly with the contractor. This is when an issue has been escalated to our level and basically because of a dispute at the project level. And I -- the chief construction engineer will negotiate the change order with the contractor. And, in those situations, the construction office does not ask the

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district to sign off on them for a variety of issues. But it's -- I guess, I don't believe, sir, to force somebody to sign something when they didn't -- when there was a dispute at the project level. They escalated it to us, at the headquarters level. And we just happen to have a difference of opinion as to how to address the issue.

Savage: So, prior to that timing of a signature, there would be several discussions with lower management and headquarters...

Shapiro: Yes, sir.

Savage: ...as to where that -- where that change order may be going, why, what, how, debate. And it goes both ways, I would imagine.

Shapiro: Well basically, sir, it's -- the two parties have come to an impasse at the project level. And they've kicked the matter upstairs, so to speak, and asked for help to try to resolve it. And sometimes, like I said, there's a, you know, sometimes there's a change of opinion.

Now, there is one other situation where we have executed change orders unilaterally, where the contractor is refusing to sign them.

Savage: Yeah.

Shapiro: We try to avoid those, because, you know, we're trying to resolve an issue with the contractor. And, if you don't have the contractor's signature, it doesn't resolve the issue in their eyes. But, we're, you know, that does happen occasionally, but we try not to do that. That's a last resort.

Savage: And as long as that communication with the contractor, the district and the REs, with headquarters, I think it's very important that everybody is heard. I know you do that. The last question I have, and I'm not real...

Martini: Excuse me.

Savage: Go ahead.

Martini: This is Mary Martini, District Engineer in Las Vegas. I was just going to add a comment to the question. The primary reason that there's an escalation ladder is not necessarily always due to disagreement between the levels. You have also an increasing level of authority and discretion. So a resident engineer has to make decisions within the specifications and within program limits. And they don't have -- they have a limited amount of

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discretion. Then, when it comes to the district, we've got a little bit more discretion. We can take mitigating measures into consideration and perhaps make a different decision. And then on up the chain, so, as you go to each level, there's more items that can be considered, and then, of course, the negotiation with the contractor. So that escalation process is a positive usually, not a negative.

Savage: Thank you, Mary. One other question for Mr. Shapiro -- and this may be taken up as a future Agenda item, I'm not sure -- but Attachment H, under Project Management Procedures, if you could just touch on that. And I wasn't aware that there was different routing on some of these change orders for the PPP delivery system.

Shapiro: Okay. Mm-hmm.

Savage: If you could just briefly touch on that, Mr. Shapiro, and maybe to discuss at a future meeting, but let's see what we can talk it.

Shapiro: Chairman Savage, I'll try. And, by the way, I wanted to support Mary in her comments regarding escalation. It's not a -- escalation of an issue is not a bad thing. It's a mechanism to resolve a problem -- or not -- an issue out there. So we don't look at it as a bad thing either. It's a good way to resolve issues.

As far as the Project Management Procedures go, these really -- they're tailored for a couple different things, it's my understanding. One is, during the design process in change management, trying to manage the design as it goes down the road and the scope creep and all that stuff that can happen during design, but this is also how they approach our non-conventional projects per se: the design build, design build, operate, finance maintain. I don't believe the CMARs follow this path, but they could. I guess they would, because that would be a non-conventional process as well. But one of the key factors with the design-build projects is -- well, on our bid-build projects -- sorry to jump around here -- we have division one laid out in great detail in the standard specifications, which talks about changes and differing site conditions and those type of issues.

Because that's tailored towards a bid-build unit price competitive bid contract, it doesn't -- that division one doesn't apply to design-build projects, which is more of a qualification, best-value type contracting system. So they rewrite the terms of changes in differing sites to tailor to the design

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build. So it is slightly a little bit different, which is why they have different procedures, per se. But there's no reason why we couldn't look into making that a little bit more cohesive so everybody understands what we're doing, so to speak.

Savage: So that goes back to the question again as far as sign off. What and who is required to sign off on a change order through this delivery system?

Shapiro: Well through the -- it's my understanding, Chairman Savage, that design-builds are all agreements. So anything that changes the agreement, comes in front of the Board -- amends the agreement.

Hoffman: So, this is Bill Hoffman, Deputy Director. The only difference with change orders on alternative delivery would be that project management, our Project Management Division, acts as the Construction Division for headquarters design-bid-build projects. So the players are just a little bit different in terms of how the change order comes in. But the signatory process is -- should be the same. I mean, it should follow the same steps. It comes in through a little different mechanism, through project management, because they understand -- they understand the project and how it's put together and how the pay system works. It's not the conventional bid item quantity amount in a design-build project. It's based on schedule and milestone payments and other things, not necessarily more complicated, but different from the design-bid-build process. So it just comes in through a different division. So the initial -- let me step back a little bit.

Savage: No, I think -- I think, you're...

Hoffman: You understand? Well, the piece that I was missing is, there's still a resident engineer, and the district is still involved and they're overseeing, you know, progress of work, milestones, and those sorts of things. So it would still be initiated through the district. But, when it comes into headquarters, it goes in through Project Management instead of the Construction Division, for that first look or that first evaluation: Is this even reasonable?

Savage: Then it goes to the director's office?

Hoffman: Yes.

Savage: Okay.

Hoffman: Yes.

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Savage: Thank you, Mr. Hoffman.

Hoffman: Sure.

Savage: That's all I have, unless there's any other comments or questions.

Nelson: To, for the record, Rick Nelson. To sort of circle back on comments from the Controller, um, the comment about does the Board know about change orders and what about the budget. You know, for every contract that's executed, we establish the agreement estimate, which is basically the budget. So it's not just the engineer's estimate, but there are contingencies and other elements that go into the agreement estimate.

Savage: Mm-hmm.

Nelson: I don't exactly know where to go with -- in making the Board aware when the budget is exceeded. I do know that in our -- one of our standing items, which talks about the status of contracts...

Savage: It's exposed at that point.

Nelson: ...I do know we talk about that. And when we get to that item, we prepared an Agenda memo for that, that sort of highlights the fact that we have projects that may have issues with budget or may have issues with large change orders. I guess the question I would have: Does that seem a reasonable approach to make the Board or the Construction Working Group aware when we're having large change orders or issues with the budget? Or if there's an expectation that maybe there's a more aggressive reporting scheme somehow, when we exceed that agreement estimate?

Savage: Well, personally, I think it's section, the next Agenda item, that it's very detailed with engineer's estimate, amount of the change orders, and then you have the overage or the underage on the final percentage as to what the contract came in at. It's very transparent, I believe. And, if we could make it 11" by 17", I might be able to read it without my wife's glasses. But that might help. But I do believe that it's very informative. And I think the information's there. I'm just speaking on my own now. I can't speak for everyone else.

Shapiro: Chairman Savage, there's an extra active contract the staff is throwing in there. (Unintelligible) know that the items listed in red, we also have yellow, too, are the items that we're concerned about going over budget and

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whatnot. One thing I would like to add on what Mr. Nelson said is the agreement estimate is also referred to as the programmed amount. And that is the amount on federal aid projects that we literally request FHWA's approval. And we can't exceed that amount without passing on -- asking their approval to exceed. Oh, Madam Controller, here's one for you.

Wallin: On the iPad, I can (unintelligible).

Shapiro: Chairman Savage.

Savage: Oh, yes. I have my wife's (unintelligible) here, just in case. Aren't those nice? Those may come out here pretty soon. Anyway, Madam Controller or Member Martin, do you have any more comments on the change order Agenda item?

Martin: No, sir.

Savage: Madam Controller?

Wallin: I'm good, thanks.

Savage: Okay. Thank you, Mr. Shapiro, Mr. Nelson, for sharing. I appreciate it. Moving on to Agenda Item No. 8, old business.

Nelson: During the last, for the record, Rick Nelson. During the last Construction Working Group meeting, we unveiled the Working Group task list. One of the comments was that we include numbers on those tasks so that they could be easily identified. What we included in the Board packet for this meeting is the complete list of all the items. During the last CWG meeting, we closed a lot of these items out. But they're still reported in this list. So, with your indulgence, I'd like to just take a quick run through each of these items.

Savage: Sounds good, Mr. Nelson.

Nelson: So, Item No. 1 was a question that was posed to our legal counsel regarding residency requirements. This question did come back -- go back quite a ways and it revolves around a contract that one of the counties issued for architectural services, I think, that had a residency requirement on it. So...

Gallagher: For the record, Dennis Gallagher. And Mr. Nelson's recollection, I believe, is correct, that it did stem from a county project. First of all, everybody understands that, if there's any federal dollars involved, it's not a possibility. So that brings us down to state-funded projects only. We have reviewed the

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state statutes and don't believe that NDOT is authorized to add that type of requirement or make it a factor in evaluating the award of a contract without legislative direction. We did not go back and look at various county ordinances to see if they had that ability or not, partially because, if we concluded they didn't, we didn't want to be in that position, frankly.

So, that being said, if that is something the Board would like to pursue, I think it could certainly be added to the Department of Transportation's legislative requests for the upcoming session, rapidly approaching us, sooner than we think.

Savage: Mr. Gallagher, do you know if 338 has that provision?

Gallagher: We looked at 338, 335, we looked at all the state procurement statutes and could find no basis for it.

Savage: So that might be a bigger or higher level than us here at NDOT or 338.

Gallagher: 338 would apply to all public works projects, yes.

Savage: Right. Well, I think he answered my question. I brought it up originally. I just didn't (unintelligible) if there was a delivery system there that was a legal system. But it sounds like it's not at this stage in the game.

Gallagher: If NDOT were to pursue it without statutory authority, I think you could open up the Department to challenge.

Savage: Thank you, Mr. Gallagher.

Gallagher: Yes, sir.

Savage: Next item, Mr. Nelson.

Nelson: Okay, Item No. 2 dealt with payments to prime contractors being posted on the Internet. This item came up as a request -- well, it wasn't necessarily a request, but it was an idea that stemmed from discussions that were being conducted on subcontractors and a subcontractor's ability to know when the prime has been paid, so when they can expect payment from the prime. This was -- these payments that we make to prime contractors had been listed internally, and so it was a matter of the appropriate programming in order to post it onto the internet.

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This was accomplished at the beginning of November, when we started posting the payments to the prime contractors on the internet. And I think it was -- it's safe to say that it was fairly well received by all the prime contractors. I understand we did have a few questions about where to find it on the internet. But now that that hurdle's been done, beginning the first of December, I'm no longer sending out the hard copy of summary of all the payments that had been made. So there's a substantial staff time savings in posting it to the Internet.

I guess it should be noted that anyone can look at the payments that are being made to the primes, once you're -- once you successfully drill down through all the layers of webpage that we have. But you can see each of those pay documents. And what it is, is it's a listing of every contract item and how much has been paid on each of those contract items. That was publicized in the contractor bulletin, which is Attachment B to this section.

Savage: So the status, it has been deployed as of December 1.

Nelson: It's been deployed as of November -- the beginning of November. Just beginning -- the beginning of December, we're not stapling up each one of these hard copies and mailing them to each of the contractors.

Savage: And has NDOT and the consultant looked at the security level on this?

Foerschler: It goes through our e-bidding portal. I'm sorry, Sharon Foerschler, for the record. So if you go out to NDOT's website and you go in and look at particular contracts in our e-bidding portal, which is very secure, that's where you find these documents.

Nelson: No, no, no. I hate to disagree, Sharon. This -- it's not associated with the e-bidding portal. It's out there -- it's part of contractor bidding. Contracts, you put in a contract number. All the contract documents come up. And there's a folder out there called: Contract A Reports. So there's no security associated with it. Anyone can go look up any contract and look at any of those pay reports.

Savage: No, I'm not -- I'm not -- my question, Mr. Nelson, is not about the transparency -- I compliment the Department for the transparency purpose. It's the hackers or the security people out there that would hack a contractor's payment and make it a major issue. That's the -- that's where I was going with that. Has that security level been looked at?

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Shapiro: Well, if I may, Chairman Savage, Jeff Shapiro, for the record. The actual payment is made by the Controller's office, per say. And this document is generated after, it's my understanding, that's been processed.

Savage: Okay.

Shapiro: It's just -- it's literally just a scan -- well, they reprogrammed it, but it's literally a PDF scan of what we call the final balance report. We're just not printing them out and sending them in the mail anymore. That's all it is.

Savage: So this is just a report.

Shapiro: This is just a report. Yes, sir.

Nelson: It's on the backend of the whole process.

Shapiro: Yes.

Nelson: Not the front end.

Savage: Got you.

Wallin: You know, you might want to think about some security on that. Several state websites had gotten, we'll say, hacked, when they started doing the checkbook online. So these crooks were able to go and find out when a contractor was going to be paid and they started -- they picked out some big contractors, right? And they went and -- West Virginia got hit big time, okay?

And what happened is, because the checkbook online and being able to see these payments, they could start determining when they were going to happen. And they went and, we'll say, one of the companies was Deloitte, and they formed a company called Deloitte. They left off the two ts, one was only one t. They went to, I think, Georgia had really easy to open up corporation laws or something like that, opened up the corporation, got a bank account in some little town in Minnesota, went to a local bank, opened up the bank account, and then were able to go to the controller's office in West Virginia and go and say, "Oh, we want to change where our payment's going." Because they had all this information, and knew all this stuff, they changed all this information. Millions got stolen.

What a lot of sites have done now is they actually, if you want to go and look at things online, you have to go through the security. It's almost like a

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credit check type thing that kind of keeps things from doing that. So you might want to check to do that, just because the more information you put out there, the easier it is for the crooks to steal. Yeah, and so I'm visualizing this as well, if we can...

Nelson: We'll have our security folks take a look at that and explore that. You know, we do pay everybody every other month, routinely, so...

Savage: Every other week.

Nelson: Biweekly, I'm sorry.

Wallin: What did I miss today.

Nelson: Excuse me. I apologize. I stand corrected.

Savage: Everybody was in awe.

Nelson: That's why it got so quiet all of a sudden, right?

Savage: How about Item No. 3?

Nelson: Distribute the minutes of the Resident Engineer meeting. That was done at the August 12 meeting. So that item will be retired.

Item No. 4, the Federal Highway Administration's program review on project closeout and inactive fund management. That report was made at the last Construction Working Group meeting. So this item is done and will be retired.

Item No. 5, FHWA DBE process review. That's still underway. Our civil rights officer has been working with federal highway administration to resolve and agree on recommendations. It's my understanding that process is still underway. And we expect the final report to be issued soon. When that happens, we'll distribute it to the Construction Working Group for review.

Savage: Mr. Nelson, I have a question on that. How does this differ from what we discussed today?

Nelson: Could you help me out a little bit? I'm not making the connection. I was there, honest.

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- Savage: We had an Agenda item on the DBE of the 6.98 percent. So that 6.98 percent is our goal as a Department for DBE participation. And how does this item no. 5 relate to that Agenda item?
- Nelson: Well, maybe Mr. Schneider from FHWA can talk about the process review process, which is different than the actual conduct of the disparity stuff.
- Hoffman: Right, so Chairman Savage, Bill Hoffman, for the record. What this -- what I'm reading here is process review of the DBE good faith effort. So that is a contractor who is trying to reach a goal for that project. What we talked about this morning was the program goal of 6.98 percent. That's an annual goal -- program goal. But on a project-by-project basis, there is a good faith effort. If a contractor cannot meet whatever that goal is, whether it's 10, 8, 4, whatever it is for that project...
- Savage: Mm-hmm.
- Hoffman: ...if they cannot meet whatever goal we've set ahead of time, then they have to go through a good faith effort to show that they did everything they could to meet that project goal, but couldn't.
- Savage: Okay. Thank you, Mr. Hoffman.
- Hoffman: Does that -- did I get that right, Paul?
- Schneider: Yes.
- Hoffman: Let the record show that Paul Schneider his head, yes.
- Schneider: Yep. Just to be a little bit more clear. Paul Schneider, for the record, Federal Highway Administration. You established -- what we were doing this morning is establishing a future goal. This program review is just a (unintelligible) how NDOT's accomplishing certain portions of the program, just to make sure that they're processes and procedures are in accordance with federal regulations. So in January-February timeframe, we'll complete that review of these -- this review of a couple of portions of the DBE program and we'll send it over to the director's office. And they'll distribute it as appropriate.
- Savage: And that's what Yvonne and yourself are working together on.
- Schneider: Correct.

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Savage: Thank you.

Nelson: Okay, Item No. 6, distribute the resident engineer survey results. Over the last year, we've been conducting a series of surveys with resident engineer and industry on how we deliver our program and how we administer our program. During the August 12 CWG meeting, we distributed those survey results. And so this item will be retired.

Item No. 7, monthly contractor pay. We discussed that today. We'll include the discussions in the annual report, for the biannual report to the Transportation Board for January.

Savage: On that Item there, No. 7. How often, again, is the contractor liaison meeting? Is it quarterly?

Nelson: Quarterly. And we have one coming up this Thursday? This week or next week.

Savage: So that review of that particular meeting will be incorporated in the next CWG?

Nelson: That's correct.

Savage: Okay. Thank you, Mr. Nelson.

Nelson: Item No. 8, response to the question on consultant audits. That was correspondence between Mr. Hoffman and the Controller. That email was part of the August 12 CWG package. And so, we'll close this item out.

Item No. 9, report on contract overpayments. On November 13, we had met with Mr. Savage and went over the detail associated with the contract overpayments. And we'd like to consider this item closed for now.

Savage: Just a correction there, Mr. Nelson. Also in attendance at that meeting were the Director as well as the Deputy Director, Mr. Hoffman.

Nelson: Okay.

Item No. 10, we did distribute the civil rights power point in the August 12 meeting.

And Item No. 11, contract change orders. That was discussed during this CWG meeting.

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And Item No. 12, discuss Freeway Service Patrol, self perform. Cross that. We (unintelligible) at this meeting as well.

So that exhausts our task list.

Martin: Chairman Savage?

Savage: Yes, Member Martin.

Martin: The meeting that happened on November 13 about the contractor overpayment. Can you give me a brief breakdown on what occurred there? In other words, what did you arrive at? This is Item No. 9.

Shapiro: Member Martin, this is Jeff Shapiro, Chief Construction Engineer, for the record. We discussed, basically we went over the final balance reports for two projects showing where the quantities are returned to the Department, so to speak, and how we addressed the overpayments. And there's copies of the invoices in there. I would be more than happy to try to schedule a time to come down to Las Vegas and show you the same documents that we discussed with Chairman Savage, if you like. And same thing with Madam Controller, too, if you'd like to go over this.

You know, it's unfortunate that we made those overpayments. It's kind of embarrassing to an engineer. We're supposed to be good with numbers. And we overpaid the contractor. And it's a little bit embarrassing. But we are taking steps to try to address that. With our electronic documentation system that we're testing right now, it'll -- there are some positive controls in there that literally won't let you overpay up to certain thresholds. So things like that, I believe, will help address this type of issue -- at least catch it before it becomes a \$600,000 bill, so.

Martin: Refresh my memory, Jeff. This was the situation where there was a third-party consultant that had -- is that the same one that I'm remembering? The third-party consultant that approved the overpayment on two, I think it was on two different occasions? Or am I thinking about a different circumstance?

Shapiro: There were several projects Member Martin, that were on the list when I tried to present over the phone back in August. One of them was, the consultant had two projects, abutting projects, two different contract numbers. And they actually paid for some work on the wrong project. And we had to take that money back and then apply it to next -- to the other

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project. So there was an issue there. It showed a negative on one. And the net was zero. It was a negative on one contract, overpayment, and a positive on the other contract.

Savage: Mr. Shapiro?

Martin: Okay.

Savage: I would suggest, if you could make time to meet individually with both Member Martin and Madam Controller (unintelligible) beneficial.

Shapiro: We can do that. Yes, sir.

Martin: Thank you.

Savage: Thank you, Member Martin. Madam Controller?

Wallin: I'm good.

Savage: Let's move on to Agenda Item 8(b).

Nelson: For the record, Rick Nelson. 8(b) is the documents to support the discussion on 8(a). 8(b) is the contractor bulletin that talks about the contractor payments on the Web. So that was notification that contractor bulletin is the notification that we provided to the industry so they can go obtain those contractor pay documents -- the summary of their contractor pay off of the internet.

Savage: These contractor bulletins go out monthly?

Shapiro: Chairman Savage, Jeff Shapiro, for the record. It's my understanding, anytime we have any announcement to make basically. But it's probably weekly, if there's something to talk about, you know, if we're advertising projects or whatever.

Savage: Mr. Gallagher, would it be fair to request that these bulletins also be mailed individually to the CWG members?

Gallagher: It certainly would be appropriate.

Hoffman: I can handle that, Mr. Savage. This is Bill Hoffman.

Savage: Thank you, Mr. Gallagher and Mr. Hoffman.

Hoffman: Sure.

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Gallagher: (Unintelligible) the public record. And should John Q. Citizen request them, they should receive these documents.

Savage: Thank you. That'll close out Agenda Item No. 8. We'll move to Agenda Item No. 9.

Nelson: For the record, Rick Nelson. Agenda Item No. 9 are the briefing on the status of construction projects. It's a routine briefing -- a standing item on the Agenda. What we're proposing to do is include a Board Memo, if you will, that talks about the analysis of each of the reports that are included. Right now, we're currently tracking the closeout of 49 projects. We continue to hold monthly meetings. I think they're very productive on project closeouts.

And so Attachment A shows the detail of all 49 projects that we're tracking for closeout. Now, some of these projects that end up on this list haven't yet been completed. We start tracking them as they near completion. So the detail there is listed. I'd also like to point out, during the reporting period, which is from the August meeting until the end of November, that we closed out a total of 5 projects, which brings our total projects closed in 2013 to 29. Now, it's likely we'll have one or two projects that will be closed out between now and the end of the year. So that, when we report to the full Transportation Board, that number probably will be higher than 29, we hope.

Wallin: Can I ask a question? On the closeouts, let's see, first one, 3389, it's saying, "working on (unintelligible), working with contractor to resolve issues, construction (unintelligible), that's it, construction complete. I was just wondering why we say construction's complete?

And then we have another one, where it's 3518, 3536.

Nelson: Madam Controller, are you on the closeout stamps?

Wallin: Yeah, the one with the blue stripes. The very first one on Attachment (unintelligible)

Nelson: (unintelligible)

Wallin: Well, 3389 on the (unintelligible) Yeah, next page. Yeah. 3389, it's got -- at the very top, construction on development. (unintelligible)

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- Shapiro: That, Madam Controller, Jeff Shapiro. That construction ongoing is kind of a typo. Are we still in the plan establishment period? I believe we're still in establishment (unintelligible).
- Wallin: Okay.
- Shapiro: But literally there's no real -- other than that, no real (unintelligible) going on. They're just closing out the contract, so to speak.
- Wallin: Okay. And what about, we get down -- further down on that same page, down 3518 and 3536. Again, it says construction ongoing, but we have a completion date of February (unintelligible) August.
- Shapiro: A similar situation to (unintelligible) that we're in plan establishment period. We should probably -- we can look at that comment. I understand why that might be confusing. We'll take a look at those comments.
- Hoffman: If I could (unintelligible). Just explain what (unintelligible). Why is the project substantially complete and there establishment and how that carries over?
- Wallin: Well, it says construction complete. There's a date. That you got others where you say construction ongoing, but there's no date that construction's complete. I can understand that.
- Shapiro: I apologize. The Deputy Director is correct. I should explain what that means. Plan establishment period -- if we have a project where we have landscaping, and we're literally planting plants. Or now, I believe, (unintelligible) doing erosion control measures, soil stabilization, where we're seeding the ground and watering it. There's a certain time period for contractors. And the contractor's being paid to maintain this to make sure everything is growing. It can be from a year to -- actually, I think, in (unintelligible) they're trying to (unintelligible) period. So we're trying to address that. That's a long period of time.
- Wallin: Okay.
- Shapiro: That's what plan establishment period (unintelligible).
- Hoffman: And, really, it's a warranty (unintelligible).
- Shapiro: It's similar to a warranty, yes...

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- Hoffman: It's a guarantee that the contract meets the plants that he (unintelligible) put in, needs to -- they need to kick off and...
- Wallin: Okay. That's all. Thank you.
- Nelson: So, of those five contracts that have been closed out over the last (unintelligible) detail is listed as Attachment B2. (unintelligible) a report, the summary on b1.
- Shapiro: We had a, Jeff Shapiro, for the record. We had a math error on the and we didn't identify it until late on Friday after the document had been published. So I did -- we did revise that. I have new documents here, but I (unintelligible) 11" by 17" just putting out there, so I'm assuming you guys, or, I'm sorry, the Construction Working Group was forwarded the revised documents. It only applied to the yellow areas, the project...
- Savage: (unintelligible) attach b1 for the record?
- Nelson: B1. If there's any further questions about the project -- progress being made on closing out.
- Savage: I'm sorry. Before we go to Attachment B1, I had a question on Attachment A, for the construction closeout. The one right at the top. I know it's contract (unintelligible) 329, major dollar contract. But I'm looking at some of the timelines. Construction completed in '08, accepted in '09. Are we getting (unintelligible) to wrapping that up?
- Shapiro: Yes, Chairman Savage, actually we have. Quantity sent to the contractor 10/22. This is one of the projects where we had one of the old payments on, that we collected money back and the contractor had actually requested us to try to pay this contract with another contract that they had, 3361, where there was monies due, to try to minimize the overpayment. I thought this one had been closed out, because I know we sent them the final numbers and they agreed with it. So, I'll have to check. But it -- one of the reasons -- it's been ready to go for quite awhile. It's just that the contractor's request (unintelligible) it until we paid on the other contract.
- Foerschler: If I may, (unintelligible) that got paid off last week. (Unintelligible) that contract, that final payment and resent (unintelligible).
- Savage: Along those same lines, if you could follow up with some documentation, the contract with payment individually.

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- Shapiro: Mm-hmm.
- Savage: The package that you're delivering to Member Martin...
- Shapiro: We can discuss that. Sure.
- Savage: ...and Madam Controller, you might discuss that same one. That would be helpful. That's all I have, Mr. Nelson, on Attachment, ready for project closeout. We can move to Attachment B the closed project.
- Martin: Len, I got one, I've got two questions really.
On 3433...
- Savage: Which attachment?
- Martin: You're thinking that there's going to be a change-order request for \$2.4 million? And it's only a \$3.6 million contract from what I see. Is that correct?
- Savage: Which attachment are you on, for clarification purposes?
- Martin: I'm actually on the cover sheet for item no. 9, down middle of the page. It says contract 3433, U.S. 50 Cave Rock to Spooner. And you'll find that on Page, Attachment A2, I think it is. And up in the upper right-hand corner, it says, that you're expecting a change order for \$2.4 million on a \$3.6 million project. Can you help me understand that one?
- Shapiro: Member Martin, Jeff Shapiro, Chief Construction Engineer. I apologize. I don't mean to laugh. It's just my boss said, go ahead, Jeff. So, that is a differing site condition matter. Basically we were -- the design called for a certain type of wall system. And, when we got up there, the mountain wouldn't hold up at the cut slope, so we had to come up with a plan B. And it was an expensive fix. But we had to do something so we could get her buttoned up before the snow flied. Other than that, I don't really, you know, there's a lot of detail behind it. We'd be more than happy to discuss it with you in detail. But that's basically the crux of the issue.
- Martin: Okay. How old has this -- how long has this change order been outstanding?
- Shapiro: I'll have to ask Sharon on that one.
- Foerschler: Sharon Foerschler, for the record. It's been executed.

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- Martin: It has been?
- Foerschler: It has been, yes.
- Martin: And it is 2.4?
- Forschler: I believe the change order itself was about a little over \$2 million, and then with some quantities that overran and the contract as well, it brought the value for that work up to \$2.4 million.
- Martin: Okay.
- Shapiro: Member Martin, that was one of those projects where, you know, this is up Tahoe area, limited timeframe as far as work goes. We used a prior approval -- once we identified the problem, we used this prior approval process to initiate the change. We were actually able to pay the contractor through the prior-approval process. And then the change order itself, the execution was more of a formality, once we had everything finalized.
- Martin: Okay. Thank you. And then the last one is -- the last question's on 3409, which is Capriati on the 95 widening. I thought we settled with this guy.
- Shapiro: So did I, Member Martin. Chief Construction Engineer Jeff Shapiro. We settled with Capriati. There's still some issues with a -- with their pile-drilling contractor, Case Pacific, that we're trying to address. And now -- what, the issues that were... Right, okay. I'm being advised maybe some of this would be better in closed session. We do -- at the time, sir, there was an issue regarding the drilled shafts that we were addressing. And we did address that. We now have an issue escalated to our office that's related to the electrical work on the job, which we are about to...
- Martin: Okay. We can talk about that in a minute, because I want to drill down, because that one I'm -- is next door to my house or, you know, in my neighborhood, so...
- Shapiro: Hopefully the lanes are open.
- Martin: Well, they are. That's a good thing.
- Savage: Anything else, Member Martin?
- Martin: No, sir. That's it. Thanks.

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- Savage: Okay, back to Attachment B1. Are there any other questions or comments from members on Attachment B1, construction contract closeouts?
- Nelson: For the record, Rick Nelson. One thing I would like to bring up. Because we will be closing out some projects between now and the end of the month, we make an annual report to the Transportation Board on the projects that have been closed the prior year.
- Savage: Mm-hmm.
- Nelson: What we'd like to do is we'd like to bring this yearly summary to the full Transportation Board in February, if that's at all possible. That'll give us an opportunity to wrap up all the paperwork for projects that close out between now and the end of the year, so we've got a full, accurate report to send to the Transportation Board in February.
- Savage: So, I'm sorry. I was looking at something else. Is your proposal to take the quarterly update in February, rather than January, to the TBoard?
- Nelson: Well, it's -- that's up to you Chairman Savage. If you'd like to take the quarterly update to the full Transportation Board in January, we can prepare that report. It's based on the activities of the Construction Working Group over the last six months. What I was proposing is to take the yearly projects that closed out.
- Savage: I would do it at one time. I would think it would be beneficial to have it at one time, just in February.
- Nelson: That works.
- Hoffman: For the record, Bill Hoffman. That allows the Construction Division and Rick's staff to final everything out through the end of the year. You know, there's a couple of...
- Savage: Holidays, and everything else, you can...
- Hoffman: ...we, yeah. There's several weeks of number crunching, so to speak. So that would actually do them some good. And then we can report on the full year. Is that right? Is that about right?
- Foerschler: Yes, it's right. It's right. You're right.
- Savage: Good idea, Mr. Hoffman. So we'll take it, everything...

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Nelson: Good idea, Mr. Hoffman. I love it.

Savage: ...the update and everything.

Nelson: Okay. We'll take all the reporting to the full Transportation Board in February.

Savage: And, Mr. Nelson, I have a question on the closeout Attachment B. Uh, contract 3438. The contract amount originally bid was \$1,013,762. The amount of work that was totally paid was \$175,000 and it's 100 percent complete.

Wallin: I need to look at this stuff. They changed the numbers.

Shapiro: Chairman Savage, Jeff Shapiro. You need the update. That's...

Savage: Oh, I've got the wrong one.

Wallin: Yeah, look at that one.

Shapiro: ...I apologize for that.

Wallin: These numbers are all...

Shapiro: The \$175,000 is actually the CE costs on the job. We got...

Savage: Okay. I'm sorry.

Shapiro: ...our numbers mixed up.

Savage: Okay.

Wallin: Yeah, the numbers are totally changed.

Shapiro: So it should be, actually, 102 percent. So it's over budget.

Wallin: Well, wait a minute. If you take this and then you have the adjustment of 914, plus 76. So then, but -- oh, because they took this change. I think this one might -- you might want to look at this, because if you look at your original one, and you, when you come over here. In the original one, we've got original amount, \$1, 013,762. And then, changes, \$76,103. And then, you've got, in your original one, a quantity adjustment of a negative \$914,328. I think that's how you would get down to then, total paid as \$175,000. So, I'm confused. Did you really pay \$175,000? Or did you...

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- Shapiro: No, Madam Controller, Jeff. If there's any problems with the revised spreadsheet, this is the one that I did, but, personally over the weekend, but...
- Wallin: Okay.
- Shapiro: ...but the total amount paid is \$1.2 million and change.
- Wallin: Okay.
- Shapiro: And I do know the agreement estimate, which is the budget, is \$1.2 million. And so we're at 102 percent. The quantity adjustments is basically the difference between the total paid minus the bid. Now, it should -- because I did check the math -- that should work. But, I don't have my calculator with me, so I'm reluctant to check it at this point. But that's what that quantity adjustment is showing. Well, it takes out the change-order stuff, too -- the change-order items too.
- Wallin: Okay.
- Shapiro: So the math should work.
- Shapiro: Okay. Yeah, should be -- yeah. But it's possible. Part of this document is automated, just to let the Working Group members -- and this is something that we're working through -- part of the document is automated based on information that's contained in our system. Part of it is hand entered, because we can't -- even though it's in the system, it's not accessible. And that's where we run into problems, or I should say issues, with inadvertent numbers being in there and people pick -- staff picking the wrong numbers. There's no excuse. We need to have better quality control, no doubt about it.
- Wallin: Or at least have places where, okay, when you add things up that's a (unintelligible) instead of a...
- Shapiro: It needs to add up, yes. Because there's no excuse -- in a spreadsheet, if it doesn't add up, there's really no excuse.
- Wallin: Yeah. Yeah. Okay.
- Martini: Could I make a suggestion, please?
- Savage: Yes.

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- Martini: Again, this is Mary Martini, District Engineer. This is a comment on behalf of the public and some of the people who read the minutes and listen in on these portions of it. We're very used to using the contract numbers, and so they're very meaningful to us. But without the name of the projects, sometimes that information gets lost on the consumer. Thank you.
- Savage: Thank you, Mary. So we'll be sure to state the contract number as well as the description. So one major positive is contract 3478, State Route 722, U./S. 50 to the Churchill/Lander County line. There's a cost savings of over \$700,000.
- Shapiro: An under run, so to speak. Yes, sir. There was actually a value engineering proposal on that particular project, where we changed a -- instead of, correct me if I'm wrong, Sharon -- instead of an overlay, we went with a cold recycle and a chip seal on that project.
- Foerschler: That's correct.
- Shapiro: And that was something the contractor proposed.
- Savage: That's great. Because that's one thing I noticed on -- I don't know where I read it -- but the value engineering percentage was very low.
- Shapiro: Mm-hmm.
- Savage: And it'd be nice to discuss that and sell that to the contractors, while staying within the box of design and specification.
- Shapiro: Mm-hmm.
- Savage: Because I know there's a fine line there. But the cost savings is substantial on this contract. So, thank you, gentlemen.
- Shapiro: Thank you, sir.
- Savage: That's all I have. Madam Controller?
- Wallin: Yeah, that's good.
- Nelson: Okay. So for Attachment C -- Attachment C are the active projects that are being tracked. As I mentioned, we're currently tracking a total of 67 active projects. Some of the highlights are listed in Items 1 through 4 on the briefing memo. Of the 67 projects, we've identified 16 projects that are having budget issues based on the agreement estimate. And those are

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highlighted in red. And Jeff would be happy to answer any questions that you may have about any of those active projects.

- Savage: Has this form changed at all?
- Shapiro: Not to my knowledge. No, sir.
- Nelson: Outside of we made it smaller this time. Do you need two sets of glasses, Chairman?
- Savage: Claudia, can you help me out next, please? Thank you. It's just an ego thing on my part.
- Shapiro: Next meeting, certainly, we could provide more copies of 11" by 17" if that would help.
- Savage: That would be very beneficial. Thank you. I don't have any questions on Attachment C1. Member Martin or Madam Controller?
- Wallin: No, I don't.
- Martin: None from here, sir.
- Savage: Okay, that'll close Agenda Item No. 9. At this time, we'll go to Agenda Item 10 for public comment. Any public here in Carson City?
- Nelson: Chairman Savage, if I may, I was remiss. I do have a -- the Construction Division has a new assistant construction engineer overseeing Southern Nevada. And I don't think he's been properly introduced. This is Jeff Freeman. He used to be the partnering program manager. He's now the assistant chief construction engineer along with Sharon, who handles Northern Nevada. And we're in the process of trying to hire a new partnering program manager.
- Savage: Well, congratulations, Jeff.
- Freeman: Thank you very much.
- Savage: And thanks for attending in Carson City today.
- Freeman: I just thought I'd show up here.
- Wallin: You wanted to cool off.

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- Savage: So, with that being said, Agenda Item No. 10. Is there any public comment here in Carson City? No, for the record. Las Vegas?
- Martin: None here, sir.
- Savage: How about Elko, Nevada.
- Kevin: None, in Elko, thanks.
- Savage: Thank you, Kevin. Thank you, Member Martin. With that being said, I'd like to entertain a motion to go to closed session.
- Wallin: Move to go to closed session.
- Martin: Second.
- Savage: Second by Member Martin. All in favor say aye.
- Group: Aye.
- Savage: Meeting closed.



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MEMORANDUM

March 10, 2014

TO: Department of Transportation Board of Directors
Construction Working Group

FROM: Rudy Malfabon, Director

SUBJECT: March 10, 2014 Transportation Board of Directors Meeting
Item # 5: Report on Practical Research by the Materials Division to Improve the
Materials Utilized in NDOT Construction Projects - *Discussion Only*

Summary:

In the past the Transportation Board Board has requested information on Interlocal Agreements that NDOT has entered into particularly regarding research activities. The purpose of this item is to present the benefits that NDOT's Materials Division has been able to implement through practice research. Also included is information regarding full scale load testing of drilled shafts for the US 95/215 project which will allow for refined design parameters allowing for a reduction in the size of drilled shafts to support the structures.

Background:

The Materials Division has entered into Interlocal Agreements with the University of Nevada, Reno (UNR) for the past 20 years. Findings from this research have been implemented into our materials specifications giving Nevada some of the longest lasting roads in the nation.

Nevada's climate and geology makes it very difficult to achieve long lasting pavements due to the variation in temperatures and the quality of our aggregates. The hot days and cold nights cause our pavements to expand and contract with substantial stress and strain. Soft, porous aggregates found in Nevada make pavements particularly susceptible to deterioration under the heavy interstate loads and freeze-thaw cycles we receive.

The University of Nevada has assisted NDOT in implementing new technology and material requirements from the Federal Highway Administration (FHWA). In the mid 1990's, the Strategic Highway Research Program developed a new system for defining asphalt gradation and Hot Mix Asphalt Design that FHWA strongly encouraged state DOT's to implement.

The Materials Division has also been able to implement other new technologies and improvements regarding materials and geotechnical design. This year at the site of the US95/215 Interchange we will be conducting a full scale load test of two drilled shafts to characterize the soil strength using Osterberg Load Cells. This will allow NDOT to design the drilled shafts utilizing confirmed soil load bearing parameters instead of overly conservative estimates. The expected reduction in the size of the shafts to support the interchange structures will generate substantial savings for the project.

Analysis:

The beneficial use of applied research into the materials of road and bridge construction has resulted in many improvements that have resulted in improved products and longevity of our projects for the benefit of our stakeholders.

List of Attachments:

- A. Continuing Pavement Design and Materials Research Benefits
- B. Osterberg Load Cell Description

Recommendation for Board Action:

Informational item only.

Prepared by:

Reid Kaiser, Chief Materials Engineer

CONTINUING PAVEMENT DESIGN AND MATERIALS RESEARCH PAST AND FUTURE BENEFITS

The following represents some of the significant contributions to the state of the practice with respect to materials and pavements in Nevada.

Development of a Materials Properties Database: The information in the database was used to develop specification limits on the tensile strength property and the retained tensile strength ratio to ensure good performing pavements.

Evaluation of Polymer Modified HMA Mixtures: Evaluated the performance of polymer-modified HMA mixtures under both laboratory and field conditions. As a direct result of these efforts, NDOT currently specifies the use of polymer modified HMA mixtures on all HMA projects leading to long-lasting pavements.

Evaluation of Aggregate Gradations: Based on the results of this study NDOT adapted the Type 2C gradation which has provided excellent long term performance under various traffic and environmental conditions.

Implementation of the Superpave Performance Grade (PG) System: Provided laboratory testing and data analyses for asphalt binders used in Nevada using the state of the art Superpave PG system. As a result NDOT implemented the PG system for asphalt binders.

Evaluation of Long Term Performance of CIR Mixtures: Developed a mix design procedure and specifications for cold in-place recycling which is a highly effective rehabilitation technique for poorly deteriorated pavements.

Development of Asphalt Mixtures for Intersections: A new gradation was developed that provides excellent resistance to rutting at intersections under the action of stopping and breaking of heavy vehicles.

Impact of Lime Marination on HMA mixtures: The study proved that hydrated lime improved the long term durability of asphalt pavements and marination improved the overall quality of the aggregates and resulted in better resistance to moisture damage.

Implementation of the Mechanistic-Empirical Pavement Design Guide: Developed a database of engineering materials properties and performance models to be used in the state of the art M-E Design method.

Evaluation of Recycled Pavements and Warm Mix Asphalt: Evaluated the benefits of using recycled asphalt pavements (RAP) and warm mix asphalt (WMA) technologies in the production and construction of asphalt mixtures. The combination of RAP and WMA has the advantage of cost savings, conserving natural resources, and reducing emissions.

Evaluation of New Technologies: Assisted NDOT in evaluating new materials and technologies that may have potential in improving the long term durability and performance of pavements throughout the state.

Technical Assistance: An important task of the General Agreement is to provide technical assistance to NDOT's engineers in the various areas of pavement design, pavement performance, and materials engineering. In the past, UNR researchers provided assistance in the specific areas of mechanistic pavement design, pavement rehabilitation and performance modeling, training for advanced materials testing such as the Superpave binder and mixtures testing, and moderating technical meetings between NDOT personnel and the asphalt industry and other DOTs.

The Need for the Use of Osterberg Load Cells

The use of in-situ testing of drilled shafts provides actual strength parameters for the soils tested. There are three different methods for testing drilled shafts strength parameters: Osterberg load cell, static load testing, and dynamic load test methods. FHWA's manual on Design and Construction of drilled shafts (FHWA-NHI-10-016) states that "*Bi-directional load cell testing, in which a bi-directional load is applied by a hydraulic jack mechanism cast within the drilled shaft, is a more practical and economical method for determining the axial resistance of a high capacity drilled shaft, and currently is a commonly used method for load testing drilled shafts.*" Osterberg load cells are "Bi-directional" load cells and provide the most detailed strength parameters of any method used.

Osterberg load cells are superior to the other test methods in several ways. The load cells can be tailored individually to each test shaft. By placing one or more cells at different locations within the shaft, various soil layers can be isolated for tested and analyzed for their strengths. Additionally, end bearing strength can be isolated from skin resistance. By only testing specific parts of the shaft at a time, larger shafts can be tested to failure at less cost. This allows for ultimate soil strengths to be obtained for different soil types and layers which maximizes the efficiency of our design. Osterberg load cell testing also allows for specific testing of the end bearing soils which cannot be accomplished by any of the other methods.

By contrast, static load testing provides only the general soil strength for the whole shaft without differentiating between the tip resistance and side resistance. This method is also limited to smaller/shallower shafts, as it is difficult to generate loading sufficient for mobilizing larger shafts to complete failure to determine ultimate strength values. It also requires the construction of 2 additional drilled shafts to act as part of the large reaction frame necessary to jack against. Given the high design loads, anticipate shaft depths and strong soil conditions at our site, it is unlikely that a reaction frame could be built at reasonable cost to stress the shaft to complete failure.

There are many types of dynamic load tests available, usually employing a falling mass, an explosion, or even an engine to provide a dynamic force to the test shaft. Most all of these require a large reaction frame of some type, and many require permits when using explosives. Like Static testing, Dynamic testing methods provide only general soil strengths for the entire shaft and would also have the same issues with stressing the shaft to complete failure.

As drilled shaft designs have become larger and larger recently, it is imperative to utilize each and every tool at our disposal to maximize the soil strengths used in design and reduce the size of the resulting shafts. By using Osterberg load cells, we will receive the most accurate information to classify the soil strengths of the highly variable soils present at this particular location.



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MEMORANDUM

March 10, 2014

TO: Department of Transportation Board of Directors,
Construction Working Group

FROM: Rudy Malfabon, Director

SUBJECT: March 10, 2014 Construction Working Group Meeting

Item # 6: Discussion of Potential Changes to NDOT's Dispute Resolution Process –
Discussion/For Possible Action

Summary:

The purpose of this item is to update Construction Working Group on the construction dispute resolution process with the goal of improving the process through the addition of an intermediate step and/or modification of the final step from a claims review board approach to a more productive method such as mediation, a dispute review board, a dispute resolution advisor or other alternative.

Background:

During a construction project disputes can arise between the contractor and NDOT. Since litigation is a time-consuming, resource intensive and costly way of resolving disputes, NDOT encourages Partnering on all projects and using alternative dispute resolution methods such as Dispute Resolution Teams and mediation.

NDOT formalized the partnering process in 2009 through the creation of a position for a dedicated Partnering Program Manager in the Construction Division. Subsequently we have developed the "Guide to Partnering on NDOT Projects". Chapter 5 of the Guide "Resolving Disputes within the Partnering Framework" is Attachment "A". The complete guide can be accessed on the internet at:

http://www.nevadadot.com/uploadedFiles/Partnering%20Guide10_18_10v3b.pdf.

These efforts are intended to lead to resolution of disputes by individuals closest to the project. This typically results in cost savings, projects being delivered on schedule and better relationships for future projects. The NDOT Construction Manual, section 3-403.6 addressing Disputes and Claims is Attachment "B". It encourages the use of Alternative Dispute Resolution methods such as Partnering and Dispute Resolution Teams (DRT) as does the FHWA Contract Administration Core Curriculum Section 6-Claims shown in Attachment "C".

We have created specifications for Partnering and Dispute Resolution Teams that have been included in the Special Provisions for appropriate projects. Those specifications, shown in Attachment "D", will be included in the next version of the Standard Specifications for Road and Bridge Construction expected to be published later this year.

Section 105.01 of the Standard Specifications provides for an administrative remedy if the Contractor disagrees with the decision of the Engineer, Attachment "E". Attachment "F": Transportation Policy 1-5-3 - "Contract Claims Review Board" outlines to process for the Claims Review Board.

Analysis:

The Claims Review Board process has become less than effective over the years for a variety of reasons and we are looking for some other, more effective, way to handle disputes that cannot be resolved by other means.

List of Attachments:

- A. Chapter 5 of the Guide to Partnering on NDOT Projects
- B. Section 3-403.6 of the NDOT Construction Manual
- C. FHWA Contract Administration Core Curriculum Manual – Subsection III.B.6
- D. Proposed additions to the Standard Specifications Section 105, Control of Work
- E. Section 105.01, Standard Specifications for Road and Bridge Construction
- F. Transportation Policy 1-5-3 Contract Claims Review Board

Recommendation for Board Action:

Informational item only.

Prepared by:

Lisa Schettler, Partnering Program Manager

Chapter 5

Resolving Disputes within the Partnering Framework



The resolution of disputes on partnered projects is encouraged in several ways. The first one is through the adoption of project values and informal resolution between individuals. Where disputes cannot be resolved in this way, each project team will utilize its Issues Resolution Ladder (IRL).

Issue Resolution Ladder

The IRL establishes a process for elevating disagreements from the field level to executive management if necessary, with defined time limits for each level of review. It also puts specific names of project personnel at each level of review. The Construction Manual requires the IRL to be established at the Pre-Construction meeting, but it should be reviewed and discussed again at the Initial Partnering Workshop. A sample of an Issue Resolution Ladder is provided below for reference, even though your project may modify this format to be more useful for your specific circumstance.

The two operative rules for such project issues are:

- Issues will be resolved as close to the project level as possible
- Issues will be resolved or elevated before impact on cost or schedule

Sample Issue Resolution Ladder

Level	Contractor	NDOT	Time to Elevate
IV	Branch Manager	Director's Office	Issue Dependent
III	Construction Manager	District Engineer/ Assist. District Engineer	1 Week
II	Project Manager	Resident Engineer	2 Days
I	Project Superintendent	Lead Inspector	1 Day

The development and use of the issue resolution ladder should be communicated to all project team personnel by members of the partnering team, along with the team charter. Each member of the team must then be aware of the time to elevate standards, and do everything they can to live up to them. They must also understand that elevation of an issue is not bad, nor is it an admission of failure. Most often, it simply means that neither party sees a win-win solution, or that they do not have enough authority to approve such a solution.

Project team members also need to understand that the project team needs to be able to have open discussion of issues, without taking offense. This means that project team members must respect alternative viewpoints, and welcome discussion of creative solutions. The opposite of open discussion is an environment where team members rarely talk face-to-face, where they surprise others with the sudden revelation of a major issue, and where they document a position in a formal written communication as a first step to problem resolution. The project team should commit to not writing letters without talking to each other first. Everyone should recognize that talking first gives everyone an opportunity to make sure they understand the issue(s) and to try to work things out before positions are put in writing. Where it is determined that there is a need to put a position in writing, it is always a good rule to inform the recipient verbally, ahead of time.

One good communication practice is for the project superintendent and inspector(s) to meet before the start of each shift to discuss the work planned for the day, and any issues from the previous day. This is a proactive way to anticipate potential problems.

When issues are not resolved through the IRL, the next formal step is mediation. Where mediation cannot find an acceptable solution, the matter will advance to the Contract Claims Board

Other Options

Where facilitated dispute resolution does not resolve the issue, any partnering team member may elect to elevate the issue to a Dispute Review Team (DRT) as provided for in the Nevada State Administrative Code, Section 105.17, "Claims for Adjustment and Disputes". The DRT is intended to be used only after the partnering dispute resolution process has been exhausted. Either the Engineer or the contractor may request an issue be heard by the DRT.

The DRT will consist of one member selected by the Engineer and approved by the contractor, one member selected by the contractor and approved by the Engineer, and a third member selected by the first two members and approved by both the Engineer and the contractor. Normally, the third member will act as Chair for all DRT activities.



The DRT is intended to resolve disputes through peer review of facts and actions and through analysis of the use of relevant industry standards and codes of professional conduct by all parties. If the DRT recommendation does not resolve the dispute, the written recommendation, including any minority report may be used by either party to document its claims in subsequent Court hearing

Final Administrative Authority

If the recommendation of the DRT is not accepted, claims may also be reviewed to the Contract Claims Review Board, whose decision is considered the Final Administrative Authority for the State of Nevada.

The goal of partnering is to resolve all claims proactively and informally, and to avoid a need to elevate to either a DRT or the Contract Claims Review Board. Such solutions are most likely to have the greatest benefit for all, at the lowest possible cost.

ADMINISTRATION

3-41

3-403.5.3 SUPPLEMENTAL AGREEMENTS

A supplemental agreement is a written agreement between the contractor and NDOT for work not included in the current project limits or for conditions specifically stated in the specifications as requiring a supplemental agreement. After the contractor and NDOT approve and execute a supplemental agreement, it becomes part of the contract. The Governor executes supplemental agreements, similar to the original contract between NDOT and the contractor. For this reason, supplemental agreements are coordinated with the Administrative Services Division. If a supplemental agreement involves federal funding eligibility, the Construction Division consults with FHWA.

Change orders and supplemental agreements have one key difference. A change order is for work that NDOT has the right, under the specifications, to order performed. In contrast, a supplemental agreement addresses work that NDOT cannot require the contractor to perform under the contract. A supplemental agreement is a negotiated instrument, while a contract change order is a direct order. Any work outside the project limits requires a supplemental agreement. A supplemental agreement is assigned a change order number to facilitate payment under NDOT's accounting system.

After a decision is made to enter into a supplemental agreement, the Construction Division initiates the preparation of the agreement. The Resident Engineer will negotiate prices to be included in the agreement. The Resident Engineer assigns a change order number to the supplemental agreement for processing purposes only. Each force account or agreed price used requires an analysis or justification.

3-403.6 DISPUTES AND CLAIMS

During a construction project, disputes may arise between the contractor and the Resident Engineer. Since litigation and lawsuits are often the most time-consuming and resource intensive ways of resolving disputes, NDOT encourages using alternative dispute resolution methods such as the following:

- Partnering is a process used by NDOT to build an environment of open communication between the contractor and NDOT.
 - Informal partnering is conducted by the Resident Engineer beginning with the "Conflict Resolution Ladder" completed at the Pre-Construction Conference, continuing with weekly project meetings.
 - Formal partnering is conducted by a facilitator who leads quarterly partnering meetings.
- Dispute Resolution Team (DRT) consists of third-party experts selected by NDOT and the contractor that assist in resolving disputes on specific projects.
- NDOT establishes a Contract Claims Review Board after a formal claim is submitted by a contractor.

The foundation of partnering is to resolve disputes at the lowest level of authority. If the dispute is not resolved at one level, the dispute is elevated to the next higher level of authority. The process of elevating disputes to subsequent levels of authority is discussed during the Pre-Construction Conference.

At the Pre-Construction Conference, the contractor and NDOT each designate an individual at each level of authority who is authorized to resolve disputes. Each level of escalation should have different contractor and NDOT representatives than the previous level. The Resident Engineer completes the "Conflict Resolution Ladder" form that identifies each person at each level of authority. On projects that have a formal partnering process, the "Conflict Resolution Ladder" is completed at the partnering meeting instead of the Pre-Construction Conference. To document a dispute and track the resolution process, the Resident Engineer uses a "Conflict Resolution Form." Both forms are included in the example of a Standard Pre-Construction Conference Agenda contained in the Construction Division intranet site (SharePoint), <http://sharepoint1/040/default.aspx>.

The Resident Engineer should create an environment in which the contractor and NDOT maintain a cooperative working relationship, mutually resolving conflicts at the lowest possible level. Solving issues at lower levels, keeps them engaged, and gives them a "sense of ownership" on a project. This environment fosters cooperation and trust, which reduces disputes, produces a high-quality product, and expedites completion of the project.

The contractor and NDOT must equally commit to a cooperative relationship, either through an informal or formal process. A partnering workshop among major project participants and stakeholders can help establish a formal cooperative relationship.

A Dispute Resolution Team, which encourages the contractor and NDOT to resolve disputes, may be established on large, complex projects. The Dispute Resolution Team is comprised of three members: one selected by NDOT and approved by the contractor, one selected by the contractor and approved by NDOT, and the third, which serves as the chair of the team, is selected by the first two members and approved by NDOT and the contractor. The first two members should be acknowledged experts in the type of construction related to the project.

If the contractor and NDOT cannot resolve a dispute, the Dispute Resolution Team provides an unbiased audience. The Dispute Resolution Team's recommendations are not binding on the contractor or NDOT. However, any records associated with the Dispute Resolution Team, such as written recommendations, and resumes of the members, are admissible as evidence in a formal claim process.

If the contractor is not satisfied with the informal resolution processes, the contractor may proceed with a formal claim, as described in the specifications. The Construction Division notifies NDOT's Administrative Services Division of the contractor's intent to file a claim, and the Administrative Services Division assigns a staff member to be the claim board chairperson. The chairperson will then begin to assemble a board to review and hear the claim. They will also assemble the appropriate documents and supporting documentation for the formal hearing. The Contract Claims Review Board's findings and recommendations are forwarded to the Director, who may accept, reject, or modify the Board's recommendations.

6. Claims

References:

- 23 CFR 635.124

Applicability:

Applies to Federal-aid highway construction projects on the NHS.

Background:

A claim can be defined as a demand for additional compensation that is formally submitted to someone in the STA outside of the normal process for change approvals. In simple terms, a continued demand for payment is termed a claim if it has been previously denied under the STA's normal procedures for change approval.

Both the STA and the contractor share in the responsibility for claims. Many claims could be avoided if reviews of the contract documents were more thorough, both in preparation of the project and in bidding the project. Problems occur most often when an STA rushes a project with incomplete or inadequate plans through the letting process. Due to public pressure, States sometimes promise to get work under construction or to open highways on some predetermined date. Similarly, shelf projects, those projects with plans that were developed several years earlier, can be especially dispute-prone because traffic patterns and other field conditions may have changed. Most States acknowledge that projects containing known errors are sometimes let for bid because the time frame does not allow for errors to be corrected. Contractors may contribute to claims through ineffective project management, scheduling practices and substandard work.

Guidance:

A comment made during the rulemaking process in 1985 was that FHWA's involvement in claims allowed "second guessing" of those who were more intimately involved in the claim award, and that FHWA should become involved earlier in order to make fair and objective decisions. FHWA agreed with that philosophy and supports uniformity and objectivity in our decision-making. Therefore, 23 CFR 635.124(b) contains a general statement about early coordination and involvement. The specific details of coordination and involvement are left to each FHWA Division Office and STA to finalize, allowing them the flexibility to work out an arrangement which accommodates the State's program. When developing coordination procedures, the STA should be cognizant that under the Freedom of Information Act, the contractor and other outside parties may obtain information in FHWA files.

A good generalization of FHWA's policy is the following statement:

"If the States are diligent and pursue resolution of a claim through the courts or arbitration boards (including appeals), consulting with and keeping FHWA fully informed throughout the process, FHWA will share in the results."

However, FHWA will determine on a case by case basis the Federal-aid eligibility of a contract claim awarded on the basis of an arbitration or mediation proceeding, administrative board determination, court judgment, negotiated settlement, or other contract claim settlement. Federal funds will participate to the extent that the claim can be supported by the facts and has a basis in the contract and under applicable State law. Further, the basis for the adjustment and contractor compensation should be in accord with prevailing principles of contract law (23 CFR 635.124(a)).

Similarly, for court judgments abiding with State law, the FHWA specifically reserves the right to review all matters, not just the court's decision, in the award of a claim since the claim may have been awarded under a State law which is inconsistent with Federal law.

The burden of proof to document the reasonableness of a claim remains vested in the STA. As indicated by 23 CFR 635.124(c), FHWA believes the STA is in the best position to compile and provide the information, including legal briefs where needed, to support a decision for FHWA participation in claims.

Impact of STA employee decisions on FHWA's participation in a claim: The FHWA will participate when the acts are reasonable and within the standards of the profession. FHWA will not participate in claim awards that arise from gross negligence, intentional acts or omissions, fraud, or other actions by an STA employee(s) which are not consistent with the usual State practices.

On December 16, 1992, FHWA addressed claims resolution for delegated projects. For non-Interstate NHS projects, the STA must base its determination of Federal-aid participation on the requirements of 23 CFR 635.124. For non-NHS projects, the STA may determine the level of Federal-aid participation based upon State procedures; however, the STA must comply with the allowable cost principles of OMB Circular A-87 as addressed in 49 CFR 18.22.

Interest. Federal-aid funds can participate in interest associated with a claim if three conditions are met:

- the interest must be allowable by State statute or specification,
- the interest is not the result of delays caused by dilatory action of the State or contractor, and
- the interest rate does not exceed the rate provided for by statute or specification.

Attorney's Fees. The Contractor's attorney fees are not eligible for Federal participation. The basis for this determination is that there is no statutory authority for the payment of attorney fees. However, the STA's administrative costs, including attorney fees related to the defense of claims, are reimbursable. Such

costs are reimbursable at the same participation rate as the related construction project.

Anticipated Profit. The FHWA does not participate in anticipated profit because this is in the realm of the contractor's risk.

NHI Course No. 134037A, "Managing Highway Contract Claims: Analysis and Avoidance". The course is targeted at FHWA, State and local personnel involved in project development, construction, and claims management.

Other sources of information on claim avoidance are the American Society of Civil Engineers which has published *Avoiding and Resolving Disputes During Construction: Successful Practices and Guidance*, by the Underground Technology Research Council, 1991, and *Construction Contract Claims, Changes, and Dispute Resolution*, by Paul Levin, 1998; the Association for the Advancement of Cost Engineering; and the *Construction Claims Monthly* which is published by Business Publishers, Inc.

Alternative Dispute Resolution

Claims and disputes cannot always be avoided. Research by the Construction Industry Institute (CII) has found that construction disputes arise from three major sources: project uncertainty, process problems and people issues. If the source of the dispute is not addressed, resolving the dispute can become increasingly difficult, resource-intensive, and will usually result in a solution which satisfies no one. Dispute resolution methods range in hostility level from negotiation up to extended litigation.

The focus of alternative dispute resolution (ADR) techniques is to allow fair-minded people to resolve their differences in a manner that emphasizes reasonableness and fairness. ADR does not mean turning responsibility for project decisions over to others (i.e., lawyers) because litigation is costly and time-consuming. ADR methods vary in the level of the assistance drawn from outside sources, and the decision-making taken away from the disputing parties.

The construction industry has developed a variety of ADR methods. As CII's research shows, the most valuable techniques are those that prevent or resolve disputes as early as possible by the individuals directly involved at the project level. Commonly used methods include negotiation, mediation, non-binding arbitration, dispute review board, mini-trial, binding arbitration, private judging, and finally, litigation.

Partnering

Technically, partnering is not an ADR method. Rather, partnering is a change in the attitude and the relationship between owner and contractor. Partnering is the creation of a relationship between the owner and contractor that promotes recognition and achievement of mutual and beneficial goals. Partnering occurs

when trust, cooperation, teamwork and the successful attainment of mutual goals become the hallmarks for the relationship.

The key to making partnering work requires having a plan which is backed up by open communication, willing participants, senior management support, and up front commitment. Communication starts early in the process through a team-building session. All the key managers for the project are assembled for a workshop that focuses on team building, goal setting, identifying issues, and solving problems. The workshop is run by a facilitator who ensures that all issues are brought out into the open. Authority to solve problems must be delegated to the lowest level. A critical feature of partnering is to identify the dispute resolution process that will be used on the project and designate key players in the process. Follow-up meetings are held at regular intervals to evaluate goals and objectives. (The FHWA's representative to the partnering workshops should have the authority to approve change orders and claims.) The cost of the partnering sessions is typically borne equally by both the owner and the contractor. Federal funds may be used to reimburse the owner for their share of the cost at the project pro rata share rate.

In 1995, AASHTO's Construction Subcommittee's Contract Administration Task Force conducted a survey of the STAs. At that time, forty-six STAs were using partnering. Despite the fact that 28 States had been using the technique for less than two years, 34 States believed that partnering had reduced claims in their States.

Other partnering references include:

- *Partnering*, U.S. Army Corps of Engineers, IWR Working Paper 91-ADR-P-4, March 1990;
- *In Search of Partnering Excellence*, CII 17-1, July 1991;
- *Partnering-A Concept for Success*, Associated General Contractors of America, September 1991; and
- *Partnering Manual*, Central Artery/Tunnel Project, January 1998.
- *AASHTO Partnering Handbook*, 2005.

Negotiation

Negotiation occurs when parties resolve the issues themselves, usually at the project level. However, the STA's administrative processes would also be considered as negotiation in a broad sense of the term.

Mediation

Mediation involves a neutral third party to depersonalize the dispute while facilitating its resolution, preferably in a "win-win" solution. The parties may jointly appoint a mediator or they may request that a mediator be appointed by an association such as the American Arbitration Association. The mediator provides assistance in resolving the dispute by narrowing and clarifying issues, however, the mediator does not decide the dispute. The mediator may meet with the parties individually or collectively but all information disclosed to the mediator is

confidential. Mediation is normally non-binding since the mediator has no inherent power.

Mediation is a flexible method that can be adapted by the parties to fit their needs. While the American Arbitration Association has developed flexible rules of conduct, the parties should agree on the process to be used; how the mediator will be selected and paid; who has authority to make decisions for each party; and what happens if mediation does not result in a resolution. The cost to the owner of the mediation process is eligible for Federal-aid reimbursement.

Dispute Review Board

A dispute review board (DRB) requires the creation of a three member standing committee which meets on a regular basis to review and resolve all project disputes before they become formal claims. Drawing from the experts in the type of construction contained in the contract, each party will choose a member, and then those two members will jointly select the third member. The DRB members are considered to be "standing neutrals," independent of either party. The parties will split the cost of operating the DRB (the owners portion of the cost is eligible for Federal-aid reimbursement). In order to resolve issues at an early stage, DRB's typically keep abreast of construction progress. While the DRB will issue written decisions for the issues, the decisions are typically non-binding upon the parties.

Additional information about DRBs may be found in the 1996 *Construction Dispute Review Board Manual* authored by A. Mathews, Bob Matyas, Bob Smith and Joe Sperry. The CII has published *Prevention and Resolution of Disputes Using Dispute Review Boards*, CII 23-2, October 1995.

Many states have used DRBs on large bridge or tunnel projects. According to the Dispute Review Board Foundation, STA usage includes: Alaska (1 project), California (42), Colorado (4), Delaware (1), Florida (60), Hawaii (9), Maine (4), Massachusetts (47), Oregon (3), Utah (1) and Washington (54); and

The Dispute Review Board Foundation has compiled data on the success of DRBs in successfully minimizing construction litigation. The Foundation provided the following statistics in the May 2005 update to its "Dispute Review Board Foundation - Practices and Procedures Manual" (http://www.drb.org/manual_access.htm):

"The DRB process has been used on 976 completed projects in North America with a total construction value of over \$40 billion.

Considering only completed projects:

- Average project value was \$41 million.
- The average number of disputes per project was 1.3.
- 60% of the projects had no disputes.
- Considering only completed projects with disputes that went to the DRB, the average number of disputes per project was 3.3.
- 98.8% of the projects were completed without arbitration or litigation. In other words, about one project in 100 had disputes that could not be settled with the help of the DRB."

On the Boston Central Artery project, 48 of 124 construction contracts had DRBs representing approximately \$7.0 billion in construction. These contracts ranged from \$11.0 million to \$414.9 million. On these contracts, 15,150 total issues were raised, however, the vast majority of these issues were resolved informally. Only 31 issues were raised to a formal DRB. To date, one contract has gone to litigation.

Florida DOT has used DRBs extensively for projects over \$10 million. The 60 projects currently using DRBs represent approximately \$1.1 billion in construction. Of the 45 disputes that have been heard as of January 1999, the contractors and FDOT have each claimed an approximately equal number of victories. The disputes have ranged in size from relatively small claims up to \$6 million. To date there has been no litigation regarding DRB recommendations.

Caltrans began requiring DRBs for all contracts greater than \$10 million in January 1998. The use of DRBs for smaller contracts is optional but encouraged.

Mini-trial

Mini-trials are more formal than mediation or a DRB in that the dispute is treated as a business problem. Lawyers and experts present a summary of their "best case" to an advisory panel drawn from senior officials of the owner and the contractor with an independent neutral who provides an objective viewpoint. Typically the hearing documents and negotiation discussions are considered confidential and cannot be used in later litigation.

Pennsylvania (PennDOT) used this method to settle a construction claim on the Schuylkill Expressway project.

PennDOT Mini-Trial Procedures

Each party is represented by a principal participant with the authority to settle the dispute on behalf of the party he represents. The FHWA also has a representative with the authority to approve any settlement reached by the parties. A neutral advisor selected jointly by the parties chairs the mini-trial. The neutral advisor performs a mediation function, enforces time limitations, asks questions of witnesses and, if necessary, issues an advisory opinion on the merits of the dispute. The presentations at the mini-trial are informal with the rules and procedures stated in the agreement. The mini-trial is conducted within a specific time frame, typically no more than three days.

Arbitration

Arbitration is a method under which decisions are made by one or three arbitrators, chosen by the parties, based on fact and law. Although decisions may or may not be binding and without appeal, in almost all cases, the arbitration decision is accepted by both parties. Usually, the only cases carried on to litigation are those that involve a point of law.

Private Judging

The CII has identified private judging as a middle ground between arbitration and litigation. This procedure allows the parties to state their case before a mutually accepted neutral and have the decision becoming the judgment of the appropriate trial court with the right of appeal. The referees are normally retired judges. The parties may agree to simplify and expedite the process.

Escrow of bid documents

In conjunction with dispute review boards, several states have utilized an escrow of bid document special provision on large complex contracts that have the potential for litigation. Escrow bid documents address the issue of how a contractor interpreted the contract provisions and developed the bid. Escrow bid documents properly prepared and properly used are a great source of information for parties who want to resolve disputes on an equitable basis. The more accurate information each party has, the more likely litigation can be avoided. Generally, the escrow documents remain in a depository and are not used until the STA receives a notification of intention to file a claim from the contractor.

A guide specification for escrowing bid documents can be found in Section 103.08 of AASHTO's 1998 Guide Specifications for Highway Construction.

Home Office Overhead (HOO)

Home office overhead costs (HOO) are expenses that a contractor incurs for the benefit of all contracts that cannot be attributed to any individual contract. Examples of these expenses include home office estimating, personnel and administration. HOO is allocated to all of the contractor's work, usually in proportion to the value of each project to the company's total receipts.

Any suspension of work or other delay in contract performance will disrupt or reduce the contractor's direct income from the project. However, the contractor continues to incur HOO. Two types of HOO may affect delay damage claims: unabsorbed and extended. Contract case law has developed distinct definitions for these terms. Unabsorbed HOO is the increased cost that must be borne by a contractor because delays in one project have prevented the contractor from defraying those costs over other projects, as originally intended. Extended HOO are the increased overhead costs borne by the contractor after the original completion date which are caused by project delays.

Because HOO costs are indirect costs to any given project, contractors claiming HOO as an element of a delay damage claim must establish that the claimed expenses are permissible and/or justified.

FHWA has allowed participation in HOO costs only in cases when the owner agency caused the delay during which time the HOO costs could not be charged off to earnings and the contractor was prevented from doing other work which could

have been allocated HOO. Otherwise FHWA's position has been to disallow HOO when an STA's standard specification for extra work and force account work provide for full compensation at either the contract unit price, or a negotiated unit price.

Eichleay formula. The appropriateness of the Eichleay formula for calculating unabsorbed HOO costs seems to depend on the circumstances of the claim. Federal and state courts vary in their acceptance and application of the formula. There are also several other formulas in use (original contract period formula, fixed overhead formula, burden fluctuation method, comparative absorption rates, etc.); however, most contractors rely on the Eichleay formula.

Proposed Partnering and Dispute Resolution Wording for the 2014 Edition of the NDOT Standard Specifications for Road and Bridge Construction

105.05 Partnering. For the benefit of both the Contractor and the Department, the formation of a "Partnering" relationship will be established in order to effectively complete the contract. The purpose of this relationship is to maintain cooperative communication and mutually resolve conflicts at the lowest responsible management level.

The Department strives to work cooperatively with all contractors and partnering is our way of doing business. The Department encourages partnering utilizing a partnering team. The partnering team consists of significant contributors from the Contractor, Department, and invited stakeholders.

For contracts with a total bid up to \$10 million, professionally facilitated partnering is encouraged. For a contract with a total bid greater than \$10 million, professionally facilitated partnering is required.

The establishment of the Partnering relationship will not change or modify the terms and conditions of the contract.

A written invitation to enter into a partnering relationship will be sent after contract award. Respond within 15 days to accept the invitation and request the initial and additional partnering workshops. After the Engineer receives the request, the Contractor and the Engineer shall cooperatively select a partnering facilitator that offers the service of a monthly partnering evaluation survey, schedule the initial partnering workshop, select the initial workshop site and duration, and agree to other workshop administrative details.

Additional quarterly partnering workshops will be required throughout the life of the contract.

When requested by either party, a partnering trainer will conduct a 1-day training session in partnering skills development for Contractor and Department representatives before the initial partnering workshop.

The Contractor and the Engineer will cooperatively schedule the training session, obtain a professional trainer, and select a training site.

This training session shall be a separate session from the initial partnering workshop and shall be conducted locally.

In implementing partnering, the Contractor and the Engineer shall manage the contract by:

1. Using early and regular communication with involved parties.
2. Establishing and maintaining a relationship of shared trust, equity, and commitment.
3. Identifying, quantifying, and supporting attainment of mutual goals.
4. Developing strategies for using risk management concepts.
5. Implementing timely communication and decision making.
6. Resolving potential problems at the lowest possible level to avoid negative impacts.
7. Holding periodic partnering meetings and workshops as appropriate to maintain partnering relationships and benefits throughout the life of the contract.

8. Establishing periodic joint evaluations of the partnering process and attainment of mutual goals.

The partnering team shall create a team charter that includes mutual goals (core project goals which may also include project specific goals and mutually supported individual goals), a partnering maintenance and closeout plan, dispute resolution plan with a dispute resolution ladder, and team commitment statement and signatures.

The partnering team shall participate in monthly partnering evaluation surveys to measure progress on mutual goals and short-term key issues as they arise, hold a contract closeout partnering session, and document lessons learned before contract acceptance.

The Department encourages the partnering team to exhaust the use of partnering in dispute resolution and the use of the escalation ladder for dispute resolution. Whenever a dispute cannot be resolved by the use of the partnering process, the provisions of Subsection 105.18 will remain in effect except the notification required under Subsection 104.02 will be satisfied by the completion of the "Conflict Resolution Form."

The costs for providing the Partnering Facilitator, Partnering Trainer, and Workshop Sites will be borne by the Department. The Contractor shall pay all initial costs incurred. The Department will reimburse the Contractor all of the costs as evidenced by copies of invoices from the Facilitator, Trainer, and Workshop Site provider. Markup or profit added to invoices will not be allowed. All other costs associated with Partnering shall be borne separately by the party incurring the cost.

105.18 Disputes Review Team. A Disputes Review Team (DRT) will be established to assist in the resolution of disputes, claims, and other controversies arising out of the work of the contract.

The DRT will assist in, and facilitate, the timely and equitable resolution of disputes between the Engineer and the Contractor in an effort to avoid construction delay and litigation.

The intent is that the DRT be utilized only after the partnering dispute resolution process has been exhausted. It is intended that the DRT encourage the Engineer and Contractor to resolve potential disputes without resorting to the hearing of disputes by the DRT. It is not intended for the Engineer or the Contractor to default on their normal responsibility to amicably and fairly settle their differences by indiscriminately assigning them to the DRT.

Either the Engineer or the Contractor may request a dispute be heard by the DRT. Such a request may be made as soon as it appears that the partnering dispute resolution process is not succeeding. The DRT shall fairly and impartially consider disputes referred to it, and shall provide written recommendations to the Engineer and the Contractor, to assist in the resolution of these disputes.

Although the recommendations of the DRT should carry great weight for both the Engineer and the Contractor, they are not binding on either Party.

If the DRT recommendation does not resolve the dispute, the written recommendation, including any minority report, will be admissible as evidence, to the extent permitted by law, in any subsequent proceeding or forum to establish: (a) that a DRT considered the Dispute; (b) the qualifications of the DRT members; and (c) the DRT recommendation that resulted from the process.

At all times during the course of the dispute resolution, the Contractor shall continue with the work as directed, in a diligent manner and without delay, or shall conform to the Engineer's decision or order, and shall be governed by all applicable provisions of the contract. Records of the work shall be kept in sufficient detail to enable payment in accordance with applicable provisions in the contract.

The DRT will consist of one member selected by the Engineer and approved by the Contractor, one member selected by the Contractor and approved by the Engineer, and a third member selected by the first two members and approved by both the Engineer and the Contractor. Normally, the third member will act as Chairman for all DRT activities.

DRT members may be proposed from a variety of sources including, but not limited to, industry experts, engineering experts, The American Arbitration Association, The Dispute Resolution Board Foundation and the NDOT Contract Claims Review Board.

The purpose of the DRT is to provide knowledgeable expertise to assist in avoiding and resolving construction conflicts. Toward that purpose, each of the first two members should be acknowledged and experienced experts in the means, methods, and practices of Engineering and construction in the type of construction involved in the project. The goal in selecting the third member is to act as chairman of the DRT and provide leadership for the DRT's activities.

The DRT members shall show no partiality to either the Contractor or the Engineer; or have any conflict of interest. Before their appointments are final, the first two prospective members shall submit complete disclosure statements for the approval of both the Engineer and the Contractor. Each statement shall include a resume of experience together with a declaration describing all past, present, and anticipated or planned future relationships to the contract and with all Parties involved in the construction contract. Disclosure of recent, close, professional, or personal relationships with all key members of all Parties to the contract shall be included. The third DRT member shall supply such a statement to the first two DRT members and to the Engineer and Contractor before his/her appointment is final. The Engineer and the Contractor shall each have the opportunity to interview any prospective DRT member before their appointment is final.

If a DRT is established as provided for herein, the Engineer, Contractor, and all three members of the DRT shall execute the Disputes Review Teams Controlling Document (DRT Controlling Document) within six weeks after the selection of the third member. Contact the Department's Construction Division for a copy of the DRT Controlling Document.

The DRT shall operate in accordance with the DRT Controlling Document.

Disputes shall be considered as quickly as possible, taking into consideration the particular circumstances and the time required to prepare detailed documentation. Steps in the procedure for dispute resolution may be omitted as agreed to by both parties in writing, and the time periods stated in the DRT Controlling Document may be shortened to hasten resolution.

"Allowable DRT Costs" are the actual invoice costs for the Team, including the DRT members' expenses, and facilities cost, for DRT meetings. Contractor's labor, overhead, and profit are not Allowable DRT Costs. The Engineer and the Contractor shall share equally the Allowable DRT Costs associated with the DRT, including, but not limited to, costs and expenses of the hearing and DRT members' time billed for considering a dispute. These costs will be the actual invoiced cost and include no markup.

The Contractor shall pay all fees and expenses associated with the DRT and may bill and thereafter be reimbursed for one half the costs by the Department for all Allowable DRT Costs which the Engineer is responsible for as determined above.

Payment for members' services shall be as provided in the DRT Controlling Document. The Engineer will provide administrative services associated with assembly of and communication with the DRT, and will solely bear the costs of these Engineer services.

SECTION 105

CONTROL OF WORK

105.01 Authority of the Engineer. The Engineer will decide all questions which may arise as to the quality and acceptability of materials furnished and work performed and as to the rate of progress of the work; all questions which may arise as to the interpretation of the plans and specifications; all questions as to the acceptable fulfillment of the contract on the part of the Contractor.

The Engineer will have the authority to suspend the work wholly or in part due to: the failure to correct conditions unsafe for the workmen or the general public; the failure to carry out the provisions of the contract; for failure to carry out orders; unsuitable weather; unsuitable conditions for the prosecution of the work; or any other condition or reason deemed to be in the public interest.

The Engineer has executive authority to enforce orders and his decision will be final. In the event of failing to execute work ordered within a reasonable period of time, the Engineer may, after giving notice in writing, proceed to have such work performed as deemed necessary and the cost thereof will be deducted from compensation due or which may become due.

Decisions of the Engineer shall be subject to appeal to the Contract Claims Review Board, whose decisions shall be final and conclusive. Make such appeal in writing and within 10 days of the Engineer's decision, but in the meantime diligently proceed with the work.

105.02 Plans and Working Drawings. Plans will show location and general details of structures, lines, grades, typical cross sections of the roadway, and a summary of items appearing on the proposal. Keep one set of plans available on the work at all times.

Supplement plans with working drawings (shop drawings) as necessary to adequately control the work. Furnish working drawings for structures including, but not limited to; demolition and removal plans, shoring and cofferdam plans, falsework plans, shop fabrication details, erection procedures, prestressing details and other required information specified herein. Unless otherwise specified, submit 6 sets of working drawings for review and approval a minimum of 30 days before start of related work. Submit the working drawings a minimum of 90 days before start of related work which is within Railroad right of way. Additional contract time will not be given for working drawings requiring changes and re-submittal. Approval of working drawings shall not operate to relieve the responsibility under the contract for the successful completion of the work. It is mutually agreed that the Contractor shall be responsible for agreement of dimensions and details as well as for conformity of his working drawings with the approved plans and specifications.

For metric unit contracts, furnish working drawings in metric units or both metric and English units. For English unit contracts, furnish working drawings in English units or both English and metric units. For working drawings which require Railroad approval, furnish the working drawings in English units only.

The contract price will include the cost of furnishing all working drawings.

105.03 Conformity With Plans and Specifications. Perform work and furnish materials in reasonably close conformity with the lines, grades, cross sections, dimensions and materials requirements, including tolerances, shown on the plans or indicated in the specifications.

If the materials or the finished product in which the materials are used are found not within reasonably close conformity with the plans and specifications but that reasonably acceptable work has been produced, then a determination will be made if the work will be accepted and may remain in place. In this event, the basis of acceptance will be documented by contract modification which will provide for an appropriate adjustment in the contract price for such work or materials as deemed necessary to conform to the determination based on engineering judgment.

If the materials or the finished product in which the materials are used or the work performed are found not in reasonably close conformity with the plans and specifications and have resulted in an inferior or unsatisfactory product, remove and replace or otherwise correct the work or materials.

105.04 Coordination of Plans, Specifications, Supplemental Specifications and Special Provisions. The specifications, supplemental specifications, plans, special provisions and all supplementary documents are essential parts of the contract, and a requirement occurring in one is as binding as though occurring in all. They are intended to be complementary and to describe and provide for a complete work. In case of discrepancy, calculated dimensions will govern over scale dimensions; plans will govern over specifications; supplemental specifications will govern over specifications; special provisions will govern over both specifications and plans.

Take no advantage of any apparent error or omission in the plans or specifications. In the event of the discovery of such an error or omission, immediately give notification. Such corrections and interpretations will then be made as may be deemed necessary for fulfilling the intent of the plans and specifications.

105.05 Cooperation by Contractor. A minimum of 4 sets of approved plans and contract assemblies including special provisions will be supplied. Additional copies of plans and special provisions may be obtained upon written request to the Department, for which payment may be required.

Give the work constant attention necessary to facilitate the progress thereof, and cooperate with the Engineer, his inspectors and other contractors in every way possible.

Have on the work at all times, as your agent, a competent superintendent capable of reading and thoroughly understanding the plans and specifications and thoroughly experienced in the type of work being performed, who shall receive instructions from the Engineer. Designate such superintendent in writing before starting work. The superintendent shall have full authority to execute orders or directions of the Engineer without delay, and to promptly supply such materials, equipment, tools, labor and incidentals as may be required. Furnish such superintendence irrespective of the amount of work sublet.

Whenever the Contractor or his authorized representative is not present on any particular part of the work where it may be desired to give direction, orders will be given by the Engineer to the Contractor's superintendent, foreman, or other person in charge of the operation, who is present, and these orders shall have the same force and effect as if given to the Contractor or his designated representative.

Any order given by the Engineer, not otherwise required by the specifications to be in writing, will on request be given or confirmed in writing.

105.06 Cooperation with Utilities. The Department will notify all utility companies, all pipeline owners, or other parties affected, and endeavor to have all necessary adjustments of the public or private utility fixtures, pipelines, and other appurtenances within the limits of construction, made as soon as practicable.

Water lines, gas lines, wire lines, service connections, water and gas meter boxes, water and gas valve boxes, light standards, cable ways, signals and all other utility appurtenances within the limits of the proposed construction which are to be relocated or adjusted are to be moved by the owners at their expense, except as otherwise provided for in the Special Provisions or as noted on the plans.

Possible underground facilities may exist that are not known to the State or in a location different from that which are shown on the plans or in the Special Provisions. Take steps to ascertain the exact location of all underground facilities before doing work that may damage such facilities or interfere with their service. Locating of underground facilities is the sole responsibility of the Contractor. No reliance may be placed upon the location of underground facilities as noted on the plans.

Where it is determined by the Engineer that the rearrangement of an underground facility, the existence of which is not shown on the plans or in the Special Provisions, is essential in order to accommodate the highway improvement, the rearrangement of such facility will be provided for by other forces or by the Contractor as extra work as provided in Subsection 104.03.

Any delays to the Contractor's operations as a direct result of utility or other nonhighway facilities not being rearranged as herein provided (other than delays in connection with rearrangements made to facilitate construction operations) will be considered right of way delays within the meaning of Subsection 108.12.

Compensation for such delay will be determined according to Subsection 108.12, and no further compensation will be allowed therefore. See Subsection 107.17.

105.07 Cooperation Between Contractors. The Department reserves the right at any time to contract for and perform other or additional work on or near the work covered by the contract.

When separate contracts are let within the limits of any one project, each Contractor shall conduct his work so as not to interfere with or hinder the progress or completion of the work being performed by other Contractors. Contractors working on the same project shall cooperate with each other as directed. Join work with that of the others in an acceptable manner and perform it in proper sequence to that of the others.

Each Contractor involved shall assume all liability, financial or otherwise, in connection with his contract and shall protect, indemnify, defend and hold harmless the Department from any and all damages or claims that may arise because of inconvenience, delay or loss experienced by him because of the presence and operations of other Contractors working within the limits of the same project.

105.08 Construction Stakes, Lines and Grades. Construction stakes establishing lines, slopes, and continuous profile-grade in road work, and centerline and bench marks for bridge work, culvert work, protective and accessory structures and appurtenances will be set as deemed necessary, and all necessary information relating to lines, slopes, and grades will be furnished. These stakes and marks shall constitute the field control by and in under which the Contractor shall establish other necessary controls and perform the work.

Preserve construction stakes and marks. If any of the construction stakes or marks have been carelessly or willfully destroyed or disturbed by the Contractor, the cost of replacing them will be charged against him and will be deducted from the payment for the work.

The Department will be responsible for the accuracy of line, slopes, grades, and other engineering work which is set forth under this Section.

After initial slope staking of horizontal and vertical controls, give 72 hours written notice for any additional required controls. Saturdays, Sundays, and holidays will not be counted as part of the 72 hours.

105.09 Authority and Duties of the Resident Engineer. As the direct representative of the Director of the Department of Transportation, the resident engineer has immediate charge of the engineering details of each construction project. He is responsible for the administration and satisfactory completion of the project. The resident engineer shall have the authority to reject defective materials and to suspend any work that is being improperly performed.

105.10 Duties of the Inspector. Inspectors employed by the Department will be authorized to inspect all work done and all materials furnished. Such inspection may extend to all or any part of the work and to the preparation, fabrication or manufacture of the materials to be used. The inspector will not be authorized to alter or waive the provisions of the contract. The inspector will not be authorized to issue instructions contrary to the plans and specifications, or to act as foreman for the Contractor; however, he shall have the authority to reject work or materials until any questions at issue can be referred to and decided by the Engineer.

105.11 Inspection. All materials and each part or detail of the work shall be subject to inspection by the Engineer. Provide the Engineer acceptable access to all parts of the work and furnish him with such information and assistance as required to make a complete and detailed inspection.

If requested, at any time before final acceptance of the work, remove or uncover such portions of the finished work as may be directed. After examination, restore said portions of the work to the standard required by the specifications. Should the work thus exposed or examined prove acceptable, the uncovering, or removing and the replacing of the covering, or making good of the parts removed will be paid for as extra work according to Subsection 104.03; but should the work so exposed or examined prove unacceptable, the uncovering, or removing and replacing of the covering, or making good of the parts removed will not be paid for.

Any work done or materials used without inspection by the Engineer may be ordered removed and replaced at own expense, unless the Engineer failed to inspect after having been given reasonable notice in writing that the work was to be performed.

When facilities of any unit of government, political subdivision, railroad corporation, or public utility corporation are adjusted or constructed as a part of the work covered by this contract, its respective representatives shall have the right to inspect the work. Such inspection shall in no sense make any unit of government, political subdivision, railroad corporation, or public utility corporation a party to this contract, and shall in no way interfere with the rights of either party thereunder.

105.12 Removal of Unacceptable and Unauthorized Work. Work which does not conform to the requirements of the contract will be considered as unacceptable work, unless otherwise determined acceptable under the provisions in Subsection 105.03.

Immediately remove and replace unacceptable work, whether the result of poor workmanship, use of defective materials, damage through carelessness, or any other cause, found to exist before the final acceptance of the work in an acceptable manner.

Work done contrary to the instructions of the Engineer, work done beyond the lines shown on the plans, or as given, except as herein specified, or any extra work done without authority, will be considered as unauthorized and will not be paid for under the provisions of the contract. Work so done may be ordered removed or replaced at own expense.

Upon failure to comply forthwith with any order of the Engineer, made under the provisions of this Subsection, the Engineer will have authority to cause unacceptable work to be remedied or removed and replaced and unauthorized work to be removed and to withhold the costs from any money due or to become due.

105.13 Load and Speed Restrictions. Do not damage the work when hauling.

When hauling material for incorporation in portions of highways under construction or reconstruction, hereinafter called the project, do not haul loads which are in excess of the limits set by the Department on any new or existing bridge or new and existing bituminous base and surface, cement treated base, or Portland cement concrete paving which is to remain in place for vehicular traffic within the project or between the project and the material deposits or other sources of materials. Comply with load limits established by the Department for the project regardless of the source of materials, whether from designated or nondesignated deposits or approved commercial sources. Unless otherwise permitted in writing, do not exceed the maximum loads limits set forth in NRS Chapter 484.

The Engineer may, for the protection of the traveling public, establish speed limits on or adjacent to the project. Strictly observe such limitations of speed.

Reduce truck loads in excess of 450 kg (1,000 lb) of the maximum gross mass to the legal mass immediately after weighing and before hauling to the placement site. For failure to reduce the load and subsequent hauling of it to the placement site, a 50% reduction in the contract unit price bid for that load will be made, not as a penalty, but as liquidated damages.

Gross construction vehicle weight in excess of legally permitted highway loads will not be allowed on any portion of the cement treated base, roadbed modified base, Portland cement concrete pavement, cold milled bituminous surface or any new or existing base or surface which may become damaged.

105.14 Maintenance During Construction. Maintain the contract work during construction and until the project is accepted, except as provided for in Subsections 104.04 and 107.15. This maintenance shall constitute continuous and effective work prosecuted day by day, with adequate equipment and forces so that the roadway and structures are at all times kept in a satisfactory condition. Take maintenance responsibility for any work performed or to be performed under the contract. Correct or repair all damage attributable to Contractor's operations.

In the case of a contract for the placing of a course upon a course or subgrade previously constructed, maintain the previous course or subgrade during all construction operations.

Except as provided for in Subsections 104.04 and 107.15, include all costs of maintenance work during construction and before the project is accepted in the unit prices bid on the various pay items and an additional payment will not be made for such work.

105.15 Failure to Maintain Roadway or Structure. Immediate notification will be given in writing for failure to comply with the provisions of Subsection 105.14. If failing to remedy unsatisfactory maintenance within 24 hours after receipt of such notice, the Engineer may immediately proceed to maintain the project, and the entire cost of this maintenance will be deducted from money due or to become due.

105.16 Final Inspection and Acceptance. Upon due notice or presumptive completion of the entire project, inspection will be made and if all construction and final cleanup provided for and contemplated by the contract is found satisfactorily completed, that inspection shall constitute the final inspection. See Subsection 104.06.

If, however, the inspection discloses any work, in whole or in part, as being unsatisfactory, necessary instructions will be given for correction of same, and immediately comply with and execute such instructions.

Upon correction of the work another inspection will be made which shall constitute the final inspection provided the work has been satisfactorily completed. In such event notification will be given in writing and the Department will assume maintenance responsibilities for the project as of the date of final inspection.

After final inspection has been established as provided above, the publication of a notice of the date of final acceptance of the contract will be made.

105.17 Claims for Adjustment and Disputes. If, believing that additional compensation is due for work or material not clearly covered in the contract or not ordered as extra work as defined herein, give notification in writing of intention to make claim for such additional compensation before beginning the work on which basing the claim. If such written notification is not given, and the Engineer is not afforded proper facilities by the Contractor for keeping strict account of actual cost as required, then the Contractor shall be deemed to waive any claim for such additional compensation. Such notice and the accounting of the cost as aforesaid, shall not be construed as proving or substantiating the validity of the claim. If the claim is found to be just, it will be paid as extra work as provided herein for "force account" work. Nothing in this Subsection shall be construed as establishing any claim contrary to the terms of Subsection 104.02.

Subcontractor claims will not be considered except as submitted and certified by the Contractor as the Contractor's Claim.

For all claims originating with a Subcontractor, thoroughly evaluate the claim and either admit or deny its validity in a statement sworn to under oath. If denying the claim, do not present the claim to the Department. If the Subcontractor sues the Contractor for payment, the Contractor shall not sue the Department for indemnity, contribution, or under any other theory for participation in the payment of the Subcontractor claim. The Contractor specifically acknowledges that Subcontractor claims are his responsibility, and that he is contractually obligated not to involve the Department in such claims as he himself believes are not valid.

For all claims, certify in writing that the claim is made in good faith, that the supporting data are accurate and complete to the best of knowledge and belief, and that the amount requested accurately reflects the contract adjustment for which the Department is believed liable.

105.18 Value Engineering Proposals. Value Engineering Proposals (VEP) may be submitted in writing for modifying the plans, specifications or other requirements of the contract for the purpose of reducing the total cost of construction without reducing design capacity or quality of the finished product. If accepted, net savings resulting from a VEP will be shared by the Department and the Contractor on a 50-50 basis.

The requirements herein apply to all VEPs initiated and developed by the Contractor and which are identified as such at the time of submission. Nothing herein shall be construed as requiring consideration or approval of a VEP submitted hereunder.

Each VEP shall result in a net savings over the contract costs without impairing essential functions and characteristics of the item(s) or of any other part of the project, including but not limited to environmental considerations, service life, reliability, economy of operation, ease of maintenance, desired aesthetics and safety.

Submit the following information with each VEP:

- (a) A statement that the proposal is submitted as a VEP;
- (b) A statement concerning the basis for the VEP and benefits to the Department together with an itemization of the contract requirements affected by the VEP;
- (c) A detailed estimate of the cost under the existing contract and under the VEP;
- (d) Proposed specifications and recommendations as to how such VEP changes are to be accomplished; and
- (e) A statement as to the time by which a contract change order adopting the VEP must be issued so as to obtain the maximum cost effectiveness.

The VEP will be processed in the same manner as prescribed for any other proposal which would necessitate issuance of a contract change order. The Department may accept in whole or in part any VEP by issuing a contract change order which will identify the VEP on which it is based. The Department will not be liable for failure to accept or act upon any VEP submitted pursuant to these requirements nor for any delays to the work attributable to any such proposal. Until a proposal is effected by contract change order, remain obligated to perform under the terms and conditions of the existing contract. If an executed contract change order has not been issued by the date upon which the proposal specifies that a decision thereon should be made, or such other

date as the Contractor may have subsequently specified in writing, such proposal shall be deemed rejected.

The contract change order effecting the necessary contract modification will establish the net savings agreed upon, will provide for adjustment in the contract prices and will indicate the new savings to be equally divided between the Contractor and the Department. Absorb all costs incurred in preparing a VEP for submission. All reasonably incurred costs of reviewing and administering the VEP will be borne by the Department. The Department reserves the right to include in the agreement any conditions it deems appropriate for consideration, approval, and implementation of the proposal. The Contractor's 50% share of the net savings shall constitute full compensation to him for effecting all changes pursuant to the agreement.

Acceptance of the VEP and performance of the work thereunder will not change the contract time limit as a result of the VEP, unless specifically provided for in the contract change order authorizing the VEP.

The Department expressly reserves the right to adopt a VEP for general use in contracts administered by the Department when it determines that said proposal is suitable for application to other contracts. VEPs identical or similar to previously submitted proposals will be eligible for consideration and compensation under these provisions if such proposals were not previously adopted for general application to other contracts administered by the Department. When a VEP is adopted for general use, compensation pursuant to these requirements will be applied only to those contracts awarded and for which the subject VEP has been submitted before the date of adoption of the specific VEP.

Proposed changes in the basic design of a bridge or pavement type, traffic control plan, or changes which require different right of way limits, will not normally be considered as an acceptable VEP.

The elimination or changes to the required marination of plantmix bituminous aggregates will not be considered as an acceptable VEP.

The Engineer shall be the sole judge of the acceptability of a VEP.


Subject to the provisions contained herein, the Department or any other public agency shall have the right to use all or part of any accepted VEP without obligation or compensation of any kind to the Contractor.

In the event a VEP is accepted by the Department, the provisions of Subsection 104.02 which pertain to adjustment of contract unit prices due to alterations of contract quantities will not apply to items adjusted or deleted as a result of effecting the VEP by contract change order.

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January 8, 1991

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Approved: 

Contract Claims Review Board

1. PURPOSE AND SCOPE

To establish procedures for conducting hearings and determining the validity of claims against the Department arising out of contracts.

2. POLICY

It is the policy of the Department to hear each Contract claim against the Department, to ascertain the facts through examination by a Contract Claims Review Board (CCRB), and to obtain Federal-aid reimbursement where appropriate.

3. RESPONSIBILITIES

- a. The Administrative Services Officer will serve as the CCRB Chairman. He is responsible for coordinating and distributing this TP. He is further responsible for maintaining necessary relationships with private parties serving as CCRB members, scheduling CCRB hearings, conducting the hearings and preparing documentation for the purpose of obtaining federal participation.
- b. The Contract Claims Review Board (CCRB) is responsible for hearing claims presented to the Department, for ascertaining the facts in each case and, with the help of the chairman, for preparing a report of its findings and recommendations to the Director.
- c. The Construction Division is responsible for:
 - (1) Receiving all original comments from the Resident and District Engineers and other Divisions that may be involved, forwarding same to the CCRB chairman and requesting a hearing be scheduled.
 - (2) Notifying the FHWA of intent of claim on all Federal-aid projects.
 - (3) Providing documentation to support the Construction Division's decision.
 - (4) Preparing a PURCHASE ORDER/VOUCHER PAYABLE for payment if directed by the Director.
 - (5) Informing the Accounting Division of the Director's decision if accepted by the contractor.
 - (6) Disseminating information to Department personnel which serves to prevent similar claims from arising on future contracts.

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- d. The District/Resident Engineers are responsible for those directives outlined in the Construction Manual, section 3-201.3 (Legal Relations and Claims) and other duties outlined in this TP.
- e. The Legal Division shall be responsible for attending all Contract Claims Review Board hearings and all meetings where the Board members deliberate and, upon request, provide any legal advice required.
- f. The Director, after reviewing the facts and recommendations of the CCRB, makes the final determination of the claim. The Director may accept, reject or modify the CCRB recommendation or remand it back to the CCRB for further consideration.

4. DESCRIPTION AND DUTIES OF THE CLAIMS REVIEW BOARD

- a. The CCRB will consist of three voting members appointed by the Director. As determined by the director, at least one but not more than two members of the CCRB will be from the private sector. These private sector members may be recommended to the Director by various groups representing contractors, professional civil engineers or other professional construction or engineering groups. The private sector members shall not be actively involved in the highway construction industry during their tenure on the CCRB. These members will be reviewed for appointment at least every two (2) years, but may be removed earlier if the Director so decides.
- b. The other one or two voting members, as required, shall be selected by the Chairman and will be employees of NDOT. The NDOT member(s) shall be either District/Assistant District Engineers from a district other than where the project is located or the Division Chief or in the alternative at least be an Engineer V from the Materials and Testing, Roadway Design, Maintenance or Bridge Divisions.
- c. Meetings of the CCRB shall be scheduled and conducted by the Chairman of the CCRB. The CCRB Chairman will moderate the CCRB hearings and when necessary help the Board ascertain the facts regarding the claim, but will not have a vote on committee decisions. The Chairman shall schedule the hearings and insure that the claim materials and pre hearing documents are submitted to the members of the Board and, when applicable, to FHWA prior to the hearings. The Chairman will provide clerical support for the CCRB.
- d. The CCRB shall conduct hearings on claims as soon after completion of the project as possible. The CCRB members are to be neutral and will

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not serve as advocate for either the contractor or the department. Decisions of the Board must be limited to the facts as ascertained and based upon legal and contractual requirements of the contract and its related specifications.

- e. The CCRB hearing is an administrative process to help determine facts and develop recommendations for the Director. As such, the Nevada Rules of Civil Procedure and Nevada Rules of Evidence will not apply. Attendance at the hearing will be limited to required NDOT personnel, the contractor and his required employees. The CCRB and the Chairman will conduct the meeting in a manner they deem best fulfills the intent of the review board objectives. Attendance during CCRB deliberations after the hearing will be limited to the CCRB members, the Chairman and NDOT's legal representative.
- f. On contracts involving federal funds, the FHWA will be notified of the hearing by the Chairman and their representative may attend the hearing.

5. PROCEDURES

- a. The contractor must present the claim with supporting documentation to the Resident Engineer, who will retain a copy and forward the original to the Construction Division with copies to District. The Construction Engineer will forward the notice to the CCRB Chairman and, when applicable, the FHWA.
- b. The Resident Engineer will review the claim, document pertinent facts, and submit a recommendation to the Construction Division with a copy to the District.
- c. The District Engineer will review the claim, document all pertinent facts, and submit a recommendation to the Construction Division with a copy to the Resident Engineer.
- d. The Construction Engineer will review the claim and submit a recommendation to the CCRB Chairman. He will also forward to the Chairman copies of all reports and recommendations and request a hearing.
- e. The CCRB Chairman, upon receipt of notification of the completion of the project and upon receipt of the recommendations of the Resident, District and Construction Engineers, shall establish a CCRB hearing date. Copies of the claim, contract plans and special provisions and any other pertinent materials shall be provided by the chairman to members of the Review Board, the Legal Division and, when applicable, the FHWA.
- f. The CCRB Chairman shall prepare, upon direction of the CCRB, a written recommendation and, upon approval of the CCRB, submit the recommendations and supporting materials to the Director for final determination.

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- g. The Director shall make the final determination and forward said determination along with the original recommendation of the CCRB to the Chairman. The Chairman shall prepare a proposed letter to the contractor in accordance with the Director's determination, include a copy of the CCRB recommendation and forward said proposed letter to the Director for his signature.
- h. The contractor may accept the Director's decision by signing and returning the release of all claims provided by the Department within thirty (30) days of receipt of the Director's decision. Return of the properly executed release is a condition precedent to the payment of any money to the contractor. If the contractor fails to accept the Director's decision as provided herein, it shall be deemed withdrawn.
- i. If the contractor does not agree with the decision he may, within the time allowed in Section 5-h above, request the Director to reconsider. In such case the request will be in writing and will be specific in outlining any errors, omissions or newly discovered information that would be sufficient to warrant reconsideration.
- j. The Chairman shall be responsible for distribution of the final agency determination, sending copies of the CCRB recommendation and the Director's determination to the Construction Division, Legal Division, appropriate District and Resident Engineer and, when applicable, the FHWA.
- k. Upon receipt of Contractor acceptance, the Chairman will notify the Construction Division which will then prepare, if applicable, a PURCHASE ORDER/VOUCHER PAYABLE, Form 060-067, to pay the claim. Reference to the claim must be entered in the body of the purchase order and a copy of the Director's determination will be attached.
- l. Purchase orders for Federal-aid project claims must be coded with cost account 247.00, the appropriate contract number, and non-participating Fund 9, pending an eligibility determination by the FHWA Division Administrator. These costs are exclusive of Items referred to in Section 5-o below.
- m. When federal funds are involved, the Chairman will prepare or have others prepare for the Assistant Director of Operations' signature written justification requesting federal participation in any payment approved by the Director. Such justification will set forth the legal and contractual basis for the payment and will include all cost data and other facts supporting the award. If participation is approved, the Chairman will notify the Construction Division who will prepare an Adjustment Memorandum (NDOT 060-009) to the Accounting Division correcting the funds from 09 to 01. If necessary, in complex cases, the legal division will prepare for FHWA review a written outline regarding the extend of liability under local law.

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- n. The Accounting Division will take appropriate action to submit documents to FHWA for proportional Federal-aid for any authorized amounts of the claim, court costs, attorney fees, salaries, and other costs of the CCRB.
- o. All costs of the CCRB must be coded to the contract and cost account 248.000. Fund 1 must be used when reviewing claims on Federal contracts and Fund 9 when reviewing claims on State-only contracts.
- p. The Audit Division will perform audits on the claims as requested by the CCRB or as the Audit Division deems appropriate.

END

Start Date	Due Date	Subject	<input checked="" type="checkbox"/>
Mon 12/10/2013	Mon 8/12/2013	ITEM 1: Question to Dennis G. re: residency requirements December 9, 2013 Dennis G. reported his opinions to the CWG December 2, 2013: Research has been completed. Dennis G. (CDAG) will make an oral report to the CWG during the December 9, 2013 meeting.	<input checked="" type="checkbox"/>
Mon 12/10/2013	Mon 8/12/2013	ITEM 2: Payments to primes on the web November 7, 2013 – the payments to contractors on the internet went live. This was communicated to the contracting community through the November 7th Contractor Bulletin giving instructions on how to reach the information. In December we will stop mailing...	<input checked="" type="checkbox"/>
Mon 3/11/2013	Mon 8/12/2013	ITEM 3: Distribute minutes of the RE Meeting August 12, 2013 – The RE Meeting Final Report were included in the CWG meeting materials 2013-07-11: The Final Report and appendices were emailed to me from Sharon F. this morning. The files are quite heavy.	<input checked="" type="checkbox"/>
Mon 3/11/2013	Mon 8/12/2013	ITEM 4: Distribute the FHWA Program Review on Project Closeout and Inactive... August 12, 2013 – The Project Closeout and Inactive Funds Management Report were included in the CWG meeting materials. Paul Schneider, FHWA, made a presentation during public comment of the March 11 meeting about a	<input checked="" type="checkbox"/>
Mon 5/13/2013	Mon 11/11/2013	ITEM 5: FHWA DBE Process Review December 2, 2013 – Yvonne Schumann (Civil Rights Officer) reports that we have been negotiating final recommendations with FHWA and the Final Report should be completed soon. During the May CWG meeting Yvonne mentioned the FHWA conducted a process rev...	<input type="checkbox"/>
Mon 5/13/2013	Mon 8/12/2013	ITEM 6: Distribute RE Survey results August 12, 2013 – The RE and Industry Surveys was included in the CWG meeting materials. 2013-07-11: The survey is included in the RE meeting final report 2013-06-28: Tracy LT. responded to an email saying these would be ready for the August CWG meetin...	<input checked="" type="checkbox"/>
Mon 5/13/2013	Mon 12/30/2013	ITEM 7: Monthly Contractor Pay February 10, 2014 Reported to the TransBoard that we will remain with Bi-weekly contractor pay. December 9, 2013: reported recommendations to the CWG. CWG moved and approved staff recommendations to keep contractors pay cycle bi-weekly.	<input checked="" type="checkbox"/>
Mon 5/13/2013	Mon 8/12/2013	ITEM 8: Response to question on consultant audits August 12, 2013 – email to the Controller was included in the CWG meeting materials. 2013-06-29: Bill H. forwarded the email to Rick N. This email will be included in the old business portion of the August 2-13 CWG meeting.	<input checked="" type="checkbox"/>
Mon 5/13/2013	Mon 8/12/2013	ITEM 9: Report on contract overpayments November 13, 2013 – Mr. Savage was briefed regarding contractor overpayments by the Director, Nelson and Shapiro. Aug 12, 2013: A report was made to the CWG. Mr. Savage requested a briefing to review the payments	<input checked="" type="checkbox"/>
Mon 5/13/2013	Mon 5/13/2013	ITEM 10: Distribute Civil Rights PPT August 12, 2013 – a hard copy of the PPT was included in the CWG Meeting materials. 2013-05-13: Claudia emailed the Civil Rights PPT to the CWG members <end>	<input checked="" type="checkbox"/>
Mon 9/9/2013	Mon 12/9/2013	ITEM 11: Contract Change Orders December 9, 2014 Discussed at the CWG meeting. Staff will report on substantial change orders and Prior Authorizations as soon as they are aware of them to keep the CWG informed. December 2, 2013 – this item will be placed on the December 9, 2013 CWG A...	<input checked="" type="checkbox"/>

Start Date	Due Date	Subject	<input checked="" type="checkbox"/>
Wed 11/13...	Mon 12/9/2...	Item 12: Discuss FSP self-performed costs	<input checked="" type="checkbox"/>
<p>February 10, 2014 the first quarterly report of FSP activities was made to the TransBoard December 9, 2013 the actual costs of the FSP self performed pilot was discussed along with the operational parameters. December 2, 2013 – This item will be placed ...</p>			



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MEMORANDUM

February 21, 2014

To: Department of Transportation Board of Directors,
Construction Working Group

From: Rudy Malfabon, Director

Subject: March 10, 2014 Construction Working Group Meeting

Item #8A: Briefing on Internal Resource Five Year Plan and Upcoming Construction Projects

Summary:

The Department of Transportation uses the NDOT's Internal Resource Five Year Plan (5 Year Plan), along with Project Scheduling and Management Software (PSAMS), the Project Countdown, and the STIP, to plan for the delivery of projects. While the STIP is fiscally constrained the 5 Year Plan is not. The 5 Year Plan is intentionally over allocated to assure enough projects are ready to advertise understanding that issues may, and have, come up that could delay a project late in development. This informational item is to make the CWG aware of the 5 Year Plan and how NDOT uses it in the development of projects. Also included and up for discussion is the Upcoming Construction Projects list that summarizes the projects anticipated to be advertised for construction each month in the next year. This is a summary report produced from PSAMS.

Background:

At NDOT, projects are advanced in the planning process and the STIP is developed and modified based upon fiscal constraints of anticipated funding. It has proven very difficult to plan for the development of projects entirely based upon the STIP due to its complicated format, extensive process for coordination with MPOs, and slow process for changes and amendments. The PSAMS system gives a lot of detail on every project under development and added features have made it much more useful for statusing and managing projects, but it does not provide a simple listing of projects that are under development in the next five years.

The Five Year Plan was developed in the last two years to have a summarized list of projects under development by NDOT. The Design Division prepares and maintains the 5 Year Plan with input from many other divisions. It is intentionally over allocated in terms of anticipated construction costs versus available funding per year. It is coordinated with both the STIP and PSAMS. The main purpose of the 5 Year Plan is to provide a simple, concise list to make staff aware of the projects to be delivered in each major category in each federal fiscal year. The over allocation is to assure enough projects are available for construction even with changing bid environment leading to

bids under engineer's estimate and issues that arise leading to projects being delayed or cancelled late in the design process.

Director Malfabon has recently requested that NDOT allocate construction dollars in FY 2015 and beyond to certain specific groups that have not had specific allocations in the past such as; ADA, Bike and Peds, Storm Water Management, etc. These elements are in the process of being added to the 5 Year Plan but have not all been included yet.

Analysis:

The Department has found the 5 Year Plan to be helpful in summarizing the work to be developed in the next few years and the format allows for rapid changes or alternative project analysis should the situation change. Staff has been able to see the projects they should be working to deliver in a simple format. Allocations to additional groups are in the process of being added and prioritized. This informational item is to introduce the 5 Year Plan, and the Upcoming Construction Projects lists to the CWG and to spur discussion.

List of Attachments:

1. NDOT Internal Resource Five Year Plan, February 18, 2014
2. Upcoming NDOT Construction Projects, January 2014

Recommendation for CWG Action:

1. For Information Only.

Prepared by:

John M. Terry, Assistant Director – Engineering/Chief Engineer

NDOT'S INTERNAL RESOURCE FIVE YEAR PLAN
(Not Fiscally Constrained)

February 18, 2014

PROGRAM PRIORITY	PIN/PCEMS	MAJOR PROJECTS (over \$500k)	FY2014	FY2015	FY2016	FY2017	FY2018	NOTES
High	73652	NEON - R/W AC	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	
	60566	Airport Connector	\$ 35,000,000					Clark County Project - State Settlement
Med	2-03254 CONSTRUCT3	Boulder City Bypass - Phase 1 Package 3	\$ 50,100,000					May move to 2015 Includes RR Bridge (pkg 5) and Ped Bridge for COH;\$ 10 M RTC funds over and above \$50 M and \$1.9 M CMAQ for COH bridge.
	73824	SR 593 Tropicana Avenue (Escalators)	\$ 20,000,000					
Med	2-03250 Constpkg3A	US 95 NW Phase 3A; CC215 from US 95 to Tenaya Way - N/E & W/S Ramps and S/B collector road	\$ 40,000,000	\$ 40,000,000				Backup project if Boulder City goes in 2015 STIP needs to be updated Funding Not Identified Project scope, limits and estimate TBD
Med	73307	Boulder City Bypass - Utility Work		\$ 13,425,300				Utility work removed from 2B
Med	60604	Carson City Freeway - Phase 2B-3		\$ 42,000,000				At grade intersection alternative
Low	73395	SR 160 Phase 1, East end beginning at SR 159		\$ 25,000,000		\$ 25,000,000		Contingency Project
Med	1-03352 Const2A	I-15 North - Part 2 Package A			\$ 19,000,000			Moved from 2014 to 2016
Med	1-03352 Const2E	I-15 North - Part 2 Package E (Remainder of FAST Package D)			\$ 2,210,000			Moved from 2014 to 2016
Med	1-03352 Const2C	I-15 North - Part 2 Package C (Bridges)			\$ 3,500,000			Could Be Delivered in FY 2015
Med	1-03352 Const2D	I-15 North - Part 2 Package D (Capacity Imp.)			\$ 29,400,000			Could Be Delivered in FY 2015
		I 515 - Operational Improvements				\$ 40,000,000		Scope and Budget to be determined
		SR 593 Tropicana - Operational Improvements				\$ 40,000,000		Scope and Budget to be determined
Low	2-03250 CONSTRPKG2B	US 95 North - Phase 2B (Durango Drive to Kyle Canyon Rd.)				\$ 36,353,000		
Med	6-03145	I 15 North - Phase 4 (A Phase of the I-15/CC-215 Interchange)					\$ 40,000,000	Phase Scope and Budget to be determined
		I 580 Operational Improvements					\$ 40,000,000	Scope and Budget to be determined
Low	2B Scheduled	SR 160 Phase 2, West end ending at Mtn. Springs					\$ 47,500,000	
Med	2-19073	US 50, Roy's Road to US-95A - Package 2					\$ 36,000,000	
MAJOR PROJECTS (over \$500k)			\$ 165,100,000	\$ 100,425,300	\$ 71,900,000	\$ 136,353,000	\$ 183,500,000	

PROGRAM PRIORITY	PIN/PCEMS	ROADWAY (3R) PROJECTS	FY2014	FY2015	FY2016	FY2017	FY2018	NOTES
3R - 3	73651/60577	I 80 - 0.95 MW of Golconda Intg to 0.89 ME of Pumpernickel Vly Intg; FRHU05 on S side of the Golconda Intg to S cattlesguard; FRHU05 on N side of the Golconda Intg to the Jct with SR 789.	\$ 16,000,000					
3R - 4	73788	I 580 from Moana Lane to Glendale Ave.	\$ 16,000,000					
3R - 7	73638/60552	SR 431 from 0.106 miles East of Mt Rose Summit to US 395	\$ 14,180,000					Cost estimate increased from 7.5 M
3R - 8	73643/60590	SR 207, Kingsbury Grade, from US 50 to 3.76 miles East of US 50	\$ 16,500,000					Cost estimate increased from \$7.9M
3R - 11	73645/60609	US 50 from 0.343 ME of Deer Run Rd to 0.499 ME of SR 341	\$ 8,079,000					Cost estimate increased from 5.1 M, includes 1.5 M in safety funds
3R - 14	73556/60553	US 95 from 1.189 MN of FRCL34 to 1.688 MS of Jackass Flat Road	\$ 22,000,000	\$ 22,000,000				Backup project if Boulder City slips to 2015
3R - 10	73781	SR 604, Las Vegas Blvd, from Tonopah Ave to .08 MN of Craig Rd	\$ 12,000,000					Cost increase from \$7.1 M
3R - 13	73637/60616	I 580 from the S/B Off Ramp at the N. Carson St. Int. to 0.86 MS of the Bowers Int.	\$ 17,500,000					Description Change
3R - 15	73784	US 95 from 0.796 MS of Dry Wash B-1478, to the ES/NY Co Line	\$ 8,000,000					
3R - 12	73780	SR 592, Flamingo Road, from Paradise to Boulder Highway	\$ 17,300,000	\$ 17,300,000				Contingent on Road Transfer
3R - 9	73779	SR 593, Tropicana Ave, from Dean Martin to Boulder Highway			\$ 26,000,000			Delayed to address ADA issues - Cost increased from \$16M
		I 15 Various Ramps			\$ 10,000,000			Pending 3R Program Approval
		I 580 Various Ramps			\$ 10,000,000			Pending 3R Program Approval
		US 50 LY/CH Co. Line to US 50A			\$ 13,000,000			Pending 3R Program Approval
		US 93 Cattle Pass to SR 229			\$ 9,000,000			Pending 3R Program Approval
		US 93 Success Summit Rd.			\$ 6,900,000			Pending 3R Program Approval
		I 80 Imlay to Dunn Glen			\$ 16,100,000			Pending 3R Program Approval
3R - 16	73549	SR 648, Glendale Ave, from Kietzke Ln to McCarran Blvd.				\$ 15,000,000		Delayed to address ADA issues - 2017 Per Material's priorities
		I 580 Carson City Bypass North				\$ 4,900,000		Pending 3R Program Approval
		I 80 Grays Creek to Moore Interchange				\$ 22,000,000		Pending 3R Program Approval
		I 80 West Strip Grade Sep to East Winnemucca Intch				\$ 8,600,000		Pending 3R Program Approval
		US 50 Ely				\$ 18,200,000		Pending 3R Program Approval
		SR 596 Jones Blvd.				\$ 7,000,000		Pending 3R Program Approval
		US 93 Near Garnet Interchange				\$ 22,000,000		Pending 3R Program Approval
		SR 157 and SR 156 Kyle and Lee Canyon Roads				\$ 13,200,000		Pending 3R Program Approval
		I 580 Moana to Mill Partial Reconstruction Northbound				\$ 15,000,000		Pending 3R Program Approval
		US 50 Fallon				\$ 8,500,000		Pending 3R Program Approval
		SR 28 Incline to NV/CA Stateline				\$ 3,100,000		Pending 3R Program Approval
		I 80 Pumpernickel Valley Intch to Stonehouse Intch				\$ 8,900,000		Pending 3R Program Approval
		I 80 Okle Grade Sep to Osino				\$ 13,100,000		Pending 3R Program Approval
		SR 227 Lamolille Road				\$ 6,600,000		Pending 3R Program Approval
ROADWAY (3R) PROJECTS			\$ 92,759,000	\$ 54,800,000	\$ 91,000,000	\$ 68,700,000	\$ 97,400,000	

PROGRAM PRIORITY	PIN/PCEMS	BRIDGE/STRUCTURES PROJECTS (over \$500k)	FY2014	FY2015	FY2016	FY2017	FY2018	NOTES
Bridge - 1		Bridge Inventory/Inspection Program	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		Annual Program
Bridge - 2	6-31206	B-178 (Virginia St) Bridge Replacement	\$ 10,000,000					City of Reno Project
Bridge - 3	73548	FR EU 02 Near Dunphy at the UPRR and at the Humboldt River	\$ 9,500,000					Moved from FY 13 to FY 14
Bridge - 6	73760	I 580 at Airport Ramps In WA Co. Seismic Retrofit and Rehabilitation of Structures I-1773 and I-1774	\$ 1,520,000					Adv with 73788 (3R-4)
Bridge - 18	73753	FR PE 01, G-29 Structure Removal	\$ 1,400,000					
Bridge - 7	73701	Eden Valley Rd at Humboldt River. Replace off-system structure B-1658		\$ 7,000,000				Cost estimate increased from \$4.2 M
Bridge - 8	Not Scheduled	I 515 at Flamingo Interchange, MSE Wall Rehabilitation		\$ 2,500,000				
Bridge - 4	73762	Bridge B-1610 Nordyke Rd Over The East Fork of the Walker River In LY		\$ 1,100,000				
Bridge - 5	73797	I 515 at LV Downtown Viaduct - Rehab/Retrofit G-947, I-947R & I-947M		\$ 6,000,000				
Bridge - 9	73750	SR 447 Washoe County Near Nixon #B-1351 Mp 15.49		\$ 1,092,500				
Bridge - 12	73796	I 15 North Las Vegas - Rehab/Retrofit H-948, G-949, G-953 & I-956		\$ 1,500,000				
Bridge - 13	73801	US 395, WA & DO Co - Rehab/Retrofit I-1261, B-821 N/S, B-1262 N/S & B-1263 N/S		\$ 2,500,000				
Bridge - 14	73798	SR 115, Harrigan Rd, at L Line Canal. Replace Structure B-100		\$ 1,000,000				
Bridge - 20	73799	I 80 at Truckee River & UPRR near Verdi. Address Scour B-764 E/W & G-772 E/W		\$ 3,500,000	\$ 3,500,000			Moved from 2015 to 2016
Bridge - 11	73800	SR 757, Muller Lane at Carson River. Replace B-474			\$ 1,200,000			
Bridge - 15	Not Scheduled	I 80 at Fernley/Wadsworth - Rehab/Retrofit I-717 E/W, I-740 E/W, H-844 E/W, I-700 E/W & B-716 E/W			\$ 6,000,000			
Bridge - 16	Not Scheduled	I 515 at Boulder & Sahara - Rehab/Retrofit I-1449 & H-1446			\$ 750,000			
Bridge - 19	Not Scheduled	SR 605, Paradise Rd, at Tropicana Wash. Replace B-1344			\$ 1,500,000			
Bridge - 21	Not Scheduled	I 15 at Muddy River - Rehab/Retrofit B-781 N/S			\$ 2,000,000			
Bridge - 22	Not Scheduled	SR 589, Sahara Ave, at UPRR. Rehab/Retrofit G-1064			\$ 1,400,000			
Bridge - 23	Not Scheduled	US 50 at Carson River west of Fallon. Address Scour B-1557			\$ 600,000			
Bridge - 24	Not Scheduled	SR 206, Genoa Lane, at Carson River. Address Scour B-1239			\$ 300,000			
Bridge - 17	Not Scheduled	SR 163 at Colorado River in Laughlin. Replace or Rehabilitation Structure B-1847				\$ 10,000,000		
Bridge - 25	Not Scheduled	SR 88 in Douglas County - Rehab/Retrofit B-553, B-575, B-580, B-576 & B-627				\$ 4,000,000		
BRIDGE/STRUCTURES PROJECTS (over \$500k)			\$ 24,420,000	\$ 24,692,500	\$ 19,250,000	\$ 16,000,000	\$ -	

PROGRAM PRIORITY	PIN/PCEMS	SAFETY PROJECTS (over \$500k)	FY2014	FY2015	FY2016	FY2017	FY2018	NOTES
		Strategic Highway Safety Plan	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	Annual Program
		Traffic Incident Management		\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	Annual Program
Safety - 2	60584	US 93, pkg 2 MP EL 12.00 to EL 54.47 - Shoulder widening & slope flattening	\$ 9,100,000					Carried over from FY13 - pkg 3 work being added
Safety - 14	8-03126	Multiple Intersections in Dist. 1 (CNLV) pkg 2 - Replace Signal/Ped Heads	\$ 885,000					
Safety - 15	8-03128	Multiple Intersections in Dist. 1 (CLV) pkg 2 - Replace Signal/Ped Heads	\$ 1,780,000					
Safety - 17	73711 (PE)	SR 147, Lake Mead Blvd, pkg 1 - CL 34.61 to CL 41.79 - CL 9.67 - CL 14.23	\$ 6,500,000					Project scope, limits set - pkg 1 no R/W
	73856	SR 160 @ Buffalo, Cimarron, & Durango - Signal and Ped Access	\$ 1,270,000					
	73807	SR 318 - Enhanced Milepost Markers	\$ 760,000					
	2-05116	US 395 South of Gardnerville at the Indian Colony DO 17.89	\$ 1,200,000	\$ 610,000				Cost increase from \$610k
Safety - 20	73712 (PE)	US 95 MP ES 20.00 to ES 44.13 - Shoulder widening and slope flattening	\$ 5,000,000					

NDOT'S INTERNAL RESOURCE FIVE YEAR PLAN (Not Fiscally Constrained)

PROGRAM PRIORITY	PIN/PCEMS	SAFETY PROJECTS (over \$500k) con't	FY2014	FY2015	FY2016	FY2017	FY2018	NOTES
Safety - 19	73712 (PE)	US 95 MP ES 0.00 to ES 20.00 - Shoulder widening and slope flattening		\$ 5,000,000				
Safety - 5	73616	US 95 From 0.16 MS of the Junction with SR 726 to 0.822 MS of the Trailing Edge of B-680, CH 28.00 to CH 57.00		\$ 10,000,000				Cost increase
	73837	SR 372 @ Blagg Roundabout			\$ 674,500			
	73841	SR 372 @ Pahrump Valley Roundabout			\$ 1,092,250			
Safety - 8	Not Scheduled	SR 147, Lake Mead Blvd from Civic Center to Pecos - Safety Improvements			\$ 4,500,000			
Safety - 12	2-23065	US 95 MP NY 60.0 to NY 80.0 - Shoulder widening			\$ 4,500,000			
	Not Scheduled	US 395 at Airport, Johnson Land and Stephanie Lane			\$ 750,000		\$ 750,000	
Safety - 21	73715	US 95 MP NY 80.0 to NY 107.24 - Shoulder widening and slope flattening			\$ 5,000,000			
Safety - 27	2-23064	US 95 NY 7.00 to NY 30.00 - Shoulder widening and slope flattening				\$ 4,500,000		
Safety - 25	Not Scheduled	US 93 MP CL 60.00 64.52 to CL 86.58 - Shoulder widening and slope flattening		\$ 4,500,000			\$ 10,350,000	Cost increase from \$4.5 M
Safety - 7	Not Scheduled	SR 667, Kietzke Lane, Safety Improvements - pkg 1		\$ 3,700,000			\$ 3,700,000	Project scope, limits and estimate TBD- moved from 2015
Safety - 18	Not Scheduled	SR 667, Kietzke Lane, Safety Improvements - pkg 2			\$ 3,700,000			Project scope, limits and estimate TBD-2019
Safety - 23	Not Scheduled	SR 667, Kietzke Lane, Safety Improvements - pkg 3				\$ 3,700,000		Project scope, limits and estimate TBD-2020
Safety - 23	Not Scheduled	SR 667, Kietzke Lane, Safety Improvements - pkg 4						Project scope, limits and estimate TBD-2021
Safety - 10	73713	US 95 MP HU 33.0 to HU 53.0 - Shoulder widening and slope flattening			\$ 4,000,000			Very Low Priority
Safety - 11	2-13034	US 95 MP HU 53.0 TO HU 73.76 - Shoulder widening and slope flattening			\$ 3,500,000			Very Low Priority
Safety - 22	73714	US 95 MP NY 30.0 to NY 60.0 - Shoulder widening and slope flattening				\$ 7,500,000		Very Low Priority
Safety - 9	Not Scheduled	Multiple Intersections in Dist. 2 - Replace Signal and Ped Heads Pkg 1	\$ 1,000,000					DELETE was a place holder
Safety - 16	Not Scheduled	Multiple Intersections in Dist. 2 - Replace Signal and Ped Heads Pkg 2	\$ 1,250,000					DELETE was a place holder
	Not Scheduled	Multiple Intersections in Dist. 2 - Replace Signal and Ped Heads Pkg 3			\$ 1,000,000			DELETE was a place holder
	Not Scheduled	Multiple Intersections in Dist. 2 - Replace Signal and Ped Heads Pkg 4				\$ 1,250,000		DELETE was a place holder
Safety - 17		SR 147, Lake Mead Blvd, pkg 2 - CL 7.56 - CL 9.67						TBD - Project scope, limits set - pkg 2 R/W
	Not Scheduled	SR 318 WP 0.00 TO WP 22.56 - Shoulder widening and slope flattening					\$ 5,000,000	DELETE
Safety - 24	Not Scheduled	US 6 MP MI 0.00 to MI 12.00 - Shoulder widening and slope flattening				\$ 3,500,000		2023 \$5,550,000
	Not Scheduled	SR 318 LN 0.00 TO LN 48.83 25.00 - Shoulder widening and slope flattening					\$ 10,000,000	2025 \$11,650,000
	Not Scheduled	SR 318 LN 25.00 TO LN 48.83 - Shoulder widening and slope flattening						2026 \$11,650,000
Safety - 26	Not Scheduled	US 93 LN 0.00 to LN 50.00 25.00 - Shoulder widening and slope flattening				\$ 10,000,000		2029 \$11,650,000
Safety - 26	Not Scheduled	US 93 LN 25.00 TO LN 50.00 - Shoulder widening and slope flattening				\$ 10,000,000		2030 \$11,650,000
SAFETY PROJECTS (over \$500k)			\$ 22,445,000	\$ 21,550,000	\$ 18,066,750	\$ 6,050,000	\$ 15,600,000	

PROGRAM PRIORITY	PIN/PCEMS	TRAFFIC OPERATIONS PROJECTS (over \$500k)	FY2014	FY2015	FY2016	FY2017	FY2018	NOTES
Ops - 1A	1-31205	Freeway Service Patrol - Incident Response Vehicle - Las Vegas	\$ 775,000	\$ 775,000	\$ 775,000	\$ 775,000	\$ 775,000	Annual Program
Ops - 1B	1-03325	Freeway Service Patrol - Reno	\$ 365,000	\$ 365,000	\$ 365,000	\$ 365,000	\$ 365,000	Annual Program
Ops - 1C	1-03325	Freeway Service Patrol - Las Vegas	\$ 1,842,000	\$ 1,842,000	\$ 1,842,000	\$ 1,842,000	\$ 1,842,000	Annual Program
Ops - 4	1-03369	I 15 from AZ State Line to Speedway - Install ITS infrastructure FAST Pkg H	\$ 15,000,000					Contingency CMAQ
Ops - 2	8-25014	Washoe Valley Wind Warning System	\$ 4,200,000	\$ 4,000,000				Funding Not Identified - State Funds?
Ops - 3	1-03376	Replace DMS signs, I 15 at Sahara, Tropicana, Summerlin		\$ 600,000				Funding Not Identified
		Replace Faulty High Mast Lowering Systems along I-15, Phase 1		\$ 3,000,000				Funding Not Identified
	2-03276	US 95 from Bypass to Laughlin - Install ITS infrastructure, FAST Pkg K		\$ 8,000,000	\$ 8,000,000			Funding Not Identified - Ready in 2015
Ops - 6	1-31220	I 580 from Neil Road to Moana - Install ITS infrastructure, TM Pkg 1		\$ 2,000,000	\$ 2,000,000			Funding Not Identified
		Replace High Mast HPS Lighting with LED Lighting			\$ 1,500,000			Funding Not Identified
Ops - 11	3-03176	SR 160 from Pahrump to I 15 - Install ITS devices FAST Package J			\$ 8,000,000	\$ 8,000,000		Funding Not Identified
Ops - 5	8-00250	District 3 - Install Rural ITS Smart Zones Pkg A		\$ 2,000,000		\$ 2,000,000		Funding Not Identified
	1-31221	Install Electronic Check Station Signage, I 80 at Garson Road				\$ 200,000		Funding Not Identified - Ready in 2016
Ops - 14	1-31219	I 580 from Mt. Rose to Neil Road - Install ITS infrastructure, TM Pkg 2				\$ 10,000,000		Funding Not Identified
Ops - 7	8-00249	District 1 - Install Rural ITS Smart Zones Pkg A			\$ 2,000,000		\$ 2,000,000	Funding Not Identified
Ops - 12	Not Scheduled	I 580 from Mt. Rose to College Parkway - Install ITS infrastructure, WC Pkg 1				\$ 12,000,000	\$ 12,000,000	Funding Not Identified
Ops - 16	8-00250	District 3 - Install Rural ITS Smart Zones Pkg B		\$ 1,000,000				Moved to 2019+
	1-03371	I 15 North from I 215 to US 95 - Advanced Traffic Management			\$ 10,000,000			Funding Not Identified - Included in Proj NEON - Moved to 2019+
	1-03370	I 15 South from US 95 to I 215 - ATM Pkg 2			\$ 10,000,000			Funding Not Identified - Included in Proj NEON - Moved to 2019+
	1-31223	I 580 Fwy, US 50 to I 80 CC 00.00 to WA 14.95 Resigning to I580 Designation						Funding Not Identified - Ready in 2013- Moved to 2019+ Approximately \$4M
	8-00250	District 3 - Install Rural ITS Smart Zones Pkg C			\$ 1,000,000			Moved to 2019+
	8-00251	District 2 - Install Rural ITS Smart Zones Pkg C			\$ 1,000,000			Moved to 2019+
Ops - 10	8-00251	District 2 - Install Rural ITS Smart Zones Pkg A			\$ 2,000,000			Moved to 2019+
Ops - 9	2-00010	US 50 from CC to Ely - Install Hot Spots			\$ 8,000,000			Moved to 2019+
Ops - 13	8-00249	District 1 - Install Rural ITS Smart Zones Pkg B				\$ 1,000,000		Moved to 2019+
Ops - 17	4-31239	McCarran Blvd (SE from US 395 to I 80 - Install ITS devices, TM Pkg 3				\$ 10,000,000		Moved to 2019+
Ops - 18	2-31132	US 395 from I 80 to Stead, Reno - Install ITS devices, TM Pkg 4				\$ 10,000,000		Moved to 2019+
Ops - 15	Not Scheduled	I 580 from College Parkway to Fairview - Install ITS infrastructure, WC Pkg 2				\$ 7,000,000		Moved to 2019+
	8-00250	District 2 - Install Rural ITS Smart Zones Pkg B		\$ 1,000,000			\$ 1,000,000	Moved to 2019+
Ops - 19	8-00249	District 1 - Install Rural ITS Smart Zones Pkg C				\$ 1,000,000		Moved to 2019+
Ops - 20	4-31238	McCarran Blvd (NW) from US 395 to I 80 - Install ITS devices, TM pkg 5				\$ 10,000,000		Moved to 2019+
Ops - 21	4-31237	McCarran Blvd (NW) from US 395 to I 80 - Install ITS devices, TM pkg 6				\$ 10,000,000		Moved to 2019+
TRAFFIC OPERATIONS PROJECTS (over \$500k)			\$ 22,182,000	\$ 14,582,000	\$ 14,482,000	\$ 15,182,000	\$ 16,982,000	

PROGRAM PRIORITY	PIN/PCEMS	MISCELLANEOUS (over \$500k)	FY2014	FY2015	FY2016	FY2017	FY2018	NOTES
	73827	5 Schools in Washoe County SRTS	\$ 650,000	\$ 650,000				WA Co project being done by NDOT-Moved from 2014
	73825	I 80 at 4th, Rock, and Pyramid Interchanges, Sparks	\$ 595,000					Funding Not Identified - PM
	73821	East Lake Blvd	\$ 2,743,600					Moved from Major Projects Washoe Co Project - State Settlement
	6-31209	Village Parkway Improvement	\$ 542,000					Moved from Major Projects Washoe Co Project - State Settlement
	6-31210	Ventana Parkway Improvement	\$ 1,213,025					Moved from Major Projects Washoe Co Project - State Settlement
	Not Scheduled	Washoe County Settlement (TBD)	\$ 1,395,450					Moved from Major Projects Washoe Co Project - State Settlement
Hyd - 1	73414	Master Plan Water Quality & Erosion Control Improvements - SR 28 from 0.13 Miles East of CC/WA Line to Sand Harbor		\$ 5,500,000				Funding Not Identified
Design -	73725	Reconstruct Intersections at SR589/SR612, SR589/SR604, and SR147/SR604		\$ 3,000,000				Shifted from FY14 - Funding Not Identified
Hyd - 2	73673	US 50 Central Clear Creek Watershed Storm Drain Project		\$ 3,000,000				Funding Not Identified
Hyd - 3	73675	US 50 Lower Clear Creek Watershed Storm Drain Project		\$ 3,000,000				Funding Not Identified
Design -	73624	US 95 In Goldfield From 1st Street To 2nd Street. ES 19.29 TO ES 19.35			\$ 741,000			Right of Way issue and needs different funding source (former TE) Shifted from FY13
Hyd - 4	73653	US 50 Slope Stability, Water Quality, and Erosion Control Imp. - US 50 from Cave Rock to SR 28 Spooner Junction			\$ 6,000,000			Funding Not Identified
Hyd - 5	73676	US 50 Upper Clear Creek Watershed Storm Drain Project				\$ 4,200,000		Funding Not Identified
Hyd - 6	73674	US 50 Spooner Summit Storm Drain Project				\$ 2,000,000		Funding Not Identified
MISCELLANEOUS (over \$500k)			\$ 6,489,075	\$ 15,150,000	\$ 6,741,000	\$ 6,200,000	\$ -	

Qualifiers/Disclaimers

This list is not fiscally constrained. It is preliminary and subject to revision based on funding, resources and priorities.
The primary intent of this list is help NDOT determine priority of NDOT construction projects from a funding and resource allocation perspective.
The initial emphasis was placed on the first two years of the list. Additional projects for later years will be added as those are identified.
The list of projects shows those projects which NDOT has identified as being funded or potentially funded with money controlled by NDOT, such as STP Statewide, NHPP, Safety, state funds , etc.
The list does not show projects which are solely locally funded or funded with federal funding controlled by the MPOs, such as CMAQ or STP Local funds.
The list does not show Local Public Agency (LPA) projects which do not have NDOT controlled funds included in the project or an agreement to have NDOT controlled funds in them.
The dollar amounts may not be the total project cost but rather the amount of NDOT controlled funds in the project. It does not include any funding from federal earmarks or local/Developer funds.
The dollar amounts show the federal fiscal year in which it is anticipated the funds may be obligated. It does not represent the year that the funds will be expended.
The dollar amounts shown are for the construction phase only and does not reflect design or right of way costs.
Backup projects may be used in the year shown. If not used, backup projects will be used the following year.
Contingency projects may be used to replace any planned project in a year that experiences issues. If not used, contingency projects are reevaluated for use in future years.
Projects whose funding has not yet been identified may not be obligated in the year shown. There are not current commitments to actual fund those projects but staff recommends them.
Not Scheduled - indicates that the project is not currently scheduled in NDOT's Project Scheduling and Management System (PSAMS)

CHANGES FROM THE 11-22-13 VERSION OF THE FIVE YEAR PLAN ARE SHOWN IN BOLD AND BLUE

Upcoming NDOT Construction Projects

Attachment 2
Contract Range and Cost

County	Location & Description	
Jan-14		
CL	<p>Location: US 93, BOULDER CITY BYPASS PART 1 PACKAGE 2B FROM FOOTHILLS RD TO 1 MI SOUTH OF THE JUNCTION OD US 95 AND US 93. MP TO BE DETERMINED</p> <p>Description: PK 2B: CONSTRUCT WEST FRONAGE ROAD TO SUBGRADE, CONSTRUCT RETAINING WALL, CONSTRUCT DRAINAGE FEATURES & RELOCATE UTILITIES. OVERHEAD POWER LINES (WESTERN AREA POWER ADMINISTRATION & COLORADO RIVER COMMISSION) PAID THROUGH R/W EA 73527.</p>	R31 \$13,500,000.01 to \$16,500,000
HU	<p>Location: I 80 FM 1.474 MW OF THE GOLCONDA INTERCHANGE FROM THE CROSSOVER TO 0.967 ME OF THE PUMPERNICKEL VLY INTERCHANGE AND THE I 754 BRIDGE ON FRHU05 OVER 1-80. MP HU 29.28 TO HU</p> <p>Description: 2" COLDMILL WITH 2" PBS WITH 3/4" OPEN-GRADED WEARING COURSE FOR I-80 MAINLINE AND I 754 BRIDGE REFURBISHMENT WORK.</p>	R31 \$13,500,000.01 to \$16,500,000
LY	<p>Location: US 50 FROM 0.343 MILES EAST OF DEER RUN ROAD TO THE CC/LY COUNTY LINE; US 50 FROM THE CC/LY COUNTY LINE TO 0.499 MILES EAST OF THE JUNCTION WITH SR 341. MP CC 14.635 TO CC 16.399; MP LY 0.000 TO LY 2.539.</p> <p>Description: 2 3/4" MILL AND 2" PLANTMIX BITUMINOUS SURFACE WITH 3/4" OPEN GRADED WEARING COURSE; 4" MILL AND 4" PBS IN LANE #2 EASTBOUND AND WESTBOUND.</p>	R28 \$7,950,000.01 to \$9,550,000
WP	<p>Location: US 93 MP WP 0.00-11.00; US 50 MP WP 3.00-25.30; SR 278 MP EU 0.00-20.23; SR 305 MP LA 51.70-69.40; SR 140 MP HU 56.09-68.00; SR 292 MP HU 65.58-68.52</p> <p>Description: CHIP SEAL OF EXISTING ROADWAY. DISTRICT CONTRACT/ BETTERMENT EU \$1,097,000.00 HU \$1,053,000.00 LA \$1,,028,000.00 WP \$1,786,000.00</p>	R26 \$5,500,000.01 to \$6,600,000
EL	<p>Location: SR 229 MP EL 21.24 TO EL 36.30</p> <p>Description: 2 INCH COLDMIX ON EXISTING ROADWAY</p>	R21 \$2,200,000.01 to \$2,650,000
Feb-14		
WA	<p>Location: SR 431 MT ROSE HWY FROM 0.11 MILES EAST OF THE MT ROSE SUMMIT TO US 395. MP WA 8.174 TO WA 24.413</p> <p>2 1/2" COLD MILL, 2 1/2" PLANTMIX BITUMINOUS SURFACE WITH 1" OPEN-GRADE WEARING COURSE</p>	R30 \$11,500,000.01 to \$13,500,000
XS	<p>Location: SR 318 FROM THE JUNCTION OF US 93 TO THE JUNCTION OF US 6. MP LN 0.00 TO LN 49.42; NY 0.00 TO NY 38.77; AND WP 0.00 TO 22.56</p> <p>Description: INSTALL ENHANCED MILEPOST MARKERS, AND MINIMAL CENTERLINE/ SHOULDER RUMBLE STRIPS WHERE CURRENTLY NOT INSTALLED.</p>	R14 \$620,000.01 to \$745,000
NY	<p>Location: US 95 MP NY 72.00-103.50; SR 318 MP LN 0.00-30.00; SR 321 MP LN 0.00-5.12; SR 376 MP NY 54.00-81.75; AR NY44 MP NY 0.00-19.58</p> <p>Description: CHIP SEAL OF EXISTING ROADWAY</p>	R23 \$3,200,000.01 to \$3,850,000
HU	<p>Location: SR 796 MP HU 0.00-1.36; FRHU 15 MP HU 4.50-9.87</p> <p>Description: COLD IN PLACE RECYCLE WITH DOUBLE CHIP SEAL OF EXISTING ROADWAY. DISTRICT CONTRACT</p>	R17 \$1,050,000.01 to \$1,300,000
CL	<p>Location: I 15 AT TROPICANA AVE, MP CL 37.38; I 15 AT FLAMINGO RD, MP CL 38.40; SR 574 CHEYENNE AVE BETWEEN CIVIC CENTER DR AND LOSEE RD, MP CL 7.04 TO 7.38;</p> <p>Description: COLD MILL AND REPAVE ON I 15 AT TROPICANA ON/OFF RAMP; I 15 ON/OFF RAMPS AT FLAMINGO; AND I 15 ON/OFF RAMPS AT CHEYENNE AVE AND CHEYENNE AVE.</p>	R18 \$1,300,000.01 to \$1,550,000
CL	<p>Location: SR 159 CHARLESTON BLVD AT HUALAPAI WAY, MP CL 17.52; AT DURANGO DRIVE, MP CL 19.07; AND AT ANTELOPE WAY, MP CL 20.664</p> <p>Description: COLD MILL AND REPAVE AT HUALAPAI WAY INTERSECTION, DURANGO DRIVE APPROACH, AND ANTELOPE WAY INTERSECTION.</p>	R10 \$300,000.01 to \$360,000
Apr-14		
WA	<p>Location: I 580 AT AIRPORT RAMPS IN WASHOE COUNTY. MP WA 23.36 & WA 23.57</p> <p>Description: SEISMIC RETROFIT AND REHABILITATION OF STRUCTURES I-1773 (WA 23.57) AND I-1774 (WA 23.36)</p>	R19 \$1,550,000.01 to \$1,850,000
WA	<p>Location: I 580 FROM MOANA LANE TO THE TRUCKEE RIVER. MP WA 22.563 TO WA 25.250</p> <p>Description: CRACK SEALING, SPALL REPAIR, AND DIAMOND GRINDING. RECONSTRUCT SOUTHBOUND FROM GLENDALE TO THE TRUCKEE RIVER GRADE SEPARATION.</p>	R32 \$16,500,000.01 to \$20,000,000
Jul-14		
CL	<p>Location: SR 593, TROPICANA AVENUE, FROM CL 0.49 TO CL 0.65; SR 604, LAS VEGAS BLVD, CL 37.99 TO 38.11</p> <p>Description: REMOVE AND REPLACE SIXTEEN ESCALATORS</p>	R32 \$16,500,000.01 to \$20,000,000
CL	<p>Location: US 93 BOULDER CITY BYPASS PART 1, PACKAGE 3 FROM SILVERLINE TO FOOTHILLS RD. CL 16.35 TO CL 14.72</p> <p>Description: PKG 3: CONSTRUCT REALIGNED US 95/US 93 MAINLINE FROM SILVERLINE TO FOOTHILLS RD TO INCLUDE THE NEW INTERCHANGE AT RAILROAD PASS AND BIKE PATH.</p>	R39 \$59,000,000.01 to \$71,000,000

County	Location & Description	Contract Range and Cost
Nov-14		
ES	Location: US 95 FM 0.796 MI SO OF DRY WASH B-1478 TO 1.198 MIL SO OF THE ES/NY COUNTY LINE. MP ES 32.880 TO 44.194; US 95 AT THE JCT SILVER PEAK RD. MP ES 23.479 Description: 2.5" MILL, 3" PBS WITH OPEN GRADE. WIDEN SILVER PEAK JCT. FOR RIGHT TURN LANE, 12" BASE, 6" PBS WITH OPEN GRADE.	R28 \$7,950,000.01 to \$9,550,000
XS	Location: US 95 FROM 1.2 MILES NORTH OF FRCL 34 TO 0.9 MILES NORTH OF THE TRAILING EDGE OF I-1075. MP CL 120.68 YO NY 6.86 Description: 3" COLD MILL, 3" PLANTMIX BITUMINOUS SURFACE WITH A 3/4" OPEN GRADED WEARING COURSE AND SLOPE FLATTENING	R33 \$20,000,000.01 to \$23,500,000
WA	Location: SR 447 WASHOE COUNTY NEAR NIXON #B-1351 MP 15.49 Description: SCOUR MITIGATION	R17 \$1,050,000.01 to \$1,300,000
CH	Location: SR 115 HARRIGAN RD AT L LINE CANAL. MP CH 4.03 Description: REPLACE EXISTING OFF-SYSTEM STRUCTURE B-100.	R16 \$890,000.01 to \$1,050,000
WA	Location: US 395 IN DOUGLAS AND WASHOE COUNTIES. MP DO 29.42 TO DO 29.51 AND WA 0.37 TO WA 2.73. Description: SEISMIC RETROFIT, SCOUR COUNTERMEASURES AND REHABILITATION OF STRUCTURES I-1263N/S (CRADLEBAUGH SLOUGH), B-1262N/S (CARSON RIVER), I-812N/S (LAKEVIEW), AND I1261 (BELLEVUE).	R21 \$2,200,000.01 to \$2,650,000
WA	Location: I 580 FROM THE SOUTHBOUND OFF RAMP AT THE NO CARSON ST INTERCHANGE TO 0.86 MI SOUTH OF THE BOWERS INTERCHANGE. MP CC 8.72 TO 9.28 AND MP WA 0.00 TO WA 5.99 ROADWAY DESIGN MAY HAVE THIS CODED AS 580-2 Description: 1" COLD MILL, 2" PLANTMIX BITUMINOUS SURFACE WITH 1" OPEN GRADED WEARING COURSE.	R32 \$16,500,000.01 to \$20,000,000
CL	Location: I 15 IN NORTH LAS VEGAS. MP CL 44.13 TO CL 48.43 Description: SEISMIC RETROFIT AND REHABILITATION OF STRUCTURES H-948 (OWENS), G-949 (UPRR), G-953 (CAREY/UPRR), AND I-956 (CRAIG).	R18 \$1,300,000.01 to \$1,550,000



MEMORANDUM

February 21, 2014

TO: Department of Transportation Board of Directors,
Construction Working Group
FROM: Rudy Malfabon, Director
SUBJECT: March 10, 2014 Construction Working Group Meeting
Item # 8B: Briefing on Status of Construction Projects – Informational Item Only.

Summary:

The purpose of this item is to provide the Construction Working Group with the status of open projects; a report on progress being made on closing out projects and to summarize completed and closed projects.

Analysis:

Currently we are tracking closeout progress of 49 projects, the same number of projects as reported at the December CWG meeting. Monthly meetings are being conducted with District staff to facilitate the progress of the project closeouts.

During the reporting period January through February, 2014 one (1) project was closed out.

Currently we are tracking a total of 68 open projects with a total budget (Agreement Estimate) of \$1,118,077,381.00. As of February 11, 2014, payments totaling \$1,051,223,958.25 have been made on these projects. For the calendar year 2014 we have processed 4 contractor payments totaling \$9,629,507.64.

Nineteen (19) projects have or are expected to exceed project construction budget as established by the original Agreement Estimate. In addition, the following represent significant issues being currently addressed.

1. Contract 3292 – I-580 Extension; \$542K Request for Equitable Adjustment (REA) for structure post tensioning.
2. Contract 3377 – Kingsbury Grade; in litigation.
3. Contract 3389 – Meadowood Mall; \$4.8M REA for design and specification errors.
4. Contract 3407 – US 93 Wildlife Crossing; in litigation.
5. Contract 3409 – US 95 Widening; \$4.7M REA for highway electrical and ITS work.
6. Contract 3433 – US 50 Cave Rock – Spooner; over budget due to \$2.4M changed site conditions resolution.

List of Attachments:

- B. Project Closeout Status
- C. Summary of Closed Projects
- D. Status of Open Projects

Recommendation for Action:

Informational item only.

Prepared by:

Jeff Shapiro, Chief Construction Engineer

Department of Transportation Construction Contract Closeout Status February 19, 2014																							
Cont. No.	DIST	Crew	Contractor - Resident Engineer	Description	Contract Bid Price	Retent Held	EEO	LAB	AB	CP	PER	LE	ATSS	WC	Constr. Compl.	Cleanup Finalized	Plant Estab (Exp. Date)	District Accept	Director Accept	Pick Up Comp.	RPU	Comments	Change Orders # Needed
3392	1	922	WILLIAMS BROS. - CHRISTIANSEN MICHELLE	VARIOUS INTERSECTIONS IN THE CITY OF LAS VEGAS AND VARIOUS INTERSECTIONS IN CLARK COUNTY.	\$944,304.33	\$47,215.22	A	A	A	A	A	A			9/29/11	11/1/2011	N/A	3/6/12	4/2/12	6/22/12		Pending Litigation	
3409	1	926	CAPRIATTI - SULAHRIA (asst RE) MELISSA	US 95 FROM RAINBOW/SUMMERLIN INTERCHG. TO RANCHO/ANN RD. & DURANGO DR. (PKG. 1)	\$68,761,909.90	\$50,000.00	N	A	N	N	N	N	Y		12/1/12	2/15/13	12/16/13				Y	Partial relief was granted by Dist I on 2-12-13. Jeff addressing claims. Crew is dropping off books for closeout review.	Address CO#9, &12. Paid on prior #11.
3421	1	916	LAS VEGAS PAVING - RUGULEISKI MELISSA	ON US 95AT SUMMERLIN PARKWAY	\$26,080,589.00	\$50,000.00	N	A	S	A	N	S			8/10/12						Y	HQ working on closeout, approx 90% complete.	
3442	1	901	ROAD & HIGHWAY-ALHWAYEK MICHELLE	US 95 FROM 3.131 MILES NORTH OF CHINA WASH TO 0.796 MILES SOUTH OF DRY WASH.	\$10,171,171.00	\$50,000.00	A	A	S	A	A	A			11/22/11			1/9/12	11/6/12		Y	HQ working on closeout, approx 25% complete.	
3453	1	901	FISHER-ALHWAYEK MELISSA	ON US 93 FROM BUCHANAN TO HOOVER INTERCHANGE.	\$15,858,585.85	\$50,000.00	S	A	S	A	A	A			11/19/12			12/5/12	1/23/13		Y	Books submitted for closeout on 10/22/13, 30% complete.	
3454	1	916	FISHER-RUGULEISKI MICHELLE	ON I-15 FROM TROPICANA AVENUE TO US 95 (SPAGHETTI BOWL)	\$5,995,000.00	\$50,000.00	S	A	A	A	A	A	Y		3/23/12			4/20/12	5/21/12	9/4/12	Y	Contractor has Title 6 complaint against it which is holding EEO. Waiting for Contract Compliance to resolve EEO before processing Final Payment. Final quantities approved by Contractor.	
3466	1	922	AGGREGATE INDUSTRIES - CHRISTIANSEN MICHELLE	ON I-15 FROM THE SPEEDWAY / HOLLYWOOD INTERCHANGE TO 0.103 MILES NORTH OF THE DRY LAKES REST AREA	\$18,006,000.00	\$50,000.00	S	A	S	A	N	A			1/16/13	4/15/13?	N/A	1/24/2013	2/13/2013		Y	Closeout has been requested. 0% complete.	
3472	1	922	LAS VEGAS ELECTRIC.- CHRISTIANSEN MICHELLE	ON MULTIPLE INTERSECTIONS IN DIST. 1 CLARK COUNTY	\$3,393,786.20	\$50,000.00	A	A	S	A	N	A			11/30/12	2/5/13	N/A	1/24/13	4/18/13		Y	HQ working on closeout, approx 25% complete.	
3474	1	906	LAS VEGAS ELECTRIC.- PETRENKO MICHELLE	ON US 93 FROM RAILROAD PASS CROSSING TO THE I-215 / I-515 INTERCHANGE IN HENDERSON	\$6,647,492.75	\$50,000.00	A	A	N	A	N	A			4/10/13			7/18/13	7/29/13		Y	Closeout has been requested. 0% complete.	
3481	1	901	AGGREGATE INDUSTRIES ALHWAYEK MELISSA	ON US 95 FROM 1.47 MI SOUTH OF THE AMAGOSA RIVER TO 6.46 MI NORTH OF THE TRAILING EDGE OF B-636	\$850,000.00	\$50,000.00	A	A	A	A	A	A			10/29/12			5/23/13	6/12/13		Y	HQ Reviewing qty's before sending out to contractor	
3504	1	906	AGGREGATE INDUSTRIES PETRENKO MICHELLE	COLD MILL AND PLANTMIX WITH OPEN GRADE AND BRIDGE REHAB ON I707N, I711N, I713N, G662 NORTH AND SOUTH	\$14,200,000.00	\$50,000.00	A	A	S	A	N	N			12/6/12			1/7/13	1/10/13		Y	Closeout has been requested. 0% complete.	
3519	1	915	LAS VEGAS PAVING CORP STRGNAC MELISSA	I-515 AT THE INTERCHANGE OF FLAMINGO RD. CONSTRUCT LANDSCAPE AND AESTHETIC TREATMENTS	\$2,144,539.61	\$32,660.43	A	A	S	S	A	A			5/24/13		4/1/14				Y	Closeout has been requested. 0% complete.	
3526	1	915	TRANSORE - STRGNAC MICHELLE	CONSTRUCT ITS ELEMENTS FROM CRAIG ROAD TO SPEEDWAY	\$4,850,856.00	\$50,000.00	N	A	N	S	A	N			10/24/13						N	Construction ongoing. Sent CPPR to ADE for review & signature.	
3527	1	901	LAS VEGAS PAVING CORP. ALHWAYEK MELISSA	INSTALL TEMP. & PERM. TORTOISE FENCE AROUND PERIMETER OF BOULDER CITY BYPASS & PLANT SALVAGING ACTIVITIES.	\$1,327,000.00	\$50,000.00	A	A	S	A	A	S			7/19/13			7/23/13	7/23/13		Y	Closeout has been requested. 25% complete.	
3531	1	903	LAS VEGAS PAVING - VOIGT MELISSA	REMOVE AND REPLACE EXPANSION JOINTS ON I-15	\$308,500.00	\$15,425.00	A	A	N	N	N	A			5/20/13						N	No pickup request to date.	
3292	2	905	FISHER-DURSKI ROB	FROM 395 S. OF BOWERS MANSION CUTOFF NORTH TO MOUNT ROSE HWY.	\$393,393,393.00	\$50,000.00	N	N	N	N	N	N			11/19/12		6/2014				N	HQ working on closeout.	pd on priors #64&69 are priors. Need 31,76A,78A
3327	2	907	RHB-LANI ROB	US 395, CARSON CITY FREEWAY FROM FAIRVIEW DR. TO US 50 E.- PHASE 2	\$44,968,149.00	\$50,000.00	A	A	A	A	N	A			10/8/09			7/21/11	8/23/11		Y	HQ working with crew on closeout.	
3377*	2	911	PEEK CONST.-ANGEL ROB	SR 207, KINGSBURY GRADE, FROM THE JUNCTION WITH HIGHWAY 50 TO THE SUMMIT AT DAGGETT PASS	\$6,852,746.00	\$50,000.00	N	N	N	N	N	N									N	Pending litigation	
389 ARR	2	913	MEADOW VALLEY CONTRACTORS - COCKING DEENA	I-580 AT MEADOWOOD MALL EXCHANGE	\$21,860,638.63	\$50,000.00	N	N	N	N	N	N			7/10/13		11/1/13				N	Working on LOA's. Working with contractor to resolve issues. Construction ongoing.	crew working on 3, 20. District has 6. Contractor has 10, 11, 22
3400	2	907	Q&D -LANI MATT	ON US 395, THE CARSON CITY FREEWAY, FROM CLEARVIEW DRIVE TO FAIRVIEW DRIVE. PACKAGE 2B-1.	\$7,548,315.70	\$50,000.00	A	A	A	A	N	A			11/30/11		11/30/12	12/10/12	12/21/12		N	No closeout request to date.	
3401	2	913	GRANITE- COCKING ROB / DEENA	US 395 FROM MOANA TO I 80	\$31,495,495.00	\$50,000.00	N	N	N	S	N	N			9/10/12		4/3/13	4/22/13	5/9/13		N	No closeout request to date.	

EEO=Contract Compliance Clearance
LAB=clearance from Materials
AB=As-Built

CPPR=Contractors Past Performance
LE=Letter of Explanation
ATSS=Acceptance Test Summary Sheet

WC=Wage Complaint
CA=Contractors Acceptance
*= Internal

N = Need
S = Submitted (HQ reviewing)
A = Approved

Department of Transportation Construction Contract Closeout Status February 19, 2014																						
Cont. No.	DIST	Crew	Contractor - Resident Engineer	Description	Contract Bid Price	Retent Held	EEO	LAB	AB	CP	LR	ATSS	WC	Constr. Compl.	Cleanup Finalized	Plant Estab (Exp. Date)	District Accept	Director Accept	Pick Up Comp.	RPU	Comments	Change Orders # Needed
3433	2	911	GRANITE CONSTRUCTION CO.- ANGEL DEENA	US 50, FROM CAVE ROCK TO SR 28	\$3,661,661.00	\$50,000.00	S	A	A	S	A	A	Y	12/12/12		11/20/15				N	Contract closeout pending 3471 close out. Wage Complaint.	
3440	2	911	Q&D-ANGEL MATT	ON SR 28 FROM JUNCTION WITH ST 432 TO CALIFORNIA/NEVADA STATE LINE	\$5,613,054.00	\$50,000.00	S	A	A	S	A	A		10/20/12		10/19/13				N	No closeout request to date.	
3465	2	904	SNC - BOGE DEENA	SR 341 VIRGINIA CITY FROM STOREY/WASHOE CO. LINE TO THE JUNCTION OF TOLL RD. & SR 341 VIRGINIA CITY FROM .02 MILES S. D ST.	\$6,969,007.00	\$50,000.00	N	A	N	N	N	N		10/4/12	3/27/13	Done				N	No closeout request to date.	CO#1 & 4 are prior
3471	2	911	Q & D CONSTRUCTION - ANGEL DEENA	SR 28 AT THE INTERSECTION OF MT. ROSE HWY & SR 431	\$2,414,236.00	\$50,000.00	N	A	N	S	A	A		8/17/12		10/12/13				N	No closeout request to date.	
3501	2	911	Q & D CONSTRUCTION - ANGEL DEENA	ON SR 431, MT. ROSE HWY, FROM THE JUNCTION WITH SR 28 TO INCLINE LAKE RD.	\$5,318,188.00	\$50,000.00	N	A	N	S	A	A				10/17/13				N	Contract closeout pending 3471 close out.	
3503	2	913	GRANITE DBA DAYTON MATERIALS - COCKING DEENA	SR 443 CLEAR ACRE LN. FROM NORTH OF US 395 TO 7TH MP WA 0.06 TO WA 3.60	\$4,192,192.00	\$50,000.00	A	A	A	A	A	A		11/29/12		11/29/13	1/4/13	1/25/13	2/10/14	Y	Final Qty's sent to contractor 2/13/2014. Possible payoff on 3/13/2014	
3505	2	907	GRANITE -LANI DEENA	US 50, LYON COUNTY, CHAVES ROAD TO ROY'S ROAD	\$21,212,121.00	\$50,000.00	N	N	N	N	N	N		10/3/13		10/3/14				N	Construction complete; pending plant establishment	#6 is a prior 1-4 are missing no prior no Co
3507	2	904	INTERMOUNTAIN SLURRY SEAL-BOGE DEENA	CHIP SEAL OF EXISTING ROADWAY MILEPOST CH-0.00 TO 26.95 AND LY-32	\$1,285,000.00	\$50,000.00	N	A	N	N	N	N		10/2/13			10/18/13	11/7/13		N	No closeout request to date.	
3510	2	907	SNC-LANI MATT	ON MUTPLE ROUTES CC, CHURCHILL, LYON & WASHOE COUNTIES	\$1,772,007.00	\$50,000.00	N	A	N	N	N	S		8/16/13		N				N	No closeout request to date.	
3512	2	907	SNC-LANI MATT	US 95A FR. 0.13 MILES N. of JUNCT US 50 IN SILVER SPRINGS TO THE TRUCKEE RIVER CANAL	\$886,007.00	\$44,300.35	N	A	A	A	A	A		4/25/13	6/14/13	N	7/8/13	7/22/13	8/14/13	Y	Closeout complete, need EEO before qty's sent to contractor.	
3514	2	905	Q&D -LOMPA MATT	BRIDGE REPAIR ON I 80 IN MULTIPLE LOCATIONS	\$1,693,000.00	\$50,000.00	A	A	N	S	N	A		9/25/13		N				Y	Pickup Scheduled for 2/20/2014	
3518	2	913	GRANITE - COCKING MATT	I-580 ON THE MOANA INTERCHANGE	\$6,978,978.01	\$50,000.00	N	A	N	S	A	N		2/19/13		2/19/14				N	Construction ongoing	
3536	2	904	SNC - BOGE MATT	CHIP SEAL OF EXISTING ROADWAY	\$369,007.00	\$18,450.35	N	A	N	N	N	N		8/15/13		N				N	Construction ongoing	
3541	2	911	Q&D -ANGEL DEENA	CONSTRUCT PHASE 1 C MULTI USE TRAIL OF STATELINE TO STATELINE BIKEWAY PROJECT	\$1,424,013.00	\$50,000.00	N	N	N	S	A	N								N	Construction ongoing	
3542	2	905	Q&D -LOMPA MATT	BRIDGE DECK WORK AND APPROACH SLABS ON I-80 AT STRUCTURES B-764/W & G765E/W	\$1,330,000.00	\$50,000.00	A	A	N	S	N	N		11/7/13		N				Y	HQ scheduled to start contract closeout on 2/20/2014	
3544	2	905	SNC -LOMPA MATT	WATER LINE & BACKFLOW UPGRADES FOR WEST SIDE OF DISTRICT II YARD	\$623,007.00	\$31,150.35	N	A	N	S	N	N		1/20/14		N				N	No closeout request to date.	
3407	3	908	PEEK CONST- TIM MOURITSEN(ACTING) Rob	US 93 AT HD SUMMIT	\$3,156,345.49	\$50,000.00	A	S	S	S	S	S		11/19/10			7/18/11	9/23/11		Y	Pending Litigation	pd on prior #4,6,7,8 Shapiro has CO's
3435	3	908	RHB (AGGREGATE INDUSTRIES) - TIM MOURITSEN(ACTING) DEENA	I-80 FROM 0.26 MILES EAST OF THE HALLECK/RUBY VALLEY INTERCHANGE TO 0.60 MI EAST OF THE GREY'S CREEK GRADE SEPARATION	\$33,699,999.00	\$50,000.00	N	A	N	A	N	A		11/21/12	8/22/13	N	8/28/13	9/30/13		N	No closeout request to date.	
3451	3	ATKINS	RHB - JORDY DEENA	US 50 FROM 3.38 MI. OF HICKSON SUMMIT TO THE LANDER / EUREKA COUNTY LINE.	\$10,799,999.00	\$50,000.00	N	A	A	S	A	A		1/24/12		1/25/14			11/5/12	Y	Will need final p/r letter and acpt following Plant Estab period to begin Dir. Acpt. and complete closeout.	
3456	3	918	RHB-KELLY MATT	US 93 SCHELLBOURNE REST AREA	\$1,832,222.00	\$50,000.00	S	A	A	A	A	A		9/10/12	1/15/13	5/27/13	7/29/13	8/19/13	2/28/13	Y	Field Pickup completed. Need EEO before final qty's sent to contractor.	
3461	3	918	FISHER - KELLY DEENA	I-80 EAST OF OASIS INTERCHANGE TO WEST PF PILOT PEAK INTERCHANGE	\$30,999,999.00	\$50,000.00	N	N	N	N	N	N		11/15/13		11/1/14				N	Construction ongoing	Co #4 & 7 routing, CO #5,6,10 & 11 in progress
3468	3	912	Q & D - SIMMONS MATT	ON I-80 AT THE WEST CARLIN INTERCHANGE AND ON SR 766 AT THE CENTRAL CARLIN INTERCHANGE	\$7,263,806.50	\$50,000.00	S	A	A	A	A	A		7/17/13	7/22/13	N	8/1/13	8/1/13	10/28/13	Y	Pickup Complete. Waiting on EEO before quatitys sent to contractor.	
3506	3	963	VALLEY SLURRY SEAL - RATLIFF MATT	CHIP SEAL ON EXISTING ROAD WAY ON SR 225 EL -112.90 TO 127.50 AND SR 226 EL - 0.00 TO 20.00 IN ELKO CONTY	\$1,129,336.00	\$50,000.00	S	A	A	A	A	A		9/3/13		N	10/29/13	11/15/13	2/4/14	Y	Pickup Complete. Waiting on EEO before quatitys sent to contractor.	

EEO=Contract Compliance Clearance
LAB=clearance from Materials
AB=As-Built

CPPR=Contractors Past Performance
LE=Letter of Explanation
ATSS=Acceptance Test Summary Sheet

WC=Wage Complaint
CA=Contractors Acceptance
*= Internal

Department of Transportation Construction Contract Closeout Status February 19, 2014																						
Cont. No.	DIST	Crew	Contractor - Resident Engineer	Description	Contract Bid Price	Retent Held	EEO	LAB	AB	CP	LE	ATSS	WC	Constr. Compl.	Cleanup Finalized	Plant Estab (Exp. Date)	District Accept	Director Accept	Pick Up Comp.	RPU	Comments	Change Orders # Needed
3513	3	963	SNC -RATLIFF DEENA	ON SR 306FM .48 MN OF LANDER/ EUREKA COUNTY LINE TO S. OF BEOAWAVE	\$7,477,007.00	\$50,000.00	A	A	A	A	A	A		7/19/13			8/19/13	9/5/13	11/19/13	Y	Final Qty's sent to contractor on 2/6/2014, possible payoff on 3/6/2014	
3522	3	963	TITAN ELECTRIC - RATLIFF MATT	INSTALLATION OF ADVANCED WARNING SIGNALS ON US 93 SOUTH OF WELLS	\$249,301.00	\$12,465.05	A	A	A	S	A	A		11/4/13		N	11/25/13	12/5/13	2/4/14	Y	Final Qty's sent to contractor on 2/6/2014, possible payoff on 3/6/2014	
3537	3	908	Q & D - SENRUD DEENA	COLDMILLING AND PLACING PLANTMIX SURFACE, PAVING CROSSOVER SAND PURCHAING LIGHTING FIXTURES	\$2,818,944.00	\$50,000.00	N	N	N	N	N	N								N	Construction ongoing. Closeout with Cont 3540	
3538	3	908	GERBER CONST. - SENRUD MATT	REPLACE SUBSTANDARD OFF SYSTEM BRIDGE B-1662	\$273,563.10	\$13,663.18	A	A	N	A	N	A		10/29/13			10/30/13	11/15/13		N	No request for pickup to date	

State of Nevada
Department of Transportation
Construction Division

District 1 - Construction Contract Closeout Monthly Meeting Minutes

February 4, 2014

Construction Admin Section w/ Conference Call – 9 a.m.

Attendees:

Sami Alhwayek, Resident Engineer, Crew 901	Jeff Freeman, Asst Construction Engineer
Glenn Petrenko, Resident Engineer, Crew 906	Megan Sizelove, Consultant PM, HQ
Don Christiansen, Resident Engineer, Crew 922	Cecilia Whited, Const Admin Supervisor, HQ
Chris Whitten, Crew 916	Melissa Sharp, Const Admin Section, LV
Vickie Coll, Contract Compliance, HQ	Michelle Castro, Const Admin Section, LV
Wes Clyde, Lab, HQ	Rob Liebherr, Const Admin Section, HQ
Matt Goodson, Const Admin Section, HQ	Deena Rose, Const Admin Section, HQ

***For the RE's not in attendance the notes may still reflect what was discussed during previous meetings.*

Crew/Contract (Construction Completion Date):

Crew 901 – Sami Alhwayek

- 3442 (11/22/11) – HQ is working on contract closeout, approx 75% complete. Anticipate completion week of 2/17/14. No outstanding items.
- 3453 (6/29/12) – HQ is working with crew on contract closeout, approx 50% complete. Contract Compliance working with crew/contractor on EEO clearance. Outstanding items include EEO.
- 3481 (10/29/12) – HQ is finalizing contract closeout. No outstanding items.
- 3527 – HQ is working with crew on contract closeout, approx 30% complete. No outstanding items.

Crew 902 – Sami Yousuf

- No outstanding contracts at this time.

Crew 903 – Jason Voigt

- 3531 (5/20/13) – No pickup request to date. Outstanding items include: AB, CPPR, and LE.

Crew 906 – Glenn Petrenko

- 3474(4/10/13) – Closeout has been requested. Outstanding items include: AB and LE.
- 3504(12/6/12) - Closeout has been requested. Outstanding items include LE and ATSS.

Crew 914 – Neil Kumar

- No outstanding contracts at this time.

These minutes are based on my interpretation of what was discussed during the meeting. If your notes vary please contact me to discuss. Megan Sizelove - (775) 888-7625.

Crew 915 – Martin Strganac

- 3519 – HQ is working with crew on contract closeout, approx 50% complete. No outstanding items. Plant Establishment in expires April 2014.
- 3526 – Construction nearing completion.

Crew 916 – Tim Ruguleiski

- 3421(8/1/10) – HQ is working with crew on contract closeout, approx 70% complete. Need District Acceptance. Outstanding items include EEO and LE.
- 3454 (3/23/12) – Closeout complete. Contractor approved final quantities. Final payoff pending resolution of Title VI complaint from Contract Compliance.

Crew 922 – Don Christiansen

- 3392 (9/29/11) – Closeout complete. Contractor payment is being held due to ongoing claim.
- 3466(1/16/13) – Pickup for contract closeout has been requested by crew, approx 15% complete. Contract Compliance is working with crew/contractor on EEO clearance. Outstanding clearances include EEO and LE.
- 3472(11/30/12) – HQ is working on contract closeout, approx 25% complete.. Outstanding item includes LE.

Crew 926 – Abid Sulahria (Asst RE)

- 3409 (12/1/12) – Partial relief was granted on 2-12-13. HQ will work on closeout review pending contract closeout of Contract 3421. Outstanding items include: EEO, AB, CPPR, LE and ATSS. Chief Construction Eng addressing ongoing claim.

State of Nevada
Department of Transportation
Construction Division

District 2 - Construction Contract Closeout Monthly Meeting Minutes

February 4, 2014

Construction Admin Section w/ Conference Call – 10 a.m.

Attendees:

Brad Durski, Resident Engineer, Crew 910	Rick Bosch, Asst District Engineer
Sam Lompa, Resident Engineer, Crew 905	Jeff Freeman, Asst Construction Engineer
Steven Lani, Resident Engineer, Crew 907	Megan Sizelove, Consultant PM, HQ
John Angel, Resident Engineer, Crew 911	Cecilia Whited, Const Admin Section, HQ
Shane Cocking, Resident Engineer, Crew 913	Rob Liebherr, Const Admin Section, HQ
Larry Boge, Resident Engineer, Crew 904	Matt Goodson, Const Admin Section, HQ
Vickie Coll, Contract Compliance, HQ	Deena Rose, Const Admin Section, HQ
	Wes Clyde, Lab, HQ

***For the RE's not in attendance the notes may still reflect what was discussed during the previous meeting.*

Crew/Contract (Construction Completion Date):

Crew 904 - Larry Boge

- 3465 (10/4/12) – Crew working on preparing books for closeout. Outstanding items include: EEO, AB, CPPR, LE and ATSS. Need District Acceptance.
- 3507 (10/2/13) - No request for pickup to date, anticipate within 2 weeks. Outstanding items include: EEO, AB, CPPR, LE and ATSS.
- 3515 (5/3/13) – Final quantities sent to contractor 1/16/14. Anticipate final payment 2/18/14.
- 3536(8/15/13) – Closeout request pending completion of previous contracts. Outstanding items include: EEO, AB, CPPR, LE and ATSS.

Crew 905 – Sam Lompa

- 3514(9/25/13) – Crew has requested pickup for contract closeout. Outstanding items include: AB and LE. Need District Acceptance.
- 3542(11/7/13) – Crew preparing for pickup. Outstanding items include: AB, LE and ATSS. Need District Acceptance.
- 3544(1/20/14) - Crew preparing for pickup. Outstanding items include: EEO, AB, LE and ATSS. Need District Acceptance.

Crew 907 – Stephen Lani

- 3327 (10/8/09) – Crew working with HQ on contract closeout. Outstanding item includes LE.
- 3400 (11/30/11) – Crew preparing for pickup. Outstanding item include LE.
- 3505(10/3/13) – No request for pickup to date. Plant establishment ends 10/3/14. All items outstanding. Need District Acceptance.

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- 3510(pending) – No request for pickup to date, anticipate within the week. Outstanding items include: EEO, Lab, AB, CPPR, and LE.
- 3512 (4/25/13) – Closeout is complete, pending EEO hoping to obtain clearance by end of the week. Final quantities will be sent to contractor once EEO is accepted.

Crew 910 – Brad Durski

- 3292 (11/19/12) – Crew working with HQ on closeout. Outstanding items include EEO, Lab, AB, CPPR, LE and ATSS. Plant establishment ends 6/2014.

Crew 911 – John Angel

- 3377 – Pending litigation.
- 3433 (12/12/12) – No pickup request to date, pending completion of 3440. Outstanding items include EEO. Need District Acceptance.
- 3440 (10/20/12) – No pickup request to date, pending completion of 3471. Contract Compliance is working with crew/contractor for EEO clearance. Need District Acceptance.
- 3471 (8/17/12) – Crew working on preparing books for closeout. Outstanding items include EEO, AB and ATSS. Need District Acceptance.
- 3501(pending) – No pickup request to date, pending completion of 3433. Outstanding items include EEO and AB. Need District Acceptance.
- 3541 – Construction ongoing.

Crew 913 – Shane Cocking

- 3389ARRA (7/10/13) – RE working on LOAs and with Contractor to resolve issues. Outstanding change orders and priors. All items are outstanding. Need District Acceptance.
- 3401 (8/27/12) – Crew preparing for pickup, anticipate pickup mid February. All items are outstanding.
- 3503 (11/29/12) –HQ is working with crew on closeout. Quantities will be sent to contractor later this week.
- 3518 (2/19/13) – Plant establishment ends 2/19/14. Outstanding items include EEO, AB, LE and ATSS. Need District Acceptance, pending plant establishment.

State of Nevada
Department of Transportation
Construction Division

District 3 - Construction Contract Closeout Monthly Meeting Minutes

February 4, 2014

Construction Admin Section w/ Conference Call – 11 a.m.

Attendees:

Mike Murphy, Asst District Engineer, Elko	Jeff Freeman, Asst. Construction Engineer
Boyd Ratliff, Resident Engineer, Elko	Megan Sizelove, Consultant PM, HQ
Fred Leyva, Asst Resident Engineer, Crew 912	Rob Liebherr, Const Admin Section, HQ
Tim Mouritsen, Asst Resident Engineer, Crew 908	Matt Goodson, Const Admin Section, HQ
Casey Kelly, Resident Engineer, Crew 918	Deena Rose, Const Admin Section, HQ
Darren Hansen, Asst RE, Crew 918	Vickie Coll, Contract Compliance, HQ
Gary Boggs, Asst RE, Crew 918	Wes Clyde, Lab, HQ

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Crew/Contracts (Construction Completion Date):

Crew 908 – Nick Senrud/Tim Mouritsen (acting RE)

- 3407 (11/19/10) – Closeout complete. Final quantities pending lawsuit.
- 3435 (11/21/12) – Crew preparing books for closeout. Outstanding items include: EEO, AB, and LE. Partial District Acceptance has been granted.
- 3537 – Construction ongoing.
- 3538(10/29/13) – No request for pickup to date. Outstanding items include: Lab, AB, CPPR, LE and ATSS.

Crew 912 – Mike Simmons

- 3468(7/17/13) – Closeout complete. Contract Compliance anticipates issuing clearance by end of week.

Crew 918 – Casey Kelly

- 3456(1/15/13) – Contract closeout complete. Crew working with Contract Compliance on EEO clearance.
- 3461(11/15/13) – Construction cleanup phase. Plant establishment ends 11/1/14.

Crew 920 – Dave Schwartz

- No outstanding contracts

District - Ratliff

- 3506(9/3/13) – HQ working with crew on contract closeout. Outstanding item is EEO.
- 3513(7/19/13) – Contract closeout complete. Quantities will be sent to contractor pending EEO clearance.

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- 3522(11/4/13) – Contract closeout complete. Final quantities will be sent to contractor end February.

Consultants

- 3451 (Atkins) (1/24/13) – Closeout complete. Outstanding items include EEO pending plant establishment which ended 1/25/14.

**NDOT Construction Contracts Closed Out
December 2013 - February 2014**

Contract	Description	Contractor	Resident Engineer	NDOT/Consultant	Original Bid	CCO Amount	% CCO	Qty Adjustments	% Adjustments	Total Paid	Amount Over/Under	% Change	Agreement Estimate (budget)	% Agr. Est.	
3515	CHURCHILL COUNTY, REPLACE OFF-SYSTEM BRIDGE	GRANITE CONSTRUCTION CO	Crew 904 - Boge	MAXWELL, KEVIN	\$ 384,384.00	\$ -	0%	\$ 13,328.58	3%	\$ 397,712.58	\$ 13,328.58	103%	\$ 452,246.00	88%	
Totals					\$ 384,384.00	\$ -	0%	\$ 13,328.58	3%	\$ 397,712.58	\$ 13,328.58	103%	\$ 452,246.00	88%	
Number of Projects Over/ Under Agr. Estimate (Budget)												Projects Over	0	Projects under	1

Contract No. 3515

NDOT Project I.D. No(s): 73689

FHWA Project No(s): BR-0001(099)

County: Churchill County,

Length: 0

Location: Alcorn Road, at V-Line Canal - Off-System

Work Description: Replace Substandard Off-System Bridge B-1592.

Contract Awarded: September 27, 2012

Notice to Proceed: October 29, 2012

Work Completed: May 3, 2013

Work Accepted: October 4, 2013

Final Payment: February 18, 2014

Contractor: Granite Construction Company

Resident Engineer: NDOT Crew 904 – L. Boge

Designer: Kevin Maxwell

Project Performance:

Engineers Estimate:	\$589,570.18
Bid Price:	\$384,384.00
Final Contract Amount:	\$397,712.58
Dollar Amount Over/Under Bid:	\$13,328.58
Percent Bid:	88%
Construction Engineering Costs:	\$162,250.12
Total Change Orders:	\$0.00
Percent Change Orders:	0.0%
Settlements/Claims:	none
Original Working Days:	50
Updated Working Days:	50
Charged Working Days:	50
Liquidated Damages:	-\$1,000.00

Project Cost Breakdown:

Preliminary Engineering:	\$122,963.22 (30.84%)
Right of Way:	\$11,576.72
Construction Engineering:	\$162,250.12 (40.69%)
Construction Final Contract Amount:	\$397,712.58
Total Project Cost:	\$694,502.64

Open Contract Status 2/11/2014

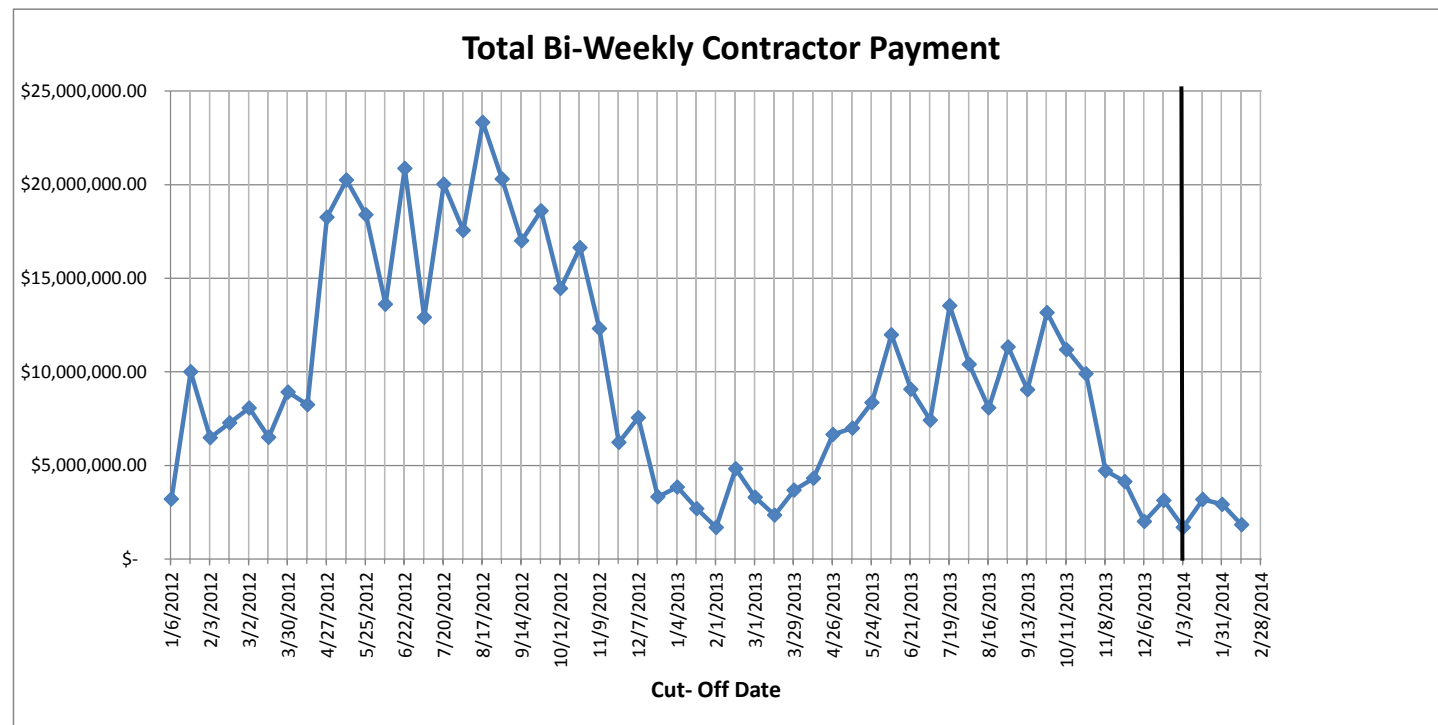
Attachment D

CONTRACT	DESCRIPTION	AGREEMENT ESTIMATE (BUDGET)	BID CONTRACT AMOUNT	ADJUSTED BID CONTRACT AMOUNT	TOTAL PAID TO DATE	¹ % Budget	² % Time	CONTRACTOR	PROJECT MANAGER NDOT/CONSULTANT	DESCRIPTION
3292	I-580 FREEWAY EXTENSION	\$ 405,824,356.00	\$ 393,393,393.00	\$ 428,047,617.97	\$ 446,351,578.61	110%	104%	FISHER SAND & GRAVEL CO	MONTGOMERY, T./CH2M HILL	Change Site Conditions and 8% Changes
3327	US 395 CC FREEWAY (2A)	\$ 46,613,794.00	\$ 44,968,149.00	\$ 47,121,133.12	\$ 48,535,502.71	104%	100%	ROAD & HIGHWAY BUILDERS LLC	GALLEGOS, J./LOUIS BERGER	5% Changes and Quantity Increases
3377	SR 207 KINGSBURY	\$ 7,311,743.00	\$ 6,852,746.00	\$ 7,466,646.94	\$ 8,665,120.10	119%	110%	PEAK CONSTRUCTION COMPANY DBA	NUSSBAUMER, M./WOOD R.	In Litigation
3389	I-580 MEADOWWOOD MALL	\$ 22,845,305.00	\$ 21,827,613.92	\$ 21,986,768.07	\$ 22,409,292.46	98%	137%	MEADOW VALLEY CONTRACTORS INC	MONTGOMERY, T./CH2M HILL	\$4.8M REA for Plan Errors & Omissions
3392	SIGNAL MOD. CL COUNTY	\$ 1,042,602.00	\$ 944,304.33	\$ 1,317,907.91	\$ 1,020,101.22	98%	100%	WILLIAMS BROTHER INC	CERAGIOLI, JIM,	
3400	US 395, CC FRWY (2B)	\$ 8,140,151.00	\$ 7,548,315.70	\$ 7,556,670.70	\$ 7,424,612.18	91%	100%	Q&D CONSTRUCTION INC	GALLEGOS, J./LOUIS BERGER	
3401	US 395 WIDENING	\$ 35,127,922.00	\$ 31,495,495.00	\$ 33,680,569.39	\$ 36,498,561.17	104%	94%	GRANITE CONSTRUCTION CO DBA	GALLEGOS, J./ATKINS	Change Site Conditions and Landscape Changes
3407	OVERPASS SAFETY CROSSING	\$ 3,385,702.00	\$ 3,156,345.49	\$ 3,236,393.34	\$ 3,466,362.60	102%	114%	PEAK CONSTRUCTION COMPANY DBA	BRADSHAW, JOHN,	In Litigation
3409	US 95 WIDENING PCKG 1	\$ 71,947,575.00	\$ 68,761,909.90	\$ 72,612,570.93	\$ 73,190,466.46	102%	100%	CAPRIATI CONSTRUCTION CORP INC	JOHNSON, NICHOLAS,	Drilled Shaft Delay, \$4.7M REA Electrical
3421	US 95 SUMMERLIN PKWY HOV	\$ 27,325,505.00	\$ 26,080,589.00	\$ 26,163,667.91	\$ 27,077,321.69	99%	100%	LAS VEGAS PAVING CORPORATION	TERRY, JOHN/ATKINS	
3433	US 50, WEST ROCK TO SPOONER	\$ 4,113,346.00	\$ 3,661,661.00	\$ 6,156,657.90	\$ 6,452,083.76	157%	92%	GRANITE CONSTRUCTION CO DBA	NUSSBAUMER, M./WOOD R.	Change Site Conditions
3435	I-80 WEST OF OSINO, ELKO	\$ 35,482,218.00	\$ 33,699,999.00	\$ 34,024,631.66	\$ 35,968,072.97	101%	100%	ROAD & HIGHWAY BUILDERS LLC	BIRD, STEVE,	Plantmix Quantity Increases
3440	SR 28, JCT SR 431 TO STATELINE	\$ 5,989,778.00	\$ 5,613,054.00	\$ 5,856,913.86	\$ 5,834,359.70	97%	100%	Q&D CONSTRUCTION INC	NUSSBAUMER, M./WOOD R.	
3442	US 95, N. CHINA WASH, ES COUNTY	\$ 10,705,018.00	\$ 10,171,171.00	\$ 11,508,946.50	\$ 12,952,664.78	121%	100%	ROAD & HIGHWAY BUILDERS LLC	RAGAN, JAMES/HDR	Roadway Ex Quantity Increse, 13% Changes
3451	US 50, CIR LA/EU COUNTY	\$ 11,562,099.00	\$ 10,799,999.00	\$ 10,738,346.93	\$ 10,873,788.68	94%	100%	ROAD & HIGHWAY BUILDERS LLC	PETERS, VICTOR,	
3453	US 93, BUCHANAN TO HOOVER INT	\$ 17,765,944.00	\$ 15,858,585.85	\$ 17,366,010.30	\$ 18,352,674.98	103%	0%	FISHER SAND & GRAVEL CO	LORENZI, A./CH2M HILL	Roadway Ex and Blasting, 9% Changes
3454	I-15, TROPICANA TO US 95	\$ 7,422,149.00	\$ 5,995,000.00	\$ 5,995,000.00	\$ 7,017,507.53	95%	0%	FISHER SAND & GRAVEL CO	GARAY, LUIS,	
3456	US 93 WP, REST AREA	\$ 2,015,478.00	\$ 1,832,222.00	\$ 1,832,221.60	\$ 1,800,339.54	89%	100%	ROAD & HIGHWAY BUILDERS LLC	BIRD, STEVE,	
3461	I-80, E.OASIS TO PILOT PK, CIR	\$ 32,539,538.00	\$ 31,000,000.00	\$ 31,480,522.72	\$ 32,182,099.38	99%	100%	FISHER SAND & GRAVEL CO	BRADSHAW, JOHN,	
3465	SR 341, COLDMILLING, WA & ST	\$ 7,339,877.00	\$ 6,969,007.00	\$ 6,975,304.50	\$ 8,036,138.22	109%	100%	SIERRA NEVADA CONSTRUCTION INC	MAXWELL, KEVIN,	Plantmix Quantity Increases
3466	I-15, SPEEDWAY/ HOLLYWOOD INT.	\$ 19,343,626.00	\$ 18,006,000.00	\$ 17,489,195.72	\$ 17,888,137.09	92%	108%	AGGREGATE INDUSTRIES SWR INC	PETERSEN, CHRISTOPHER,	
3468	I-80,DIAMOND INT,W. CARLIN	\$ 7,791,069.00	\$ 7,263,806.50	\$ 7,584,915.34	\$ 7,467,154.22	96%	93%	Q&D CONSTRUCTION INC	PETERS, VICTOR,	
3471	SR 28, ROUNDABOUT	\$ 2,647,363.00	\$ 2,414,236.00	\$ 2,824,910.37	\$ 2,763,370.48	104%	0%	Q&D CONSTRUCTION INC	BIRD, STEVE,	Utility Delay(Paiute Pipeline). 17% Changes
3472	VAR. CLARK, SIG. SYS. MOD	\$ 3,671,352.00	\$ 3,393,786.20	\$ 3,225,008.08	\$ 3,449,064.33	94%	100%	LAS VEGAS ELECTRIC INC	CERAGIOLI, JIM,	
3474	I-515, ITS	\$ 7,046,367.00	\$ 6,647,492.75	\$ 6,647,492.75	\$ 6,550,831.77	93%	100%	LAS VEGAS ELECTRIC INC	DICKINSON, J./KH & ASSOC.	
3481	US 95, COLDMILL & RDBED MOD, NY	\$ 8,938,028.00	\$ 8,500,000.00	\$ 8,592,695.54	\$ 9,045,989.08	101%	100%	AGGREGATE INDUSTRIES SWR INC	BRADSHAW, JOHN,	Plantmix Quantity Increases. Bridge Repairs
3501	SR 431, WATER QLTY & EROSION C.	\$ 5,703,141.00	\$ 5,318,188.00	\$ 5,563,700.44	\$ 5,139,513.36	90%	105%	Q&D CONSTRUCTION INC	NUSSBAUMER, M./WOOD R.	
3503	SR 443, COLDMILL & STRESS RELIEF C.	\$ 4,492,334.00	\$ 4,192,192.00	\$ 4,192,192.00	\$ 4,298,252.02	96%	88%	GRANITE CONSTRUCTION CO DBA	FINNERTY, J./MANHARD	
3504	I-15, STATELINE TO SLOAN INT	\$ 15,305,662.00	\$ 14,200,000.00	\$ 14,200,000.00	\$ 14,576,064.07	95%	75%	LAS VEGAS PAVING CORPORATION	PETERSEN, CHRISTOPHER,	
3505	US 50, WIDEN & DRAINAGE IMP.	\$ 22,256,347.00	\$ 21,212,121.00	\$ 21,201,767.48	\$ 23,367,709.19	105%	100%	GRANITE CONSTRUCTION CO DBA	BIRD, STEVE,	Plantmix Quantity Increases
3506	SR 225 & SR 226, CHIP SEAL	\$ 1,208,389.00	\$ 1,129,336.00	\$ 1,129,336.00	\$ 1,175,348.22	97%	90%	VALLEY SLURRY SEAL CO INC	BUSH, ANITA	
3507	SR 121 & US 95A, CHIP SEAL	\$ 1,374,949.00	\$ 1,285,000.00	\$ 1,285,000.00	\$ 1,293,171.65	94%	66%	INTERMOUNTAIN SLURRY SEAL INC	BUSH, ANITA	
3509	SR 116 & SR 860, CIR & CHIP SEAL	\$ 2,331,480.00	\$ 2,094,000.00	\$ 2,094,000.00	\$ -	0%	0%	A&K EARTH MOVERS INC	BUSH, ANITA	
3510	MULT. ROUTES, MICROSURFACING	\$ 1,896,048.00	\$ 1,772,007.00	\$ 1,772,007.00	\$ 1,796,366.51	95%	91%	SIERRA NEVADA CONSTRUCTION INC	BUSH, ANITA	
3512	LY & CH, 20 MILES CONST. FENCING	\$ 988,027.00	\$ 886,007.00	\$ 886,007.00	\$ 987,039.10	100%	68%	SIERRA NEVADA CONSTRUCTION INC	PETERS, VICTOR,	
3513	SR 306, MILL AND ROADBED MOD.	\$ 8,756,151.00	\$ 7,477,007.00	\$ 7,441,007.26	\$ 7,436,341.83	85%	99%	SIERRA NEVADA CONSTRUCTION INC	MINDRUM, GREGORY	
3514	I 80, BRIDGE DECK REPAIRS	\$ 1,862,300.00	\$ 1,693,000.00	\$ 1,825,289.10	\$ 1,890,642.45	102%	100%	Q&D CONSTRUCTION INC	FROMM, DOUGLAS	Bridge Repair Quantity Increases
3516	US 395, CC FRWY (2B-2)	\$ 9,958,381.00	\$ 9,545,454.00	\$ 9,545,454.00	\$ 7,347,213.74	74%	80%	GRANITE CONSTRUCTION CO	JOHNSON NICK/ LOUIS BERGER	Utility Delay (NV Energy). Est. \$200K
3518	I 580, MOANA INTCH. DDI	\$ 6,978,978.00	\$ 6,978,978.01	\$ 6,978,978.01	\$ 6,920,239.30	99%	0%	GRANITE CONSTRUCTION CO	SEARCY, ADAM	
3519	I 515, FLAMINGO INTER, L & AESTHETICS	\$ 2,356,103.00	\$ 2,144,539.61	\$ 2,167,402.61	\$ 2,226,623.29	95%	97%	LAS VEGAS PAVING CORPORATION	JOYCE, LUCY/ STANTEC	
3522	US 93, RR CROSS, ADV. WARN. SIGNALS	\$ 306,753.00	\$ 249,301.00	\$ 249,301.00	\$ 281,126.00	92%	70%	TITAN ELECTRICAL CONTRACTING	CERAGIOLI, JIM,	
3524	I 80, RUBBLIZE, PBS AND OG	\$ 34,221,117.00	\$ 32,106,106.01	\$ 32,108,436.01	\$ 24,875,270.40	73%	72%	GRANITE CONSTRUCTION CO	BRADSHAW, JOHN,	
3525	I 80, NEAR DUNPHY, MULT STRUCTURES	\$ 15,187,265.00	\$ 14,222,222.00	\$ 14,222,222.00	\$ 10,414,524.45	69%	58%	ROAD & HIGHWAY BUILDERS LLC	BRADSHAW, JOHN,	Utility Delay (Fiber Optic)
3526	I 15 N.,PART 2 PCKG 2, ITS FAST PCKG D	\$ 6,764,790.00	\$ 4,850,856.00	\$ 4,731,019.00	\$ 4,718,048.71	70%	95%	TRANSCORE HOLDINGS INC DBA	GARAY, LUIS/KIMLEY-HORN & ASSOC.	
3527	US 93, BOULD. CITY BYPASS, TORT FENCE	\$ 1,459,890.00	\$ 1,327,000.00	\$ 1,327,000.00	\$ 1,393,529.25	95%	96%	LAS VEGAS PAVING CORPORATION	LORENZI, ANTHONY	
3529	MULT. INTER. SIGNAL SYTEM MOD	\$ 2,074,259.00	\$ 1,753,671.20	\$ 1,758,464.72	\$ 1,134,743.51	55%	100%	TRANSCORE HOLDINGS INC DBA	BRADSHAW, JOHN,	
3530	I 15, CACTUS INTERCHANGE	\$ 40,534,954.00	\$ 38,900,000.00	\$ 38,938,352.00	\$ 23,196,830.58	57%	50%	LAS VEGAS PAVING CORPORATION	MIRANDA EDUARDO/ LOUIS BERGER G.	
3531	SR 593, REPAIR/REPLACE EXP. JOINTS	\$ 397,860.00	\$ 308,500.00	\$ 450,447.44	\$ 427,062.05	107%	43%	LAS VEGAS PAVING CORPORATION	MANUBAY, JENNIFER	Bridge Deck Repair Quantity Increases
3532	I 15, REOPEN F STREET	\$ 14,201,021.00	\$ 13,600,000.00	\$ 13,600,000.00	\$ 5,520,946.29	39%	50%	LAS VEGAS PAVING CORPORATION	FINNERTY, JENICA	
3533	I 80, W. EMIGRANT PASS, OVERLAY	\$ 15,357,027.00	\$ 14,283,000.01	\$ 14,283,000.01	\$ 11,706,428.38	76%	98%	Q&D CONSTRUCTION INC	MAXWELL, KEVIN,	
3534	US 93, JNCT AT CURRIE, PASSING LANES	\$ 10,592,452.00	\$ 9,886,886.00	\$ 9,929,318.00	\$ 2,603,397.65	25%	44%	GRANITE CONSTRUCTION CO	CERAGIOLI, JIM,	
3535	US 6, SR 361, SR 375 & SR 160, CHIP SEAL	\$ 6,790,358.00	\$ 3,966,996.00	\$ 3,810,508.10	\$ 3,182,957.61	47%	77%	INTERMOUNTAIN SLURRY SEAL INC	CERAGIOLI, JIM,	
3536	SR 854 & SR 396, CHIP SEAL	\$ 394,837.00	\$ 369,007.00	\$ 369,007.00	\$ 390,719.36	99%	0%	SIERRA NEVADA CONSTRUCTION INC	BUSH, ANITA	
3537	I 80, CARLIN TUNNELS PCKG 1, CMAR	\$ 2,847,133.00	\$ 2,818,944.00	\$ 2,818,944.00	\$ 2,777,678.14	98%	80%	Q&D CONSTRUCTION INC	KELLER, DALE	
3538	OFF SYSTEM, DEETH BRIDGE	\$ 312,713.00	\$ 273,563.10	\$ 273,263.56	\$ 268,761.95	86%	68%	GERBER CONSTRUCTION INC	PETERS, VICTOR,	
3539	US 95, N. WINN., SLOPE FLATTENING	\$ 8,157,766.00	\$ 7,616,616.00	\$ 7,616,616.00	\$ -	0%	0%	GRANITE CONSTRUCTION CO	BIRD, STEVE,	
3540	I 80, CARLIN TUNNELS PCKG 2, CMAR	\$ 28,339,999.00	\$ 28,340,000.13	\$ 28,340,000.13	\$ 13,727,326.44	48%	65%	Q&D CONSTRUCTION INC	KELLER, DALE	
3541	US 50, MULTI USE TRAIL, CMAR	\$ 1,424,013.00	\$ 1,424,013.00	\$ 1,424,013.00	\$ 1,242,280.17	87%	0%	Q&D CONSTRUCTION INC	RODRIGUEZ, PEDRO	


CONTRACT	DESCRIPTION	AGREEMENT ESTIMATE (BUDGET)	BID CONTRACT AMOUNT	ADJUSTED BID CONTRACT AMOUNT	TOTAL PAID TO DATE	¹ % Budget	² % Time	CONTRACTOR	PROJECT MANAGER NDOT/CONSULTANT	DESCRIPTION
3542	I 80, BRIDGE DECK REPAIRS & OVERLAY	\$ 1,476,400.00	\$ 1,330,000.00	\$ 1,362,685.58	\$ 1,254,700.00	85%	100%	Q&D CONSTRUCTION INC	FROMM, DOUGLAS	
3543	I 580 RAMPS, COLDMILL, PBS & OG	\$ 1,659,849.00	\$ 1,496,496.00	\$ 1,496,496.00	\$ 1,086,925.03	65%	32%	GRANITE CONSTRUCTION CO	BUSH, ANITA	
3544	DIST II, MAINTENANCE YARD	\$ 669,237.00	\$ 623,007.00	\$ 623,007.00	\$ 610,308.91	91%	100%	SIERRA NEVADA CONSTRUCTION INC	BUSH, ANITA	
3545	I 80, REM. BRDG DECK & OVERLAY	\$ 879,631.00	\$ 792,459.75	\$ 792,459.75	\$ -	0%	0%	ROAD & HIGHWAY BUILDERS LLC	FROMM, DOUGLAS	
3547	US 95, CHIP SEAL	\$ 607,648.00	\$ 558,007.00	\$ 558,007.00	\$ -	0%	0%	SIERRA NEVADA CONSTRUCTION INC	BUSH, ANITA	
3548	SR 319, CHIP SEAL	\$ 1,277,928.00	\$ 1,174,007.00	\$ 1,174,007.00	\$ 251,772.00	20%	0%	SIERRA NEVADA CONSTRUCTION INC	BUSH, ANITA	
3549	CLARK CO., SIG. SYSTEM MODIFICATIONS	\$ 963,013.00	\$ 870,935.40	\$ 870,935.40	\$ 5,713.67	1%	0%	TRANSCORE ITS LLC DBA	CERAGIOLI, JIM,	
3550	SR 227, IDAHO ST, COLDMILL & PBS	\$ 20,616,055.00	\$ 19,656,656.00	\$ 19,656,656.00	\$ -	0%	0%	ROAD & HIGHWAY BUILDERS LLC	BIRD, STEVE,	
3553	SR 164, NIPTON RD, EMER. RECONST.	\$ 623,200.00	\$ 540,000.01	\$ 540,000.01	\$ 369,667.63	59%	92%	AGGREGATE INDUSTRIES SWR INC	BUSH, ANITA	
3555	DIST II, INT. SAFETY IMPROVEMENTS	\$ 534,018.00	\$ 479,629.79	\$ 479,629.79	\$ 55,519.63	10%	6%	DIVERSIFIED STRIPING SYSTEMS	PETERSEN, CHRISTOPHER,	
TOTAL		\$ 1,118,077,381.00	\$ 1,060,600,590.66	1,111,574,586	\$ 1,051,223,958.25					

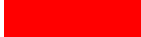
¹ % BUDGET = Total Paid to Date / Agreement Estimate

² % TIME = Charged Working Days to Date / Updated Working Days



ASSUMPTIONS:

 Work potentially behind schedule and/or potentially over budget, recovery possible

 Work behind schedule and/or over budget, recovery unlikely; or Outstanding REA

Adjusted Bid Contract Amount = Original Bid Amount + executed Change Orders
Data obtained from Integrated Financial System (IFS)

Total Paid to Date = Total Amount Paid to Contractor
Data obtained from Integrated Financial System (IFS)

% Budget = % of bid item work paid (Total Paid to Date/ Agreement Estimate)

% Time = % of time expended (Days Charged/ Days in Contract)
Data obtained from Integrated Financial System (IFS)

* Request for Equitable Adjustment (REA)

Contractor: Data obtained from Integrated Financial System (IFS)

Resident Engineer: Data obtained from IFS

Project Manager: Data obtained from PSAMS

Description: Comments provided by Construction Division

All contracts considered active upon upload into IFS through active bid item work or outstanding REA