

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

Chairman Len Savage	Mary Martini
Member Frank Martin	Kevin Lee
Rudy Malfabon	Denise Inda
Bill Hoffman	Jeff Shapiro
Tracy Larkin	Megan Sizelove
Rick Nelson	Sharon Foerschler
John Terry	Jeff Freeman
Dennis Gallagher	Paul Schneider
Thor Dyson	Bill Wellman

Savage: Good morning, everyone. We'll begin our Construction Working Group meeting at a little after 11:15 on March 11. Can you hear us in Las Vegas?

Martin: Yes, sir.

Savage: Okay. Thank you. So let's start with Agenda Item No. 1, public comment. Is there anyone here from the public in Reno that would like to speak?

Schneider This is Paul Schneider. I'm with the Federal Highway Administration. I know this group, the Construction Working Group, has been interested in project closeouts. It's been a discussion item for the past few months. And just for everybody's information here, the Federal Highway Administration is audited on an annual basis where the Office of the Inspector General goes through all our financial records and make a determination whether we have adequate internal controls to ensure that the various aspects of the financial running of the Federal Aid Highway Program are in place. And we, actually, this last year, for the first time ever, lucky us, got identified that we have an internal weakness on project closeouts and inactive funds, which means the timeframe for closing out projects after they have been determined to be constructed according to the plan specifications and estimate. We have problems with achieving timeframes that we've got in our federal regulations.

And so what's happened through a statistic sampling, six states were reviewed by our Chief Financial Office over the last month, with Nevada Department of Transportation being one of those that was scrutinized. And there will be a national report that goes to our Chief Financial Officer's Office on March 31 of this month, with recommendations for revisions to remove the material weakness, which means improving our processes and procedures for ensuring project closeout in a timely manner, as well as the obligation of funds.

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

Just for your information, Nevada won't be specifically named in that. You know, we scrub those so no states are actually named, but we'll be providing that report to Rudy's office, so that the national finding can be implemented here in the State of Nevada. Our Financial Officer, Bob Eatman, is also working close with Scott Sisco on reviewing the closeout process as well as the inactive obligations process to just make it better here in Nevada. But we think that the end result will be, as you can imagine when the Federal Government goes through this, especially being identified as a material weakness, as Rick Nelson said, it kind of rolls downhill. So there won't be -- probably be revised processes and procedures for improving the closeout and inactive obligations process in all the states including Nevada.

You know, the real reason for this, you know, the underlying issue is that when you have untimely project closeout and not a good process for de-obligating, then that -- those amount of funds that are obligated and aren't going to be expended aren't utilized. And so the positive outcome of early closure is you release (inaudible) funds, which then may be re-obligated to new projects. So you get people working out there, plus a greater amount of infrastructure being constructed. On a national basis we have well over \$1 billion all the time on inactive projects, which, just for your information, inactive projects are identified as those projects that we have an obligation, but it's been over 12 months since we've had an expenditure on those projects. Anyway, so just to let you know. I know this group's been interested and we anticipate through that national court and plus our state specific review and evaluation with Scott Sisco's group that we'll need to get a better process and procedures financial systems here in Nevada to decrease that timeframe and decrease the inactive obligation rate.

Savage: Thank you, Paul. And we appreciate your comments. And, as you know, CWG has been diligent since the beginning in trying to reduce our project closeout. In fact, it's an Agenda item every other month we meet, so thank you for your support. Are there any other comments?

Freeman: Quick comment. For the record, I am Jeff Freeman, the Partnering Program Manager for the Nevada Department of Transportation. I just want to bring up Partnering Awards this year. They will be announced and handed out at the next Board meeting, but I want to bring it up now, so everyone is aware they are done. They are out there. We have one Gold Award winner this year. That is W.W. Clyde and the I-15's design-build. They did an excellent job down there sliding the bridge in place. We have four other very worthy projects throughout the State. They were all Silver Award winners. They are all quality projects. I'd like

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

to commend Granite and the I-80 design-build. Q&D and the, let's see, it's Contract 3477, U.S. 95 North Winnemucca. RHV, it was administered by a consultant (inaudible) Muller Group on Contract 3469 in Hawthorne, U.S. 95. And, finally, Las Vegas Paving, they did an excellent on the I-15 South design-build. All of those projects were quality projects. I'd like to get them on record one extra time since I was allowed to speak here. And thank you.

Savage: Thank you, Jeff. And you said that's going...

Freeman: Next week -- or next Board meeting. At April we'll actually hand out the award plaques and you get your picture taken with the Governor (inaudible), so look your best that day.

Savage: Thank you. That's good -- that's good news, Jeff. Thank you. Any other public comment? Identify yourself, please.

Wellman: Bill Wellman of Las Vegas Paving. And, actually, this is just kind of in general, and, Chairman Savage, I was going to ask you, moving public comment to the last public comment, No. 9, up one notch, I don't know that you've ever had any of these working groups, but when we leave to your closed session, we don't know how long it's going to be, so typically we leave as a public and don't come back. So I'm not sure you get many -- or much public comment. So if you moved it up one notch...

Savage: I'd have to defer that to counsel, to whether or not that would be an option.

Gallagher: Mr. Savage, of course, that is an option, but so that everybody knows, once the group goes into closed session, they do have to come out of closed session into an open session, even if it's merely for an adjournment, so you could move public comment up one, if you'd like.

Savage: Any other comments on that issue? Personally, I don't see a problem. If there's any other concerns. Member Martin, do you have any?

Martin: I think that's a great idea, sir.

Savage: (Inaudible) as well, so we'll make that change. Thank you, Bill.

Wellman: Thank you.

Martin: Chairman Savage?

Savage: Yes, sir.

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

- Martin: The gentleman that spoke very first about the present closeout from the National Highway, are we going to get a copy of that management letter, as I would call it? Is the Board going to get a copy of that letter that you're going to issue?
- Schneider: It's a public document, but I will personally make sure that it is provided to Rudy.
- Savage: Okay.
- Martin: Perfect. Thank you.
- Savage: Thank you, Member Martin. Thank you, again. Any other public comment here in Carson City?
- Larkin: I just wanted to participate. Tracy Larkin, for the record. I just wanted to make one comment, just following up on Paul's. And there will be more discussion as we move down, but the closeouts -- there's been a lot of discussion between the districts and the construction office regarding closeout has been one of the main topics. And, again, it'll be covered a little bit more in here, but we've been getting -- did a survey and getting some feedback on both sides so that we can work through works, and we have planned to work through it as move into the April meetings (inaudible), so it's definitely at the top of the list that's being looked at.
- Savage: Good. Thank you, Tracy. Any other comments in Carson City? Public comment? John Terry.
- Terry: John Terry. If I could, Paul, just a follow-up to yours. Are you guys talking about -- obviously a lot of our balance is not just, or some of our balance is not just on construction contracts.
- Schneider: Right.
- Terry: Is this on agreements and other things that have outstanding balances that are on our list as well? Or is it the concentration on construction contracts?
- Schneider: It's all -- this is Paul Schneider, for the record. It's on all contracts. So it includes consultant contracts, construction contracts, even supportive services contracts for OJT and DBE. It can also include things -- very small items like when you give money to UNR for a transportation intern program. It's any time there is an obligation of federal funds on a project. It doesn't matter if it's a \$50,000 project or a \$500 million project. However, we do stratify when we get concerned about those. If there -- there's three different tiers that we -- that are defined in the

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

regulations. If it's been inactive and it's over \$200,000 basically sitting there not being utilized, we contact Nevada Department of Transportation within 12 months. If it's between 50,000 and 200,000, we don't get concerned until 24 months. And if it's less than \$50,000, we don't get concerned for three years. However, even though we don't contact them, at any dollar value, if an expenditure has not occurred on a project in 12 months, it's defined as inactive. And I'm hoping to work with Scott where -- Scott Sisco where we also are not very concerned about the different tiers, that we just try to close all the projects out in a very timely manner here.

Savage: Thanks for the good question, John, and the (inaudible), Paul. Any other questions or comments from Carson City? Anyone in Las Vegas for public comment?

Martin: No, sir.

Savage: Thank you. Anybody in Elko for public comment?

Lee: No public comment. Thanks.

Savage: Thank you, Kevin. With that being said, we'll move on to Agenda Item No. 2, approval of the December 10, 2012 CWG meeting minutes. Are there any comments from Board members?

Martin: On Page, yeah, this is Frank Martin. On Page 26 of the meeting minutes, there was a statement made about -- the question was asked about the prompt payment and the releases of vendors and so on, and then suppliers, asphalt suppliers. And I'm just wondering, there was a liaison meeting that took place, or we were told it was taking place, on this issue, and it had to do with quantities, it had to do with payment. If you remember, Chairman Savage, you asked about vendor releases and that kind of stuff. And there was a liaison meeting going to take place. And I was wondering if there was a result of that liaison meeting that staff wanted to report on.

Savage: I think we'll discuss this further down the Agenda. If we just -- that would be an old business matter, Member Martin.

Martin: Okay. I just didn't see it on the Agenda, sir.

Savage: We'll cover it under Item No. 6 for old business, when we have an opportunity to bring that topic up.

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

- Martin: I'm good with that.
- Savage: But, at this time, we're -- are there any other additions, deletions or corrections with the meeting minutes for December 10?
- Shapiro: Chairman Savage, Jeff Shapiro, Chief Construction Engineer. On Page 7, where I'm talking on the bottom there?
- Savage: Yes.
- Shapiro: The sentence reads, I'm constantly refusing my part as a part of the selection process. I actually said recusing, because conflicts of interest kind of stuff. So I would love to help out, I just can't.
- Savage: You never refused.
- Shapiro: Yeah, yeah, I never refuse.
- Savage: So the correction is recuse.
- Shapiro: Recuse. And I hope I'm using that word properly.
- Savage: Recuse. Yes. Any other comments or questions from anyone here? At this time I'll take a motion to approve the Construction Work Group meeting December 10, 2012 meeting minutes.
- Martin: So moved.
- Savage: And I'll second. So the motion passes. Thank you. Moving on to Agenda Item No. 3, construction training and minutes. Who is going to present on that?
- Nelson: Well, I'll get started, Mr. Chairman. For the record, Rick Nelson, Director of Operations. We wanted to provide the Construction Working Group with some insight into the kinds of training and meetings that we routinely hold every year in order to improve the construction program, in order to educate new staff that may have joined over the last year, to push out new policies and also to provide a forum for discussion, particularly to get feedback back into the Construction Division from the field on procedures and specifications and those kinds of things.

There's three broad topics that we have every year. The first is the Resident Engineer meeting. And this is an annual meeting that -- well, obviously, it's an annual meeting that occurs every year. But it's an annual meeting where we bring all the Resident Engineers, their assistants, and gives us two or three days of

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

opportunity to interact in a face-to-face manner. We were fortunate enough this year to have Member Savage attend the opening session. First time ever for a Board member to be present at the Resident Engineer meeting and offer some remarks. You had an opportunity to sort of see how things get kicked off and the kinds of discussion that we have.

What's unique about the Resident Engineer meeting is it gives the Resident Engineers time in sort of a private session to talk about issues that are important to them. One of the features with the Resident Engineer meeting is the Resident Engineers have an opportunity to pose questions from the field into headquarters in a formal way. And we also take those questions very seriously and we provide written responses back to those questions. And our responses are then debated at the Resident Engineer meeting. So if there's additional clarification that needs to be made on either side, there's an opportunity for that to happen. We also have an executive break-out session that occurs at the Resident Engineer meeting as well, where we get a chance to talk about policies and procedures and things that are important at that level between headquarters and the district.

The second opportunity we have here is the Resident Engineer Academy. This year we did not hold a Resident Engineer Academy because we just didn't have the new staff at the Resident Engineer level to step in. This is a week-long academy where anyone who wants to be a Resident Engineer, whether they be a State employee or working for a consultant, has to attend. We cover all things important to be a Resident Engineer. So it's not project-specific kinds of activities. We cover a variety of topics from processing change orders to tort liability to communication, all down through the list. It's been an extremely beneficial program, I think.

And then the third topic of special classes are classes that are put on by the Construction Division for a variety of levels in the field. An office school, for example, the documentation manual and how we administratively process the contract. Various testing schools, concrete, asphalt testing, those kinds of things. We'll do special training classes, for example, in contract change orders as the need arises. I don't know, Jeff, would you like to add anything to the list and sort of what these mean and...

Shapiro: Rick, Jeff Shapiro, again. Yeah, Rick, you're doing a pretty good job with the special topics. There's a couple of things we've got in the hopper that are coming up. We're looking at providing some scheduling training as we try to implement P6, our new scheduling software. We need to bring some people in to show us

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

basically how to run the program. Plus I also want to bring somebody in to show us how to review a contractor's schedule, because I think we're struggling with that a little bit, as far as, you know, the reasonableness of the contractor's schedule. Because we struggle with, in some cases, with getting a baseline approved. And so I'd -- I want to bring an expert in to help us -- help us -- teach us how to review a schedule, so we're catching the important stuff.

Another thing that -- or another training session that we've got scheduled for April is we're bringing some folks in from FHWA, subject matter experts, one guy's from Atlanta, another guy's from Sacramento, to go over the core-curriculum training is what they call it, how to administer a federal aid construction project. And they're going to over training on their Construction Project Management manuals. Those are some of the new programs that -- or the new training opportunities that we're going to provide. But Rick did pretty well. You know, in the packet there's a pretty detailed description on what each one of these classes provide. And we're always looking for opportunities to provide more training just to make those better.

Savage: Absolutely. And I want to thank Mr. Nelson, yourself, Jeff, and Mr. Malfabon, Mr. Hoffman for the invitation to the RE meeting. It's very beneficial, I believe, to have a round-table open discussion with the REs. Good feedback. I know nothing's ever perfect in the construction world, but we all try to get better at what we do. And I believe their input, I mean, they're -- like I said at the meeting, they're a catalyst with this equation on everything that revolves around each and every project. And I would like to see, if I could, some of the meeting minutes from that RE meeting, if that would be possible. Because I think it's -- I think it behooves that the (inaudible) and, specifically, this Construction Work Group on potential Agenda items to be discussed further, and some of the RE concerns.

And I was only there for (inaudible) hours and I know you met for, I think, two and a half to three days, isn't that right, Chair? And so I'm sure that what I heard and what I saw was just -- I mean, the passion and the involvement with some of the feedback I thought was very, very positive. And, you know, the quality and constructability of the plans, I know that was one of the major issues. Talking about consultants even further and holding everybody accountable, from the contractor to everyone within the department, it's just very beneficial with a lot of Agenda items. So I think those meeting minutes might be helpful in the future for us to discuss any topics that any particular RE might have, or anyone outside on the construction side, or anybody within the department, I think it would be very

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

helpful. So I'd look forward to seeing those. And, again, thank you for the invitation.

Nelson: Tracy, did you want (inaudible)?

Larkin: Yes.

Martin: Chairman Savage?

Savage: Yes, Member Martin.

Martin: I would -- one of the things I wrote down as I was reviewing everything this weekend is, I didn't know this took place. And I would certainly like if you're going to do it again in 2013, like to know that it's going on. Because I, too, would like to attend and watch and see some of these issues that we're struggling with here at the CWG. I think that it's critical, especially when it comes to best management, scheduling, those kind of issues. I think it's really important that, one, the REs know that we're interested in making sure that they have a capability of being successful. And then for Board members to attend those things, if nothing else, just to attend, says another level about -- says a whole different story about what our level of interest is in their jobs.

Savage: I think that would be a great idea. Member Martin, with your experience, your involvement would be very beneficial to the department. My only question would be, again, to our attorney is whether or not we could have two Construction Work Group members attend the meeting.

Gallagher: For the record, Dennis Gallagher, Attorney General's Office. As long as you were there merely to observe, that would be fine.

Savage: Thank you, Dennis. We'll look forward to next year's meeting, Mr. Nelson.

Nelson: Thank you.

Savage: And Tracy.

Larkin: Tracy Larkin, Deputy Director for Southern Nevada. Just to add on to what Rick and Jeff had started, we put out a survey prior to the RE meeting to all the REs and the Assistant REs in the State asking for their feedback. The results, they were compiled, and basically it was on what challenges there were with processes, what issues they saw in the field. It was summarized. That was brought up at the RE meeting and the results gone over. And you should have the results in there. Taking these farther, Mary Martini led an exercise, actually it was broken into

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

four different groups, and Construction took the notes on those, covering four specific topics there more in-depth. That is being brought back in and the results of this is going back out. The results of those four break-out sessions are back out to the REs. And that's going over again at the RE meetings in April. And there's one -- well, we can't get everybody together. There is one in each district, so there'll be three different RE meetings in April to go over those back in.

Also, in addition to that, on there, is a survey will be going out to contractors, our main contractors out there, looking for their feedback again on the processes. And what we're trying to do is really identify the challenges that we have in the process from both sides. As more discussion came out, it was easy to see the different perspectives on both sides and where some of the challenges are popping up. And I think Member Martin put it best as saying, we really want to give everyone -- to set them up for success, give them the tools for success to go on and try to eliminate some.

So I really kind of wanted to just comment on what I think is a positive direction that is going between Construction and the districts to move forward and really flush out what our issues are with some of these processes. So there's a lot going on and there'll be more to report at the next meetings. That's it.

Savage. Yes, thank you, Tracy. And it's so true. It's all about communication. And with the electronic world of the Google docs, I mean, the Cloud, there's a lot of things that I think that we're going to see in order to better the communication with all of the NMEs and people that we have working on projects, so I think it's very positive. Thank you, Tracy. Any other comments or input from anyone here in Carson City on the Agenda Item No. 3?

Dyson: Oh, I have one comment. Thor Dyson, District Engineer, for the record. Len, thanks for coming to the RE's meeting. I was there. I heard you speak. Afterwards I had several conversations with staff, different REs, and they were very pleased to have you there. And they appreciated your thoughts. It was obviously, you know -- it was obvious that you were prepared to speak and gave some -- gave the guys, the men and women, a shot in the arm. So I think it was a great beginning and future meetings will impress upon the REs that the Board is, you know, there to help them out and assist the crews as required. So thanks.

Savage: Well, thank you, Mr. Dyson. It's a privilege. Thank you. Any other comments here from Carson City? Las Vegas, any comments?

Martin: No, sir.

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

Savage: Okay. We'll move on to Agenda Item No. 4, crew reduction rationale and analysis.

Nelson: On this particular item I know Director Malfabon had mentioned at a Board meeting a month or so back plans to reduce construction staffing by two construction crews, one in District 2 and one in District 1. And I wanted to take this opportunity to brief the Construction Working Group -- or to have Jeff brief the Construction Working Group about that and provide a little discussion just to set everybody's mind at ease that we believe we can make this reallocation of staff without impacting the construction program. So with that, do you want to talk about the rationale a little bit?

Shapiro: Sure. Sure. Jeff Shapiro, again. Basically, under our current organization we have 19 crews. Nine in Las Vegas, six in Reno and the balance in Elko. Crew size varies between 4 people to 16. What we did -- when the Director asked us to look at basically becoming more efficient, you know, some of it's to try to address the slowdown in our program, but we looked at if we could do our jobs basically with two less crews; one less one in Las Vegas and one less one in Reno.

And, granted, the devil's always in the details on these things, but we did do a simplified analysis, making certain assumptions on project sizes and location. And we were able to prove that 17 crews instead of 19 -- well, we feel with a high degree of confidence, let me put it to you that way, with 17 crews instead of 19, we can manage a \$300 million program, which is basically what our program is. But there will be -- we will need to reallocate some resources. There's a little bit of redundancies in what we have right now. And the devil's in the details. We're working with the District Engineers and the Deputy Director trying to hammer out the details on that. And I agree with Tracy and Thor and the other District Engineers, the conversations we're having now about our process, the improved communication is a really incredible thing, in my humble opinion. And I look forward to continuing that dialog, because that's -- it's all about communication, Chairman Savage, just like you said.

But we've got a ways to go yet, but basically we've been approved to reduce the two crews. And we're going to standardize crew size. There's some exceptions, so to speak, on there, but standardized crew size to 12, instead of having variances from 4 to 16. But that is a process we're working with the District Engineers on.

Larkin: I'd also like to point out that -- Tracy Larkin, the reduction is by attrition, so it's not...

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

Shapiro: That is correct. Yep.

Larkin: I just wanted to clarify that.

Dyson: And Thor Dyson, District Engineer. We've been tasked to reduce the crew -- 1 crew, 12 individuals, and we're at 9 right now. So we have 3 more individuals and we'll meet that 12 person reduction fairly soon, we think within the end of the year, depending on, you know, retirements, promotions and that kind of thing, transfers. But Ms. Larkin is correct. We're moving forward and it's through attrition and vacancies as they come up.

Nelson: Rick Nelson, for the record. One of the things that sort of makes this a little easier to plan, anyway, is the work that John and Bill -- John Terry and Bill Hoffman have been doing in formalizing the five-year plan -- the five-year plan of projects. It's, you know, knowing with some degree of certainty what projects we expect to be coming down the pipeline here over the next five years. While it hasn't made the task particularly easy to reduce staff, at least we've got a fairly high degree of certainty that these, in fact, are the projects that we're going to be delivering. And there shouldn't be any surprises pop up. So we're relying heavily on that five-year plan to make sure that we've got adequate staffing in place when those projects do become a reality.

Shapiro: The one thing I'd like to point out, and part of this is for FHWA's benefit, is we will, you know, depending -- with the standardized crew, we're going to have to do a better job of clarifying roles and responsibilities on inspection, of course. And we'll work with FHWA and everybody to make sure everybody's comfortable with what we're doing. And on those projects, where -- when you have specialized needs or increased workload, we will look to hiring temporary staff to get us through those peaks. And, you know, very common to what a lot of other DOTs are doing right now, so...

Savage: I guess I have a question on the standardized crew, because it's all relative to the size of the project. So why would you have a quantified -- is it a quantified, standardized crew that you're speaking about?

Shapiro: Well, what I proposed -- when I did this analysis, I basically broke it down into paving teams. Because our bread and butter is mill and overlay type projects. So I broke it down like that. But we do have some sort of specialty type folks out there; Structural Engineers, Survey Experts. You know, we need to work with the District Engineers. But we -- you know, places like, to use District 1, Las Vegas, for example, having a specialty crew that provides support to the crews that need

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

them, if they have a bridge on that particular project, that's one way how we would do that. So people would -- maybe moving around from RE to RE, depending on the needs of the crew. But if there's other needs out there that we have to hire temporary staff, consultants, construction aids, that's how we would fill that as well, so...

Savage: Okay. Maybe I'm misunderstanding these -- the standardization of the personnel. So you're not suggesting that where we had crews from 4 up to 16, you're not going to have a crew of 12 on every project?

Shapiro: No, no, not at all. Not at all. The people would move around depending on the size of the project. And the basic paving team is six people, basically. Yeah.

Savage: Okay. So that 6 people, 12 people, that number in crew size is still going to fluctuate depending on the magnitude of the specific project; is that correct?

Shapiro: Correct.

Dyson: We do that now.

Shapiro: Actually they do it informally.

Dyson: We do it right now.

Savage: Okay.

Dyson: It fluctuates, you know, workload, type of job, location of the job, we'll adjust crew sizes as required. To include what Jeff Shapiro said, if we need to -- you know, when we had tons of work, we would augment or (inaudible) administrations.

Shapiro: What's different, though, it's fairly informal now. We're trying to formalize that a little bit more so everybody understands the process.

Martini: If I can make a comment. This is Mary Martini, District Engineer in Las Vegas, for the record. One of the things to keep in mind is, even though often we have a large project per crew, our crews often will handle several projects, smaller ones. We have two crews, specifically, that can handle a number of projects. So there's that factor as well. Thank you.

Savage: Thank you, Mary. Member Martin, any comments?

Martin: No, sir.

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

Savage: Thank you, Jeff and Rick and Mr. Malfabon. I know it's not easy to decrease, but it's a reality in the construction world. We have to be receptive to the changes in the workload. It's a supply-and-demand issue, and I appreciate the department reacting. So if there's no other discussion on Item No. 4, we'll move to Agenda Item No. 5, accountability.

Nelson: For the record, Rick Nelson. What we wanted to do with respect to this item, this ties back to some of the initial discussions that were had when the Construction Working Group was formed. Accountability was one of the nine high-priority items that were identified. And this is just to let the Construction Working Group know that over the next six months or so, we're going to be taking some of the standard reports that we provide to the Construction Working Group, you know, the status of projects, project closeout, there's some other internal reports that we use to monitor progress. And we're going to start manipulating some of those reports and distributing them internally at first so people sort of get a feel for the kinds of things we're looking at. And this could be anything from cost overruns, change order rates, construction engineering rates, and having these in an Excel spreadsheet, which I know the Construction Working Group wanted them provided that way, but, you know, everybody has a day job and do you have the opportunity to sort of slice-and-dice and mix-and-match and try to draw some inferences out of the reams of data that we provide.

We're going to start doing that internally just to sort of get a feel for how we might be able to look for some trends, some outliers. And we hope at the June or August Construction Working Group meeting that we might start laying some of these reports on the table to, you know, look at how things compare district-to-district, contractor-to-contractor, project manager-to-project manager. I know those are the kinds of questions that the Construction Working Group have asked. I know the Controller has asked those kinds of questions. And so we're going to start recombining some of this data up, just to see what it looks like. So we'll be doing that internally so we can sort of get a feel for how to present it and what it's telling it. And then we plan to share that with the Construction Working Group in the future, so...

Savage: Okay.

Nelson: That was -- you know, the two big items were recognizing the crews and, I think, you know, we tapped one of those nails when Member -- Chairman Savage came to the RE meeting. And we want to start doing the same on the accountability side, just for continuous improvement, make ourselves better.

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

- Savage: That's good. I think it's a great idea, again, to work it inside and have everybody communicate within the huddle and then move it on outside. That's a good idea.
- Shapiro: Chairman Savage, Jeff Shapiro. I guess I'd like to add, this is -- and I don't know if struggle's the right word, but this is something that a lot of DOTs nationally have been stressing. And there's been several NCHRP reports out on that. And, you know, best practices on performance measures, i.e., increasing accountability, staff accountability as well as contractor accountability. So, you know, we've been looking at these reports for awhile, trying to glean their best practices out of them and incorporate them into NDOT. But it is a process. Like I said, the improved communication with the District Engineers is definitely going to help us get through this.
- Savage: Any other comments on Agenda Item No. 5 here in Carson City? Las Vegas?
- Martin: None here, sir.
- Savage: Thank you, Mr. Nelson, Mr. Shapiro. Moving on to Agenda Item No. 6, old business. I think now might be the appropriate time, Member Martin, to discuss the subcontractor liens and intent to liens and conditional versus unconditional protection from what the department might be doing with the second and third-tiered contractors. Is that, basically, your question, Member Martin?
- Martin: Yes, sir. There was supposed to be a liaison meeting between NDOT and the Contractor's Group to try to discuss that. And if you remember, Chairman Savage, you originally brought this up, what we were doing for those lower-tiered subcontractors to make sure that they were getting paid and make sure we were getting the proper releases, et cetera.
- Nelson: The NDOT Construction Industry liaison meeting had been postponed. The new date -- when's the new date, Tracy?
- Larkin: It's March 29.
- Nelson: It will be March 29. And I believe Lucy sent the Agenda for that meeting out to the Construction Working Group along with the minutes from the last meeting. So the liaison meeting we thought we were going to have we didn't have.
- Savage: Those are quarterly?
- Nelson: That's the goal is to have them quarterly.
- Savage: That's the goal?

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

- Nelson: Sometimes they have to shift due to schedules a little bit, but...
- Savage: And I think it's important. I see the minutes here, the draft minutes, of the December 14 liaison meeting.
- Nelson: That's correct. That was the last meeting we had, was in December.
- Savage: Was in December. So we'll -- if you could please copy us again on the March 29 meeting, I think that'd be beneficial.
- Nelson: Did you want to talk about getting (inaudible) that sort of thing?
- Shapiro: Honestly, I would prefer to talk about that during the closed session, if we could, because there are some related issues there.
- Savage: Okay. Let's see. Other items under old business.
- Martin: I had one other that was in the minutes, sir.
- Savage: Yes, Member Martin.
- Martin: On Page 27, we were talking about electronic bidding and the software glitch that occurred. Did we get that worked out and is it moving forward?
- Savage: Yes, it has been worked out. It was my understanding that the individual contractors had to upgrade their software. Is that a correct statement?
- Malfabon: Yes.
- Savage: From our provider.
- Malfabon: Yes, this is Director Malfabon. The other update had to do with the DBE module, so that there's only a one-time entry of the DBE information with submittal of that information within two hours of bid (inaudible) one percent subs rule, so that we accomplish that at the same time. That was another update to the software. So all these updates occur periodically and all contractors are required to be updated at the same time.
- Savage: Okay. Good. So that's a "yes," Member Martin.
- Martin: Okay. So we're receiving bids electronically now; is that correct?
- Savage: Yes.
- Martin: Thank you.

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

Savage: I have a couple of questions on old business. The last CWG meeting we spoke about consultants quite a bit. And at the last meeting, Mr. Terry, there was a question -- at the last Board meeting, I should clarify, there was a question on the CMAR project at the Carlin Tunnel regarding the HDR change order. And I know you addressed that briefly at that time, and I didn't want to get into too many details. I thought this might be a nice format to discuss the early release of a change order to HDR on that particular project. So if you could expand a little bit, we would appreciate it.

Terry: John Terry, for the record. Well, a couple issues. One is we are finding that CMAR projects take more time in design. In other words, our preliminary engineering costs, whether they're done internally or we're using consultants (inaudible) have a little more to them because of responding to the contractor input, additional meetings, et cetera. We think there's value in that, and that we're getting value out of that, but we are finding that these added steps are adding to the process.

So I think, one, that plays into that particular agreement. I believe it was started and we found that there was more participation and more meetings and, in that case, some that required travel, than would be required in a normal contract. So that's part one to the answer. I guess the second part to that is, we, as I said at the Transportation Board meeting, do attempt to quantify the numbers and types of meetings that consultants are to attend as a part of the agreement for design, and will entertain change orders where those numbers of meetings greatly exceed what was in there, because we know it's an assumption.

I'd also like to re-state that our agreements for design almost exclusively, while we sometimes do lump-sum, are cost-plus-fixed-fee type agreements, so, with an amount not to exceed. So what we're really talking about here in these types of amendments is increasing the amount not to exceed. And we still have full scrutiny over agreements and are paying actual cost as they are incurred. So I don't know if -- in that, if I kind of answered your question as to how we do this. But we are seeing CMAR is causing more meetings and more coordination, and in some cases more redesign in order to come up with this economical design. And, frankly, if that means an amendment to the basic scope, we'll need to entertain that on these agreements.

Savage: I appreciate that. So that leads into another question, because I understand clearly what you're saying, Mr. Terry. But is the burden of quantifying the meetings or the travels up to the department? Or do we work -- because I realize that

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

consultant selection is not based on price. I understand that. But in determining or quantifying trips or meetings or whatever amount we have with consultants, it's not always on the departments' burden to quantify that. Or do you say, "Okay, here's the scope of the project, Mr. Consultant." And Mr. Consultant would say, "Okay, I'm going to have 15 meetings on this one particular project." And NDOT may say, "Well it's only..." How does that work, I guess, is what I'm asking? How does that discussion really go?

Terry: Well, I'll take a shot. And then I guess -- John Terry, again, for the record, and then somebody else can add in. There's a couple of steps. When we put out an RFP -- in fact, we've gone to putting more scope in our RFPs than we used to. We put out a scope, but that's not usually the final scope. The consultant is selected. And then we often work with them to develop a more detailed scope of exactly what they're going to do. And I would put numbers of meetings in there with like numbers of plan sheets that we expect them to produce and other things that we expect them to produce. It is our best estimate of the scope of work, again, on a cost-plus-fixed-fee not to exceed agreement, and then they develop that based upon that scope of work.

So, no, it is not exclusive. We negotiate both the scope of work, and then after the scope of work is done, we negotiate the fee that will be paid based upon that scope of work. So I would not say that the scope of work is 100 percent. The consultant tells us what they're going to do and then we make them do it for that price. We negotiate that with them. We negotiate both the scope and the cost. And so if the scope changes dramatically -- and I'll admit that a lot of design contracts over the years, the scope does change somehow; more plan sheets, different limits, more meetings, less meetings, it evolves over time. The one you guys have also seen a lot of is more time. If a design takes more time, does it take more cost? And we've run into that as well. But, no, the scope of work is negotiated, as well as the fee is negotiated.

Hoffman: Member Savage, if I could just -- Bill Hoffman. In this case, in HDR's case, they were originally hired to help design bridges on that project. But that was a design-bid-build scenario at that time. And to meet the timelines and schedules for a CMAR project, we felt it would be a benefit to the State to have that same design team with that knowledge continue on the project, but the schedule was compressed substantially to meet the CMAR OPCCs and GNPs and, you know, all the acronyms you can throw out with CMAR, but the scope changed because the schedule changed. They were originally hired to provide services to design bridges on a design-bid-build project. We changed that to CMAR when we felt

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

very strongly there were savings to the State and to the department to have that same group continue. So that's how the hours may have changed or the meetings changed was just because we changed to a completely different delivery method.

Savage: Mm-hmm. Mm-hmm.

Hoffman: So in that particular case, that's why you saw an amendment for HDR on that project.

Savage: Thank you, Mr. Hoffman. And I think our concern, and I'm talking about the department's concern, is that it's always not up to the department to -- especially on a CMAR project, that's what's so good about a CMAR, is everybody's on the same side going the same direction. So their input is extremely beneficial as to the length, timing, quantifying, whatever it might be. Because I don't believe it should all be the burden of the department to quantify what and how their job might be. Yes, Mr. Terry.

Terry: If I could, John Terry, again. And maybe we ought to look at a different consultant contracting type, perhaps, when we're going to do a CMAR, than our standard cost-plus-fixed-fee based on number of sheets and number of meetings that we have done typically. I mean, we might have to look at if we do this again and we're going to do contracting of design services for a CMAR contract, that perhaps we modify the model slightly from how we're doing normal design-bid-build by the -- by the -- he also has different risks because the contractor's in there kind of helping tell him how to design it and what is an economical design and what isn't. So I think we need to look at our model of design contracts when they're CMAR. And we're learning.

Savage: I think that's good to hear, because it's almost like a design assist rather than a hard plan and spec.

Terry: And maybe cost-plus-fixed-fee with an amount not to exceed and a scope of work negotiated early on isn't the right model.

Savage: Yes. And I'm a fan of CMARs, as you know. And I think those are very beneficial to the State, because it is a reduced cost at the end of the day. And I know there's less change orders on a project, and if everybody's on the same page, so I'm glad to hear that. Thank you, Mr. Terry.

Shapiro: Chairman Savage, I'd just like to say the Construction Division also supports the CMAR. There's nothing better than having a contractor at the table when you're trying to work out all the bugs on a design.

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

- Savage: Good. Any other comments with old business?
- Martin: I have one, sir.
- Savage: Yes, Member Martin.
- Martin: Or maybe two more. On Page 34 of the meeting minutes, there were -- on Contract 3290, there was an overpayment of \$600,000. Did we get that money back?
- Shapiro: Member Martin, you said 3390, correct?
- Savage: 3290.
- Shapiro: 3290. No, we have not.
- Martin: 3290.
- Shapiro: We are -- that's a -- if I remember correctly -- this is Jeff Shapiro, for the record, that's a contract we have with Aggregate Industries, and we are going to close out that contract with 3361 at the same time, because we -- and that was at the contractor's request, because we owe them money on 3361. So we're trying to minimize the shock, so to speak, of the -- sending them a \$600,000 bill.
- Martin: So we didn't get the money back, but you hope to.
- Shapiro: No, no, no. We will. We have to or else I'm going to have Paul, the feds breathing down my neck. No, we will get the money back. That's a federal aid project.
- Martin: I won't forget that many commas and zeros, okay, Jeff?
- Shapiro: No, no, sir. No, sir. I don't either. We will get that money back, or those quantities back.
- Martin: Okay.
- Shapiro: It's really being driven by an overpayment in quantities. We will get those quantities back, so...
- Martin: Okay. Thank you.
- Shapiro: Mm-hmm.
- Savage: Another question, Member Martin, or is that all you have?

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

- Martin: That's all I have for right now under old business.
- Savage: Anyone else in Las Vegas or Carson City with comments on old business?
- Martin: No one here, sir.
- Savage: Okay. With that, we'll move on to Agenda Item No. 7 (inaudible) on construction projects by Mr. Nelson.
- Nelson: This is the part of the Agenda that's standing, where we cover the status of our projects that have closed out, projects that are underway, and the status of our active projects. Since January we've closed out seven projects so far. Those are highlighted in yellow in Item No. 7 (inaudible) A. The specific sheets for each one of those -- the detail for each of those projects closed out are also attached. And so we'd be happy to answer any questions that you all might have about any of those projects.
- Another attachment that we included in here is closeout performance. And this is a histogram that Megan Sizelove put together for us to quantify our performance from 2011 versus our closeout performance in 2012. And I guess the interesting thing here is we greatly increased the number of projects that were closed out in the 6 and 12-month range, which is -- was certainly one of our goals, was to try to get these projects wrapped up a lot sooner. We had a few outliers out there with some very old and stale projects that we finally got off the books as well. So with that -- we also included the status sheet for projects to be closed out in the attachment. So we've got the District Engineers, we've got Megan, Sharon, everyone's here if you had any particular questions about any one of those projects that were closed out.
- Martin: Rick, on your first sheet, you referenced, the little side note over there that you had highlighted in yellow said that you'd closed out seven projects since January of 2012; is that correct?
- Unidentified: That should be 2013.
- Martin: Oh, is that really 2013?
- Shapiro: Member Martin, Jeff Shapiro. Yeah, it should be 2013.
- Martin: Okay. I thought that seven projects since January 2012, you probably wasn't going to be bragging about that one.
- Shapiro: We didn't -- we did better than that. Yes, sir. I think we did 37.

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

Martin: Okay.

Savage: I have a couple of questions. Let me just walk through these. 3452, I guess, if someone can please explain the difference between the preliminary engineering cost and the construction engineering cost, where that line is drawn.

Nelson: John, would you like to talk about the preliminary engineering costs?

Terry: I don't know anything specific about this specific project. I'm sorry, John Terry, again, for the record. And why this one would show such a high preliminary engineering cost. But I know we have gone through many of these and looked at the preliminary engineering cost, and essentially we set up a preliminary engineering charge number really as early as we can get the project programmed, and so it should be the entire project programming. We know there are some discrepancies, especially when we get into the bigger projects that are broken into multiple phases. But I can't explain on this particular project why that percentage is so far off.

Savage: But the preliminary engineering stops after it's programmed; is that -- is that a fair statement?

Terry: Starts when it's programmed for engineering.

Savage: Right.

Terry: No, sometimes if we will even charge to that number, once it's in construction, and if it is a response to an engineering charge. Like, say, we'll hire internal or external, say, we'll hire a consultant. We always give them some money into the construction phase for field construction questions. And so those, in some cases - - so when we usually leave the preliminary engineering number open all the way, almost to the completion of construction.

Savage: Okay. And job cost it out (inaudible).

Shapiro: Chairman Savage, Jeff Shapiro. I'd just like to point out, well, we do get a new set of charge numbers, so to speak, when we go to construction engineering, and that's who -- well, in this case, it's a District 2 project, the District 2 REs and staff would charge to that. That's where the construction engineering comes from.

Eighteen percent on a job, you know, on any job is pretty high, but I do know, you know, this project was really small, \$368,000. And our process as far as documenting the project and the requirements that the REs have to do there, it's

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

kind of a -- well, I shouldn't say a one-size-fits-all, but there's a lot of paperwork that goes into even these small jobs. And it's pretty hard to bring those in, you know, less than that. I don't -- this wasn't a consultant's. No, this is one of ours. So the smaller jobs are really labor intensive. And I do know that this project also went over budget. We had a lot of overruns in quantities, road wax, geotech style, borrow, all that kind of stuff. And that tells me that they were -- the crew was working pretty hard to keep up with things to get the job done, which would also bump your cost. It's a (inaudible) firmly.

Savage: It's a bike path that's a mile long. And it's, you know, engineering costs (inaudible) engineer's estimate for the project. So that's something to look into.

Shapiro: Right.

Savage: And on that same note, the agreement estimate versus the engineers' estimate. Can you please, again, clarify the difference for me?

Shapiro: Sure. The engineers' estimate is John's people -- this is Jeff Shapiro, again. The folks in engineering estimate the project using the bid items that are in the proposal, using our historical unit cost data times the quantities and come up with a project estimate. The agreement estimate and what construction uses to call the project budget, the agreement estimate is based on the contractor's actual bid. And so it could be higher and lower, you know, market conditions and all that -- all those kinds of things. But the agreement estimate is based on the contractor's bid. We use the contractor's unit prices times the quantities, plus contingency factors, asphalt escalation, fuel escalation. So they're not going to be the same. You hope they're close. Sometimes they're not though.

Malfabon: Director Malfabon. Just to add to the (inaudible) on agreement estimate, it really breaks it out further. Using the actual bid prices, it breaks it out into the entities that are funding the project. So if the City of Fernley in that case of the bike path has some money into it, federal money or state money, everybody has their portion and it is discrete portions of work. Let's say you have a bridge.

Savage: Mm-hmm.

Malfabon: A bridge will have its own agreement estimate breakout numbers. So it's actual quantities and actual bid prices, but it's parsed out into even smaller increments based on discrete items of work and who's funding those items. So it's an accounting document.

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

- Savage: Okay. Thank you, Mr. Director. Contract No. 3511, I think there's a error on the totals there at the bottom.
- Shapiro: 87 million? I would agree with that, Chairman Savage. This is Jeff Shapiro. Again, that's another small project. We'll take a look at that.
- Savage: And the construction contract and the project cost, those are both -- there's an error there.
- Shapiro: Yeah, that was -- we like to make them obvious when we make them.
- Savage: I have to say, well done. And, you know, and I know there's a lot of good things within these contracts, too. There's cost savings. There's contractors that have come on underneath the original timeline. There's a lot of good things. So I don't want to sound, you know, critical on a lot of these issues. But is there a tool within the department or a performance tool that would look at contractors and REs and the big-picture team for less days, less price, equals, you know, a good golden star for this particular team? I don't know if the department tracks when you have -- you know, you have a bid price. And you have a project that comes in less than the estimate. And it comes in underneath the timeline. I mean, are we tracking or rewarding the different contractors and different NDOT people that are involved in -- maybe not, rewarding is the wrong word, acknowledging, I believe is the correct word, acknowledging the people that are part of this success. Because when you come on under days and under price, there should be some type of acknowledgment. And I'm just wondering if that exists. Go ahead.
- Shapiro: Chairman Savage, Jeff Shapiro, again. Our rewarding program is relatively new, and it's primarily with the partnering program. We're pretty limited to what we can do. But the partnering program, we started that in 2009 with the awards. We really haven't given out too many awards, but, you know, getting these folks up in front of -- with the Transportation Board and the pictures and giving them a little plaque, that's really what our program is, other than the job well done. I know the District Engineers do that all the time, but we're kind of limited to what we can do. But, hopefully, that partnering thing is going to raise the level here, and recognize the people that need to be recognized. There's a lot of good people out there working their tails off getting these jobs done, on time, under budget, all that good stuff. Yeah.
- Foerschler: Sharon Foerschler, Construction. I can add to that. We had a particularly very successful project up in the Tahoe Basin that completed two years ahead of time in cooperation with everyone on the department, the local residents, TRPA and

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

whatnot. And I, personally, wrote a letter to the contractor to thank him for thinking outside the box and getting us out of the impact of severely impacting the travel over the summer. So, I think, with our partnering efforts throughout the department and our efforts with the contractors, that message is getting across. Probably not as formally as maybe we could, but I know Thor wrote a letter as well.

Dyson: Yeah, I wrote -- same contractor, same project. We felt very strongly, independently, that they produced, you know, that project above and beyond what was expected.

Savage: That's refreshing to hear, because, you know, we have a tendency to hear all the bad sometimes in the construction business.

Dyson: This is Thor Dyson, District Engineer. There's a lot of good things happening out in the field and in the construction office where, you know, you get certain contracts that get the reputation of having -- the contract itself having so many problems. But even with those contracts, many, many things are being resolved at the lowest level that never even come to my office. The REs, the ones that (inaudible), they really do, in many cases, take care of a lot of issues that -- small ones that can turn into big ones. They take care of those at the lowest level. But when a project is outstanding, in that case, Sharon and I both wrote independent letters thanking that particular contractor for what they did.

Savage: That's great, because it goes a long, long ways to acknowledge the good.

Martini: Mr. Chairman?

Savage: Yes, Mary.

Martini: If I could add another comment. While there isn't a formal way to acknowledge those type of accomplishments within the department, often we are the recipient of national and state awards for those very criteria. We believe an award of the Marvin M. Black Award nationally on a couple projects. We had one project that we received about 47 awards. So it is acknowledged. There are forums for it. And when we have a good candidate, we encourage -- either internally we apply or we encourage the contractor to apply for them.

Savage: Good. Thank you, Mary. Okay. With that being said, are there any other comments regarding Agenda Item No. 7, or any questions?

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

- Martin: In reviewing the spreadsheets, Rick and Jeff, on all the jobs, I noticed some of these jobs have been over with for a while, but yet nothing has been done. I mean, the department hasn't accepted it, construction -- for an example, I'm looking at Las Vegas Paving down here, on the Summerlin Parkway, that overpass or bypass that was built there, there's (inaudible) all the way across, but there's no acceptance. Yet, your note says construction 100 percent complete. And I'm wondering how does that happen if you're -- it's been -- for what I could see driving by there every day, it's been 100 percent complete for a month, maybe two months. And according to this nothing has been done towards the closeout. And it's not been accepted or anything else. But, obviously, all the money's been paid out, because the only retention you've got is \$50,000.
- Shapiro: Member Martin, Jeff Shapiro. I think I can understand -- or understand -- I think I can answer that question. Mary, correct me if I'm wrong, we still have some open grade to do on that project; isn't that correct? And we're just waiting for temperatures and then we can say it's done? I believe that's the case.
- Martini: Yes. Typically when we will show 100 percent complete, but there are punch-list items that still need to be completed. So we are working on the closeout. As a matter of fact, we just met with LVP and talked about it last week.
- Martin: Okay.
- Martini: So it's a situation where the report doesn't exactly address all of the unique issues on the project. But it'll be closed out soon.
- Martin: Okay.
- Shapiro: The one thing, Member Martin, Jeff Shapiro, again, this construction at 100 percent, some of our reporting, internal reports, when it shows 100 percent, it's just a mathematical calculation. It's not really done yet, so to speak.
- Martin: Yeah, because it looks like you've paid out 100 percent of the contract right now.
- Shapiro: Well, that's -- I'd have to look at the final balance report. But it's my understanding we haven't. Even though the computer might think we have.
- Martin: Okay.
- Shapiro: You know, because that includes change orders and some of these other things that we've done. But it's my understanding there's still some punch-list type stuff that we need to finish. Or was that 100 percent time? I was just told it was at 100

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

percent time, which means we're just doing -- we're in the final clean-up mode, which doesn't get assessed against the contractor. We don't assess working days for that.

Martin: I understand. Okay. Thank you.

Dyson: Member Martin, Thor Dyson, District 2 Engineer. Also involved with that is district acceptance for relief of maintenance and then final district acceptance. So we want to make sure that all the issues are addressed, even though the construction's 100 percent. And maybe even a lot of the other remaining issues are complete. District wants to make sure that our maintenance folks and other individuals associated with that project, including myself, will accept the project. So once the contractor's gone, you guys are hard to get back on to the job. So you're off on the next one.

Shapiro: Member Martin, Jeff Shapiro, again. The other thing I'd like to say is, we try to do as many closeout activities as we can concurrently, but when the contractor still has work to do, there's certain things we just can't do until they've submitted, you know, done their final payrolls and all that -- all those kind of things.

Martin: Right.

Shapiro: You know, in theory though, the other stuff, if we do enough of it and concurrently, once that happens and the work's done, the closeout should go pretty quickly. In theory anyways.

Martin: Okay.

Shapiro: Most of the (inaudible) and whatnot, so...

Martin: That -- well, the 100 percent construction complete was the triggering factor for me that said, but nothing else was done. In other words, all the EEO and everything else, nothing had been filed or not submitted yet. So that's why I was looking at that. And then just two more questions, 3267 and 3327. 3267's got your name on it, Jeff.

Shapiro: Yes, sir. That one's my fault, Member Martin.

Martin: Okay. It said that you're right, a change order on 1-26, 2011?

Shapiro: That is a -- yes, sir, that is an overpayment that I need to address. We're still going to have to send RHB a bill, but I just -- due to workload, I've not met up with my previous commitments on that one.

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

- Martin: Okay.
- Shapiro: And, oh, I would like to note, Member Martin, that my supervisor is constantly yelling at me over this one, too. Trying to get to it.
- Martin: All right. Didn't mean to bring up a sore subject, Jeff. I apologize, almost. Okay. 3449, that's been done since October 7, construction complete October 7, 2011. And it's -- the note here says quantity sent to contractor, anticipate final payment mid-March. I'm assuming that's mid-March 2013 and not mid-March 2012.
- Shapiro: You are correct, Member Martin. It's Jeff Shapiro, again. It's -- they have 30 days to accept or dispute the quantities. So we're in that 30-day process right now.
- Martin: Okay. Okay. That's it for now. Thank you very much, gentlemen.
- Savage: Thank you, Member Martin.
- Martini: Mr. Chairman?
- Savage: Yes, Mary.
- Martini: If I could make a comment about the future, one of the things that we've started doing here in District 1 is meeting with the contractor again before the project even starts to where our folks have set up the books and they're reviewing them. We're trying to get the construction folks section to review on a regular basis. A good closeout starts before even the job starts. So those meetings and preparation with the contractor, I think, will go a long way to ensure that the final closeout goes more smoothly.
- Savage: Yeah, I concur, Mary, that the job closeout does start the first day of the meeting. So thank you for your comments. Any other comments on Agenda Item No. 7? Any questions?
- Nelson: I'd just like to bring up the -- we have the active contract status, the two big (inaudible) as well. We'd be happy to discuss any questions you might have about any of those projects. I would like just to mention that if there's outstanding claims or issues that if we could defer those to the closed session. There may be pending litigation or litigation on the way regarding those.
- Martin: Thank you. I have some questions on the active contract status report, so I'll wait until closed session.

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

- Savage: Okay. With that being said, at this time, I would take a motion.
- Nelson: Mr. Chairman?
- Savage: Yes, Mr. Nelson.
- Nelson: Thinking back to some comments that were made earlier. In the posted Agenda, it does mention that items on the Agenda may be taken out of order. And if it entertains the Board, if it pleases the Board, maybe you might want to take Item No. 9 out of order now?
- Gallagher: Mr. Chairman, that is completely within your prerogative. Again, with the reminder to everybody, when this committee goes into closed session, it will have to re-adjourn in open -- reconvene in open session before it can adjourn.
- Savage: Okay. So let's move to Agenda Item No. 9, public comment. Is there any public comment here in Carson City?
- Nelson: I would like just to mention something here at the end. I was remiss at the beginning of the meeting. I invited Denise Inda, who's our Chief Traffic Operations Engineer, to attend the meeting. Traffic Operations is moving towards a more operations-oriented focus, which does have a role to play during the construction phase of these projects, particularly with respect to, you know, the analysis of traffic and that sort of thing. So if it's okay, I'd like to introduce Denise Inda and maybe give her a moment or two.
- Inda: Great. Thanks, Rick. Denise Inda, Chief Traffic Operations Engineer. And I just wanted to give you just a really brief description of what we do in Traffic Operations. One of the key parts of our work is a supporting role for the contracts that go out. So you don't really see us directly, because the districts and the Construction Divisions are taking care of that. But we do provide a design role for signs, striping, traffic control, signals, lighting and ITS systems. ITS systems are intelligent transportation systems, and it's basically using technology to operate a roadway better. It could be ramp meters. It could be dynamic message signs, other technology in the roadway. So we're kind of behind the scene supporting the Design Division and the others in that role.
- We develop standards based on national requirements that we put out to the different groups, the different divisions through the department. We also have the radio and communications networks that we're responsible for. That includes the 800 megahertz radio, the wireless systems, fiber optic. And if you know, the 800 megahertz radio system is something that we use as well as Highway Patrol, NV

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

Energy and other local agencies and groups statewide. So we take care of NDOT's portion of that system.

And we kind of have this broader area of operations where -- oh, and I guess let me take one step back. There are some contracts, most of our (inaudible) under contracts supports a regular design, but we do have a few contracts that go out that are strictly ITS-type contracts. So you might see the ITS design-build that was mentioned as receiving an award today. That was a contract that dealt only with ITS work down in Las Vegas on I-15. We have other system expansion projects that we focus on ITS, because then it allows us to get an integrator who's very knowledgeable in that area, and it more often than not makes the ITS installations go smoother and faster and better. Or at least we like to think so.

So then our operations programs, those are kind of the non-standard projects and programs, and the Board, I think, is more familiar with those, because those generally are put into action through an agreement. So the Board gets to see those either as an approval item or an informational item. And those are programs like, today, we saw Freeway Service Patrol, 5-1-1 Traveler Information. We also have Traffic Incident Management, those kinds of things. And then we also provide that statewide guidelines and policies that go out to the districts and the other divisions.

But, like Rick was saying, that group really focuses on projects and programs that can improve operations. And we are trying to become -- we're trying to develop a culture of operations within our division and then expand it out to the department so that we can really maximize the way our systems function and to get the most bang for the taxpayer's dollar really is what we're trying to do. So that's just a brief highlight. And if there's any questions, I can answer them, or if there's anything else, talk about that.

Savage: Thank you, Denise. Any questions or comment?

Martin: None here, sir. Thank you.

Savage: None here. Thank you, Denise.

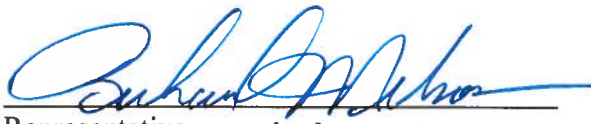
Inda: Absolutely.

Savage: Mr. Nelson, any other comments? Any public comment here in Carson City? Public comment in Las Vegas?

Martin: None here, sir.

Minutes of Nevada Department of Transportation
Board of Directors Construction Working Group Meeting
March 11, 2013

- Savage: Elko, is there any public comment?
- Lee: No public comment. Thanks.
- Savage: Thank you, Kevin. So with that being said, I'll take a motion to move to Agenda Item No. 8, closed session.
- Martin: So moved, Mr. Chairman.
- Savage: I'll second. All in favor?
- Group: Aye.
- Savage: Meeting closed at this time. So at this time we'll acknowledge that we're back in open session for any public comment. If there's none, I'll take a motion to end this Construction Work Group meeting.
- Martin: So moved.
- Savage: I'll second. Thank you, everyone. Have a good day.



Representative

Assistant Director, Operations