

Transcript of Nevada Department of Transportation
Construction Work Group Meeting
April 10, 2017

Chairman Len Savage	Cole Mortensen	Mary Martini (Dist I)
Controller Ron knecht	Stephen Lani	Thor Dyson (Dist II)
Reid Kaiser	Darin Tedford	Greg Novak, FHWA
Bill Hoffman	Sam Lompa	Bill Wellman, Las Vegas Paving
Sharon Foerschler	Pedro Rodriguez	Chris Koenig, Kiewit
Allison Wall	Dale Keller	

Savage: Everyone welcome to the April 10, 2017 Construction Working Group Meeting, also known as the Consultant Working Group Meeting. Welcome our guests. Member Martin is supposed to be calling in, are you on the phone Frank?

DJ: Not yet.

Savage: We'll go ahead and get started, since we have a quorum with the Controller and myself. DJ, if you would just let us know when Member Martin calls in.

There's nobody from Elko today, I take it. Kevin Lee is retired and—[laughter]

Hoffman: He's the only person we ever see in there.

[crosstalk and laughter]

Savage: That's right. Anyway, I'd like to open up, if there's any public comment, here up in Carson City today. Anybody from the public if they'd like to comment. Las Vegas, Elko, is there anybody in Las Vegas attending?

Martini: No public comment here.

Savage: Mary, anybody else besides yourself in Las Vegas?

Martini: Just me and us chickens.

Savage: Okay. Hang in there. I appreciate it. It's been a long day. We'll move on to Agenda Item No. 3, Comments from the Construction Working Group. I would like to start off on sincere condolences about the passing of Pierre Gezelin. I'd like to take a quick moment of silence for Pierre. He worked very closely with the Construction Work Group. Very important on the legal side. May he rest in peace. [moment of silence]

Would anybody else like to say anything, regarding open comments about the Working Group, any discussion or thoughts?

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Kaiser: Reid Kaiser, Assistant Director for Operations. At the September CWG, which was the last time we had a CWG Meeting, you had wanted to know how the consultants were doing with our augmentation projects and also our full administration. I talked to all the Districts and there was really only one issue amongst all of the agreements we have so far. It was down in District 1. They dealt with it. Other than that, everything has been running smoothly. They're doing a good job for us. We're getting the inspections services that we need, the testing services that we need and we're paying them on time. Right now, it's running smoothly.

Savage: Good.

Kaiser: Sharon, do you have any—

Foerschler: Sharon Foerschler, I would agree. We're really busy. Lisa is retiring May 5th. We're trying to get other staff up to speed quickly. We're doing interviews, one this week and a couple next week. We only had four applicants for her job. You're here more about that when Allison gives her presentation. I would say, we're doing a good job with keeping our head above water and the consultants seem eager and happy to be providing services for us.

Savage: That's on the construction side?

Foerschler: Correct.

Savage: And the project management side, Cole Mortensen, welcome to the CWG.

Mortensen: Thank you.

Savage: And for project management consultants, are they conforming to your standards?

Mortensen: We're working on some issues that we have with one project but other than that, we seem to be doing really well. I think both of the groups that we have helping us out with contract administration portions of Project NEON and USA Parkway are both performing outstandingly.

Savage: Good.

Mortensen: Yeah, we're moving forward.

Savage: That's good. That's what's nice about the CWG format here. It's pretty informal. We roll up our sleeves. We talk a little bit. There's nothing worse from a

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contractor or a consultant standpoint is to over promise and under perform. I think that we're all in that stage right now, thankfully, with the economy, so we just have to ensure that we get that value at the end of the day from all of our vendors.

Kaiser: Reid Kaiser again, one more comment. We had a partnering conference this last week and I was able to talk to some of the consultants. One of the things that they're running into is, they're running out of people to employ. It's kind of an interesting dilemma to be in. That's why we hire consultants, to help us out with what we cannot cover and they're going to be in the same boat here, pretty quick. It's interesting that they had that comment to bring up.

Savage: Yeah, that's very concerning. That's what I was eluding too because if they can overpromise and underperform. That's their responsibility. They shouldn't take the work unless they have the people. That's disturbing. We have to ensure that they can man it and provide the services that we need and expect.

Mortensen: We share the same concern. We've seen a lot—you know, the economic downturn, you saw a lot where the consultants reduced their staff and then we're seeing teaming more on our RFPs[inaudible] so rather than getting the several proposals to choose from, we get two. I think sometimes that causes other issues for us as well, as far as coordination and staffing. We've been trying to encourage companies to prime proposal and make sure they're staffed enough for us because eventually we're going to need to have that support. I think that at this point in time, we've encouraged them to make sure they have the right people on board. Whether it's somebody that's actually sitting Reno or Las Vegas isn't as important to us as somebody that's actually qualified to do the work and efficient at getting the work done.

Savage: That's good. I'm glad everybody is aware that manpower situation. Any other comments from anybody else or from Mr. Controller?

Knecht: Let me just add to what you just said. This is becoming something of a national problem. You hear about the people who have dropped out of the workforce, but companies are having trouble filling STEM type jobs. Science, technology—especially technology, engineering, etc. And, there's kind of a mismatch between the labor pool that might be in. A lot of it has to do with the just out of college and younger people not being basically STEM oriented or oriented towards those jobs. We're going to see that for quite a while and especially the point you made about, we had a deep recession. The recovery has been terrible. Everybody has

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assumed, well when I need them, I'll be able to hire them because that's the way it always was before but now they have that problem. A lot of times, Mr. Chairman, they may do just what you say. They may essentially take jobs in anticipation of being able to staff them and then they find that they won't. That may be a message we need to communicate to them, be careful that you're really staffed up and ready to go when you bid on these things. Because it's a systemic problem.

Savage: Absolutely. Point well made, Mr. Controller. Any other comments from the group here, anybody else—

Hoffman: Mr. Chair, I have a comment, just regarding the Agenda. I was hoping we could get Allison, our HR Division Manager up front. She has to give testimony at 3:30. Just, will you take that into consideration?

Savage: So, the Legislature is not going to wait? [laughter]

Hoffman: I wish it did.

Savage: [crosstalk] I'm going to be late.

Hoffman: We'll probably be late anyway, you're right.

Savage: We can certainly do that. Not a problem.

Hoffman: Thank you Chairman.

Savage: Right after we approve the minutes. Any other comments from the working group, Agenda Item No. 3? We'll move on to Agenda Item No. 4, the September 12th, almost six months because we had to cancel the December Meeting due to the fact there wasn't a T-Board meeting at that time. We elected to move it until March. In March, we didn't have a quorum, so here we are in April.

Knecht: Mr. Chairman, I've got four small changes. I must've really been chewing my words that day. On Page 18, the fourth line under the statement I made, there's the word improvise, which I think should be impoverished. No one should be impoverished or damaged by it.

Then on Page 24, the second line, fourth word in, we've got two words, there in, I mean, therein. Which is to say, basically Clark and Washoe Counties and the Cities therein cause this problem.

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Then, in reversal of the problem I had with the Transportation Committee minutes, Page 32, the fourth line of my statement says, Your responding—should say, you're responding. That's exactly the reverse of what I earlier said.

Finally, two of them on Page 38, in the middle of the page, just below where it says at the top of the D for Draft, it says, [inaudible] in brackets, that should be dues. That is dues paying members. Finally, the second line from the bottom of the page, it says, with the power deduced to you all. I must've really chewed those words because that should be, with the apologies due to you all. Thank you.

Savage: Thank you Mr. Controller. A couple of corrections for myself. On Page 42, about the middle of the page at the very end it says, there is no Southern California AGC, it should be Southern Nevada.

Knecht: Probably true in California.

Savage: Page 42. Page 43 at the bottom, Savage says, I saw a block out there too and I didn't see one of his trucks. He is a subcontractor to HDR. That's all I had. Do you see any other corrections or comments or additions or deletions to the minutes? I'll take a motion.

Knecht: Move approval with those corrections, etc.

Savage: I'll second the motion. Everybody in favor say aye. [ayes around] That motion passed. Move on to—let's go to Agenda Item 6, Attachment A, Item 5. This is Ms. Wall's agenda item. [pause] Okay, Ms. Wall, if you could go ahead.

Wall: Well, basically in September, you had asked for some statistics including turnover and vacancy and also one of the questions asked was, what are some of the things that we're doing to make this a great place to work? Regarding turnover again. We provided information for your packets which included current programs that we have for recruitment, current programs for retention and basically, I'm here to answer any questions that you have from those packets, including turnover statistics. We spoke quite a bit before the meeting about what we had available to us, our statistics don't really go back as long as what would be beneficial because it can't compare current to the recession and to prior to the recession, we don't have those statistics available to us for turnover and vacancies. We've compiled everything that we have that is accurate.

Savage: That was the interesting point was trying to—

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- Wall: Compare it all.
- Savage: --compare with the 05', 06', 07' times. There was no data from those years.
- Wall: No, that was after a lot of research and using all of the long-term employees here in HR, as well as DHRM which is our State resource.
- Hoffman: And Allison is new to her position, so she's not—it's not her fault that [crosstalk]
- Wall: Yeah, thank you and it's not my fault.
- Savage: You had six months to find [crosstalk and laughter]
- Wall: That's the thing, I started in September looking and this is what was available as far as accurate data on vacancy or turnover rates.
- Savage: Do you want to go through page by page and explain some of your thoughts and understanding of some of these graphs? If you could please, Allison. Page 2, start with Page 2, and see what you see as far as trending or concerns or areas of improving.
- Wall: One important point is the different between internal and external turnover versus avoidable versus unavoidable. Things that are avoidable include separations from the Agency, internal turnover, promotions, demotions and transfers. Moving on to the next part of the chart, before looking at the numbers is the external turnover. That includes only separations from the Agency.
- Savage: You're on Page 2 of 6, is that correct?
- Wall: I'm realizing, I don't have it in the same printout as you. They must've made it look prettier than how I turned it in.
- Kaiser: No.
- Wall: No? [laughter]
- Kaiser: No flowers.
- Wall: No flowers, okay. [pause] I'm going to regroup here just a moment, so I can see—mine was in a different order here. On Page 2, you're looking at—
- Knecht: While you're doing that, thank you for the offer to come and brief me on this. I'm sorry that we weren't able to do it, but fire away.

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Wall: That's all right. I was trying to get it—you know, make sure I was getting you as much as we had available and finding out in advance. I was looking at the chart [inaudible]. Your Page 2 is our vacancy rates. You can see under the linear line that our vacancy rate is going up from 2011. It's quite considerable from 6% to 14%. I think it comes back to what Reid was talking about where even consultants don't have enough people to hire. A lot of it can come back to the salary. That's something that, from an HR standpoint, that we see as outside of our control. That's a state-level. We have to look at what can we do internally as an Agency, what do we have control over. That's—I don't want to jump ahead too far. You should have that list, which we can look at on Page 4. These are some of the—we're already doing a lot, I think, within this Agency and then at multiple agencies, NDOT is doing a lot more than other state agencies as far as recruitment and retention.

Martini: Allison?

Wall: Yeah.

Martini: Hi, for the record, this is Mary Martini in District 1. Before the last report we did, what a year or so ago, we had a breakdown as to the vacancies in each of the Districts and then also vacancies in construction versus maintenance versus some of the other. Am I missing something or is that breakdown here?

Wall: No, that wasn't requested but if that would be useful to you, I can get that to you Mary. That was not something that was—

Martini: I think we know anecdotally that District 3 has suffered a lot because of the mines. District 1 just has a tremendous amount of competition in Las Vegas and so far, Thor's fared better but still in trouble. So, it would be nice if we could, at least internally, get those numbers.

Savage: I think that's very important Mary. Allison, just so you know, this is a business item. It's going to stay on the agenda every month. I think this is a real hot topic. Just be prepared, whatever you come up with—not every month, every quarter, I'm sorry, every quarter, which will be June actually because we missed March.

Seriously, I think Mary's comment is [inaudible] me and whatever else you might come up with to ensure us—

Wall: Well, when I give updates, we can provide the strategic planning effort with NDOT, workforce development and succession planning as part of that. I'm on

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that Committee and on that team. There will be more. We certainly didn't want to commit to what we're going to be doing in the future because our strategic planning efforts are going to define that.

Savage: Right.

Wall: We don't have what's coming in the future.

Savage: Okay.

Wall: Do you have any specific questions? Other than, I mean, we have vacancies rates are rising. Then, if you turn over to Page 3, just wanted to clarify the difference between avoidable and gross.

Savage: That was one of my questions, what is avoidable?

Wall: That's including the separations from the Agency, internal turnover such as promotions, demotions and transfers. I thought I had it listed on here, the specifics. Avoidable turnover, yeah, would be all of those but unavoidable is easier to define. That's retirements. I thought it was identified on here. [pause]

Kaiser: There's notes on the bottom of Page 3 of 6, underneath the—includes separation from agency, internal turnover such as promotions, demotions and transfers.

Knecht: Those are internal and external.

Kaiser: Yeah.

Knecht: Versus external only. We have the same on Page 5.

Martini: One of the reasons I asked the question is last year when we did this report, I was actually surprised that District 1 was near 40%, which was actually a little bit higher than what I perceived it to be. Since then, we've seen so many more turnover, that it would seem to be worse. What we're seeing in the other agencies, the County and the City, there's—most of their higher level management positions are retiring and turning over. We are constantly finding our staff being wooed with salaries that are a good 50% or higher, more. They're competing for the same consultants as we are. It's definitely affecting our projects and it would be nice to get enough information so we could make some very key decisions about what our project delivery is really going to look like. I'd hate to be in a situation of a project delayed because we don't have staff, enough

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staff or good enough staff working on it. Maybe we need to know that as we're doing the programming.

Savage: I agree Mary. That's good input.

Dyson: This is Thor Dyson for District 2. I have last year's personnel report that we had worked on. I just have only District 2's. We have a total of 290 positions and that was last year. 32 vacancies. I know that I just had one printed out. Got it this morning actually from my HR person in District 2 and I have 40 vacancies right now, permanent vacancies. I had 32 last year. I've been hovering around 40-45 every month for the most part. Last year, 32 vacancies. Last year, I had 31 on probation, which means they're brand new. They don't even have a year's timeframe. I had 11% vacancy rate—percent on probation was 11% in August. Percent on vacant positions and probation was 22%. 11% and 11%. Then, the number of eligible retirees, this is as of last year in the next five years was 63. That percent in five years is 28%. A year ago it was pretty bad. Like Mary was stating, it feels worse. Just trying to get the workload out. Hustling to get consultants for augmentation administration.

I talked to my Assistant, Rick Bosch earlier this morning and for the first time that I can remember in a long time, we have, I believe it's eight vacancies, it might be seven vacancies on our construction side. I can't remember when we've had seven vacancies in District 2 Construction. Very rare. The turnover rate is not that high.

Kaiser: That's almost a construction crew.

Dyson: That is exactly what Rick Bosch stated to me, that an entire construction crew is usually around 8-10 people. Not only did we, you know, we were asked to eliminate one construction crew in 2012 because of lack of work and issues with state budget. We eliminated a construction crew, I'm practically down a construction crew. Thankfully the Transportation Board this morning, graciously approved consultants for I-80 in District 2 and consultants to augment us on the Glendale job. We're scrambling. We're being as creative as possible and we're scrambling.

As I stated, last year—this is just a permanent report. It's not temporary positions, because we rely on temporary positions, six-month positions to help us augment with our activities for snow and ice control in the winter time and then other activities in the summer. It's pretty desperate.

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I can tell you for a fact that last season, starting November/December of 2016, we had 40 temporary positions available to us to fill throughout the entire District. We were able to fill 18. Less than half. We were unable to fill all our temporary positions. Less than half of our temporary positions. That really put a difficult challenge for District 2 and its workers to plow snow and ice and a lot was asked of them to deal with the epic snowstorms and floods and whatnot the last three to four months. We got it done. We did it. It wasn't pretty, but it was with half the staff of temporary help that we usually get.

Savage: I don't think anybody knows that. I think it's important that we do know that. You guys—the men and women of NDOT stepped up like no other during this epic winter.

Dyson: With half the temporary staff.

Savage: With half the resources.

Dyson: You'll see that reflected in the overtime, once you get overtime dollars.

Savage: I'm sure we will.

Dyson: I can tell you—I can tell you very—I was interested, so July 1, 2016 to December 31, 2016 we spent around \$200,000 in overtime for various reasons, workload, emergency, snow and ice. Then the first two weeks in January, we spent around \$250,000 in overtime in District 1. In a two week period, we spent as much overtime as we did in the previous six months.

Savage: Yeah.

Dyson: It's okay, it had to get done. We did it. The personnel issues are very real like Mary is saying, it doesn't feel right. At least in our areas, we're behind the curve.

Savage: Thank you Thor. Mr. Controller.

Knecht: Mr. Chairman, this morning Thor said his staff was going to hell and back for us. Just make sure they come back, okay.

Dyson: We'll make sure they come back.

Hoffman: Bring some heat with them. [laughter]

Knecht: I believe we need to at least release Allison at this point, so she can—well, it will be legislative time, but by the time you get over there.

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Wall: Thank you.

Kaiser: Chairman, can I say one thing. Allison, I don't want you to think that any of this is a reflection on you, the low numbers. It's industry-wide, so we appreciate all your efforts in trying to help us build these positions. I look back 15-20 years ago, we didn't have to do all this to go fill a position. We do appreciate you going out and advertising in places that we have never had to advertise before. We appreciate it.

Savage: Exactly. That's the nice thing about the CWG format, it's very informal. You'll learn that as you come to different meetings. We're not trying to be critical of anybody's role, we're just trying to be helpful from the outside, looking in. Because this is an issue and we want to make sure that we have the men and women to do the work, at the end of the day and there's a lot of different ways to find those people.

Wall: And we'll be continuing these statistics, so we'll just add on as we get them.

Savage: And, if you could do what Mary had proposed, [inaudible] that would be very helpful. Breaking it down by Districts, so we can kind of drill down a little bit. Thank you.

Wall: Absolutely.

Martini: Mr. Chairman.

Savage: Yes Mary.

Martini: Is there anything under works to talk about salary and wage or any studies going on because I just heard it was brought up at the City of Las Vegas and just as an example and hopefully there's nobody in the room that can rush out and apply but their [inaudible] inspector with a minimum of three years experience will get \$33.50 an hour; where Combination Plans Examiner is at \$44.43 an hour, which roughly translates into what our Resident Engineers are making at that \$44.00 an hour wage. I was just wondering if there's any studies going on for salary equity?

Savage: Can you respond to that comment?

Wall: No, I mean, not at this time for—I mean, that would again come from the Governor—

Hoffman: That would come from the Governor's Budget Office.

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Wall: Yeah, that's not something that internally we would do. We have an [inaudible] salary—[inaudible] sorry, wrong association, AASHTO Salary Survey that we participate in every year. It's because of the benefit, total comp and benefit packages, it's not something that we can do internally, to even look at, as you've done the City of Las Vegas or we have maintenance records that we'll look at and someone will compare to in Reno. The comp and benefit packages are completely different. Unless you have a professional organization like AASHTO that's performing the salary survey, it's like comparing apples and oranges.

Savage: But you know, I thank Mary for bringing that. Again, a private businessman, private world, I want to know where my competition is at. I think that's what Mary is trying to say and say, listen, can we as a Department at least be aware of where our competition is at. What are the RTCs of the world doing? What are the City of Las Vegas'? And we know those jurisdictions are going to be more but we want to realistically understand, how far are we off, so that we know. I know it's a legislative issue but it's always nice to know the dynamics from [crosstalk]

Wall: That might be something we present in our strategic planning, because that would, like I said, entail going in, professionals to accomplish that task. It's a big task, like you were saying, even to do the comparison to know what's our competition and is our accelerated salary program working? Those kinds of questions. We could certainly propose that. I think it'd be wonderful information. All of us, we could all benefit from it.

Kaiser: I don't know, Reid Kaiser for the record. I don't know if want to know that information. [laughter]

Hoffman: That's why no one has left here. [crosstalk] Serious.

Wall: There are such a small percentage of companies left or public entities with the PERS Program that we have and you see, even in the last couple of sessions, they're trying to propose hybrid plans because it's not an economically feasible plan, the one that—the retirement program we're in. That really sets us apart from a lot of companies. Where when you look at the dollar figure that somebody that starts at \$18.00 and retires at \$48.00, they can collect 75% of their salary until they're 100. It doesn't weigh out. That's one of the reasons—

Hoffman: Are we focusing on the right things to be focusing on, to show that comparison, quite frankly. Bill Hoffman for the record. I think it's—while Allison brought up

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a very good point, we need to be looking at the right things. Not just salary. I mean, that's hourly, but there's bonus packages, there's retirement. What she's saying is its very complicated to try to get apples and apples as a comparison.

Back to the point she made regarding the succession planning, I think that's where NDOT is really going to take the strides down the road is our strategic planning process and under that is a task group that's going to handle succession planning and resource development. I really think that through this group and down through this task force, we can make a lot—at least look at a lot of this information and then decide how we're going to make changes to it.

Savage: Yeah, it's a work in progress. Exactly.

Hoffman: Right, right.

Savage: Just a lot of different data.

Knecht: Mr. Chairman, I agree completely with what Bill just said and the things that Allison said, but in addition to looking at the competition, I would look at the underlying demographics and ask the question, is a lot of this retirement driven? I think you mentioned the 18/48 syndrome, etc. I suspect that some chunk of this is not just an NDOT problem but it's an industry-wide problem and it is demographics and retirement driven.

Wall: Allison Wall for the record. Bringing in, also the changing workforce that with the millennials, the retirement package is no longer a driving force. It's not a priority for the younger generation coming out. Although I could say all day long, we have a comp and benefit package that is way better than a private company, that's not necessarily a selling point to a 22 year old engineer or a construction—person coming into construction out of college. Those are things that we are looking at actively. Saying, we're not just looking at money. One of the factors of the millennials or the younger generation coming out is putting above money is a flexible work schedule. The State is the State. We're the government, so sometimes we're a little bit slower to be able to figure that out and stay within all of the laws and NACs that we need to follow.

We're saying, how can we evolve our workplace to be able to bring in the new generation. And, keep all of the other generations and keep them working and a part because we need all of everybody in order to make this work.

Savage: It's not easy.

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- Wall: No, there's a lot to it.
- Savage: I know we've taken too much of your time. You've got to run. I appreciate your time Ms. Wall and we look forward to seeing you in June.
- Wall: Okay. Thank you. Thanks for taking me out of order, I appreciate it. I don't need to miss the legislature.
- Knecht: Give them my regards. [laughter]
- Martini: If I could add one thing for the Controller. Mr. Controller, there's the engineering boards throughout the states, they have actually statistics. A common phrase is, 50% over 50. 50% of the registered PEs are over the age of 50.
- Knecht: Yeah. And you put that together with what Allison said about the different values and different preferences of the two age groups and you've got a real problem. Especially when you recognize that, as the State, you don't have the latitude to be as flexible as you'd like. [inaudible] here is interpreted as, everybody gets the same deal, when a broader scope of fairness might be, we give people comparable deals but we tailor them to what it is they want and need, as long as we get full value.
- Savage: Okay. Let's move on to—back to Agenda Item No. 5. Presentation and Discussion on NDOT's Design-Build/Construction Manager at Risk versus the Design-Bid-Build, versus the design-build. [inaudible] Who is going to present this?
- Mortensen: For the record, this is Cole Mortensen, Assistant Chief Project Management here in Carson City. I'll be the one handling the project delivery selection process and then I'll hand off each project specifics to the Project Managers that are currently managing those projects.
- Fortunately, who decides or how we decide how to deliver a project is a lot easier to answer than where the projects come from.
- Savage: Excuse me, Cole. Did Member Martin ever call, because this was one of his major concerns.
- Speaker: No.
- Mortensen: I'd be more than happy to meet with him and go through this personally

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Savage: You might have to meet with him one-on-one.

Mortensen: If necessary, I don't have any problems with that.

Savage: Thank you. Please proceed.

Mortensen: We actually have a process that's set up in our Pioneer Program Guidelines. Some of the processes have roots in state statute and then others are basically guided by those guidelines and we've been basically working through there.

To start with, when it comes to project delivery, we have a project delivery selection approach. For those of you that are gathered around the room, I've got a handout with it on there. Whether we go design-bid-build, design-build or CMAR with the project, it depends largely on the process that I'll lay out for you guys here in just a minute. Then, as I mentioned, as we get further into this, we'll allow Pedro Rodriguez and Dale Keller to give you guys an update on Project NEON and USA Parkway.

As I mentioned earlier, we follow our Pioneer Program Guidelines when we go through the project delivery selection process. Generally speaking, what will end up happening is we'll get together a Committee of Division Head and Assistant Division Heads to evaluate a project. We'll actually have the project managers themselves fill out the information that you see in this—in the handout itself as far as project name, project location, sponsors, project description, estimated cost, budget availability, is it in the STIP, where are you at in the environmental process, what does the right-of-way look like, design and project delivery date, project corridor, major project features, scheduled milestone, third-parties, major challenges; whether it's utilities, right-of-way, environmental, during construction, specialty items or constructability issues. Then we'll also look at risk. Along with that, we have to also identify major goals for the project.

Basically, when we sit down as a Committee, we have the project manager then present all of that information to the Committee for them to sit down and be able to step through this process. Some of the major items that we end up looking at after they've gone through that are cost impacts, schedule impacts, opportunity to manage risk, complexity of design and construction phasing and opportunity for innovation. Essentially as a Committee then, we'll sit down and discuss each of those items and try to identify the delivery method that would be best suited for that sort of delivery.

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For example, if we have a project that has a very tight timeline for schedule, we'd be looking at this and sit down and the order preference that you may look at, we have examples of potential advantages and disadvantages, but just right off the cuff with something that's scheduled critical. Odds are, you're going to be able to get a shovel in the ground much quicker with the design-build process because you go through the procurement, you have the contractor and the engineer team. They can go out and start getting a shovel in the ground almost immediately.

The next one we sit down and discuss may be CMAR. Because you could have the argument that once you bring a Construction Manager at Risk on board, you could actually do say an early work package or something, a GMP Early and actually get things moving before the majority of the work. You've seen that on a couple of projects recently, in fact, the Bike Path was one. We got out there, we got that tunnel in. We got some of the parking done. Then we're doing the remainder of the project here in the future.

Generally, our longest lead delivery method is the design-bid-build delivery method because it tends to have to stay sequential. You get the engineering done. Then it bids. Then you award it and then it goes to construction and gets constructed.

Each of these categories get discussed in that regard and then basically, the Committee itself decides on a preference and what they feel is the most appropriate method for each of those criteria. At the end of the day, we put together the memo with the Committee's recommendation or the Director's group.

I guess, with that, are there—it's kind of a high-level approach. Are there any questions on the process itself?

Savage: Thank you Cole. I have a couple of questions. Thanks for putting this together. It was very informative. I'm sorry Member Martin is not here because this is one of his questions. The PSC, I have a couple of questions so I'll just go through them as they come up. The PSC, it says, typically is a project manager, Deputy Director has applicable and other significant stakeholders. Can you give me an example of a PSC Committee?

Mortensen: What we would have, generally what we've had or if the project is still environmental, you'll bring on the Chief of Environmental to sit on the Committee to give us an understanding of what it might take to get through the

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environmental process. If it's a big bridge job, we'll bring in a Bridge Engineer. The Chief of Bridge on the project. We try to tailor the Committee to some of the issues and challenges of the type of project that it is.

Savage: That Committee, is there a quantified number on every Committee? Are there always five people?

Mortensen: No, I think we've been pretty flexible just based on the project and kind of the involvement. Part of that, you'll see that we can have outside stakeholders involved with it also. I don't know how often we've actually done that. I'm trying to think of a [crosstalk]

Dyson: Mr. Chairman, Thor Dyson. On the I-80 design-build project in Reno, the PSC Committee consisted of the Deputy Director at the time, Scott Rollins, myself and an individual from the RTC, a traffic engineer, Mr. Chris Lewis. That was the three of us and then we gave the recommendation to the Director at the time.

We took in all the information from all the various committees, all the scoring. We interviewed the various committees, with counsel and with others in the room. Then we reviewed the documents and proposals. Not as extensively as each committee did in their respective areas, but we did review them and as a Committee chose, the three of us chose who we thought was the best candidate for the design-build and submitted that firm to the Director. As RTC, NDOT, which was the District and the Director's Office.

Savage: Thank you Thor, good example. Cole, back to your submittal here. This is my—I still don't understand the difference between construction and project management. Project management, what year was that initiated?

Mortensen: Project management, I believe, [inaudible] about 2007, 2006. Right around there—

Dyson: Tom Stephens was the Director at the time where he insisted that we have a project management group. We were getting these super projects coming in together. And so, he created the Project Management Division. At the time, there was four or five project managers. They would—one would get a 5% or 10% bump in pay, I believe it was 5% and they would manage the project management group, that individual and would rotate every year. There were five project managers with one leading the group effort. Those individuals had the super projects. Correct me if I'm wrong, if you remember differently, Darren or Reid,

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Sharon. The Project Management Group developed in either the late 90s or early 2000s.

Tedford: Early 2000s.

Mortensen: Where my answer is coming from is that's when Scott Rawlins created the Project Management Division itself and started developing project management guidelines and the Pioneer Program Guidelines. I don't think—they ran a lot looser back—the early project managers, basically they reported directly to the Deputy Director. It wasn't—as far as the Project Management Division, they started up in 2006 or 2007. What we do, at least within the Project Management Division, we handle the major projects. Generally speaking, that's \$100 million or more. Along with those major projects, we start to have to produce additional reporting requirements to the FHWA, annual financial plans, financial plan updates, project management plans that basically get coordinated with the FHWA. Then, along with that, we do the innovative delivery. That's all guided by our Pioneer Program Guidelines.

Under that innovative delivery group, we've got the design-build, design-build-finance, you've got CMAR. That's also where we had the authority and the guidelines for the unsolicited proposal. Because you were around for that whole process, basically. Those guidelines are set up to handle that. That may be changing here if the legislation for the P3 passes or changes. Those could be the types of things that we'll have to go back and take a look at our guidelines and make sure that we're still up to snuff with the statutes and how we can manage projects at NDOT.

Savage: Is it fair to say that the design-build-bid on those through the construction department? And CMAR all goes through project management? Is that what I heard?

Mortensen: Correct. Design-build and CMAR go through project management. Now, it's not entirely correct to say that design-bid-build goes to construction because the project manager over that major project still has the responsibility to continue that coordination and keep those financial updates going with the FHWA. Generally speaking, a good example of that would be say the I-15 South Project. It's been split into several projects, several phases. We still have a project manager over the top of that, overall program of improvements. If a phase of that project or Boulder City Bypass is another example. If a phase of that project goes out as a design-bid-build, it becomes more administrated by the District under the

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Resident Engineer and Construction and Project Management. At that point in time, we tend to stay involved so we have an understanding of any change, change orders and how that impacts the federal reporting requirements.

Savage: That's fair.

Foerschler: If I can add some clarity.

Savage: Yes, Sharon.

Foerschler: Sharon Foerschler, for the record. Any design-bid-build, any maintenance contract that's rehabilitation and CMAR projects all run through the Construction Crews and the Construction Office.

Savage: CMAR?

Foerschler: CMAR, for payment to the contractors. The payment for design-build runs through project management through an agreement. From our world, in the Construction Division and the Districts, CMAR—the difference between CMAR and design-bid-build is the early involvement with the crews during project development. Once it goes to contract, we administer the same way we do our conventional projects.

Savage: You will administer those CMAR and design-build contracts. Design-build-bid.

Foerschler: Design-bid-build. Yes, that's correct.

Mortensen: With the CMAR we maintain as project manager, as far as coordinating, working through the contract with risk reserve items. Generally, the payment method goes through the system Construction generally uses and it kind of lends itself to it, although generally speaking the CMAR is a lump sum contract. We run it through their system and basically, when the contractor either A) hits their pay limit on a particular bid item they get paid for it and then anything above and beyond that that's their risk. Or, B) they get to the point where that particular item work is done and then they get paid for it regardless of whether or not the quantities they actually installed meet the [crosstalk]

Savage: Right. I mean, just take a job example today, the GMP Project that was awarded. Okay, GMP means Guaranteed Maximum Price. In our world, there's something called shared savings on a GMP project. I don't know if that exists in the horizontal world or not, but there's a shared savings clause. Sometimes it's 50/50. Sometimes it's 60/40. Sometimes it's 70/30. To give the contractor the

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incentive that if they save X amount of dollars, \$100,000, then that savings is shared between the—does that exist here at NDOT?

Tedford: We have value engineering proposals.

Savage: Value engineering is something different than GMP.

Hoffman: There's a risk reserve on CMAR projects.

Savage: Right, I saw that. That Guarantee Maximum Price, in my humble opinion is a lot different than Member Martin's world and my world, that that shared savings, I mean, you can actually come in under. Wow, what a thought, save some money.
[crosstalk]

Mortensen: To address that, that's where we kind of have the risk reserve area, so even though you guys approved a GMP today of what, \$35 million. \$36 million. There was \$3.5 million in risk reserve in there, which means the contract may only get paid \$33 million if none of those risks are realized. They'll continue to work together to make sure that they risks they've allocated funding for don't materialize.

Savage: What I'm saying is, that \$36 million, that frees a contingency, okay, this reserve by—if it's mutually agreed upon, I don't know who controls the contingency, but out of the \$33 million contract, if their job costing and all the support documentation comes up to only \$30 million, then you save \$3 million on the project but that's not being done.

Mortensen: No, we don't have that.

Savage: Does any DOT do that?

Foerschler: Yes.

Savage: They do.

Foerschler: Yes. We talked about it last week at our partnering conference.

Savage: I think that's something we need to talk about a little bit more. It's full transparency. It's full support documentation. Yes, they charge from the truck to the No. 2 pencil down to the accountant back in the home office, but it's something I think that we should have further discussion on.

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Foerschler: Sharon Foerschler for the record. Arizona DOT did a presentation on the way that they manage their CMAR. The DOT pays the contractor up to 100%. If more quantity is placed, they don't get compensated for that. Any quantity that doesn't reach 100%, they don't pay on. If a contracted item or say an item reaches 80% all they get is 80%, where in our administration, we say Guaranteed Maximum, we pay 100%. Regardless if they come in low, or if they come in above.

Savage: What incentive is there to the contractor to come in lower? Rather than just not get paid. That's where that shared savings clause comes in by saying, listen, I'll share that 70/30, 60/40, 50/50, there's a carrot stick. It makes a lot of sense. I don't know if the horizontal guys do that or not, I just—Chris is here from Kiewit, maybe you can chime in. Have you seen this throughout the country, anywhere else?

Koenig: Chris Koenig with Kiewit. It's very similar to what you're talking about. There are other states, other DOTs that administer an incentive. What's being talked about here at ADOT is really, it's a GMP but then it's more administered by unit rates. You get paid for the units you do, right. And, I mean, really what you're talking about in the end is the management and the mitigation of risk.

Savage: Exactly.

Koenig: And, in CMAR, the risk is much more transparent and much more shared and if the best part manage that risk, theoretically, when you agree to that pot of contingency for risk that's left over, it's been built up over risks that have potential to occur. Everyone in the room knows it. Some parties may think it's more likely than others, but in the end, you're managing to that risk contingency to hold that down. It's really two different things, right. I mean, talking about the contingency and you're talking about an incentive.

Savage: Right. Bill, I'd like to hear from you too, if there's any thoughts. Have you guys ever run into the shared savings or the incentive side on a GMP contract?

Wellman: Yeah, we do it quite often, with the other local entities. They all have that. The risk, as Chris talked about, very specifically it's just risk shared, what do we think. I'll give you a simple example of it. Over excavation. We have no idea what you're going to run into out there or what that geo-tech is going to want. A lot of it is subjective once we excavate, whether it's for a road bed or whether it's for a pipeline or whatever it might be. That one there is actually one that usually

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the owner will take the burden on himself, that means you get 100% of the shared costs back.

We're doing some stuff right now in the Las Vegas Wash. We know we're going to get flooded, we just don't know how many times over the course of the project. That's crystal ball stuff. That's some shared risk, if you will. We're at risk to a certain point and then after a certain point, the owner starts taking on that risk with us. If not, that GMP starts to climb because CMAR is not the—is kind of misleading when it's says the Construction Manager at Risk. We're not taking—we're taking on the risk that we have covered and identified everything we can in the project itself and associated risks. It's not us going out and taking risks just to take risks. If we manage it appropriately, that's when the GMP comes up. If it's a risk that we should have identified and we had the means to identify it, then that risk is on us, if in fact it's in the way of gas lines. If we knew the gas line was there but we failed the pot hole, or to verify the information—we've seen that happen a lot in the past. We've also had the owner say, no don't pot hole it, just did it a few months ago and found it to be a three-foot pot. The owner picks up that cost after the fact. We see it quite often. It goes both ways.

Savage: Thank you, Bill. I would like to continue this conversation when Member Martin comes back.

Kaiser: Chairman Savage, Frank called and apologized, something came up all the sudden and won't be able to call in today.

Savage: Thank you. We'll continue some of this question on the GMP. The last question I have on the design-bid-build, versus the design-build and the CMAR, in some of the documentation, looking at the Silver Book, we use the Silver Book on the design-bid-build, but we don't use it on the design-build, is that a correct statement?

Mortensen: No.

Speaker: No.

Mortensen: No, we actually pull in part of the Silver Book in to the design-build contract. Some of the things that we have tried to allow the contractors to work around are some of the means and method specs that we have in there, to allow some of that flexibility and innovation that we're looking for in the design-build. There are portions of the 100s that we don't use and those are basically kind of the means

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and methods] type specifications out of the Silver Book. Most of the material specs are called into the contract.

Savage: The design-build-bid, it's a hard Silver Book spec. You've got to comply.

Mortensen: Uh huh.

Savage: But there's more flexibility, you're telling me on the design-build with the Silver Book.

Mortensen: Correct.

Savage: You get to use what you want to use or how does that work?

Tedford: Darren Tedford, for the record. What we've attempted to do and its evolved ever since our first design-build project, everyone has been different. Because we started to learn and we're still learning. What we attempted to do most recently in Project NEON was we called out sections of the Silver Book that the design-builder could either follow or propose alternatives to. Those were methods. We're doing the same thing on USA Parkway.

Where it says, do this many tasks, it says, do this, do that, that's a method spec. We said, you can either follow that method spec and get the result that we want or you can choose your own method spec and still get the density as the result, in that case that we were after. We put the option in there.

Mortensen: I believe you still require approval for the proposed specs, if I'm not mistaken. The same thing goes for products that we don't have specs for. Hollow soil nails for example. If the contractor wants to use hollow soil nails which so far, we have been real excited about, if they want to come to us with their own spec for hollow soil nails we'll have them talk to us about it, run through it and then we can incorporate it in the contract.

Kaiser: Reid Kaiser, for the record. That issue that Darren is talking about has been one of the major problems between a lot of our conservative engineers and the design-build engineers because a lot of it is left up to engineering judgment. We've got 50-60 years of engineering judgment that we've put into our specifications and that's how we developed our specifications up to the current standards that they are. When what we think is very clear engineering judgment in our specs is not always interpreted the same on a design-build contract. Hence, that's why there's problems on some of our design-build contracts in certain respects. Because

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engineering judgment to NDOT is not the same as engineering judgment to a consultant or to a contractor.

Savage: So, it's a work in progress.

Kaiser: It's a work in progress.

Savage: There's no black and white answer on this thing.

Mortensen: Correct.

Savage: There never will be.

Mortensen: Correct. He's absolutely right about that too, it's not only the construction industry but it's the design end of things. The last couple of design-build jobs that we've had, we've had some challenges with geotechnical engineering. You get two different geotechs out kicking rocks and tasting dirt and they come up with different ideas of what's an appropriate valued use and most of them use tables and charts and they're pulling values off. The argument that, the discussion gets inappropriate to pull value X or it tastes like a value Y. Those are some of the areas that we're trying to work on to tighten it up, so that's generally what we would expect to get.

Kaiser: Therein lies the battle. Project management wants to loosen it up. All of us conservative engineers on the design side, the materials side, we want to tighten things down because we've got all these specs written. We've developed them for the last 50-60 years, we know what works. That's—

Savage: A lot of internal debates [crosstalk]

Kaiser: There's a lot of internal debates going on.

Savage: Pedro.

Rodriguez: For the record, Pedro Rodriguez, NDOT Project Management. It is evolving. Our design-build template is evolving and getting better and stronger as we do it more and more often. One thing we should definitely consider here is, obviously this delivery method introduces both a design and build component that occurs at the same time. In this particular delivery method, we do turn over much of that risk over to the design-builder. Whereas, our design-bid-build method introduces the majority of that risk to the Department.

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There is some give and take. Obviously on the Department's side, we definitely want to be clear in regards to what we're looking for. Mention items that we won't bend on and give enough information over to the design-builder that will allow him to take on the risk and design and construct the project accordingly. I can't say it's black and white but there is give and take.

Savage: That's a good interpretation. [crosstalk] Thank you Pedro. Chris.

Martini: Mr. Chairman?

Savage: One second Mary, Chris from Kiewit is speaking.

Koenig: That's the key. Pedro hit it right on. Under design-build, the contractor is asked to take on risk. Much more risk. From a contractor's perspective, the other side of that risk mitigation is the opportunity to optimize and bring other ideas from maybe other DOTs, other experiences and we're always going to press the envelope and take it as far as we can. If your design-build program starts limiting that opportunity to optimize, from a contractor's perspective, it starts tilting that risk optimization that Pedro is talking about.

Savage: It doesn't make [inaudible], so you have to be very careful.

Koenig: Yeah.

Savage: Thank you Chris. Mary Martini, Las Vegas.

Martini: Mary Martini, District 1, for the record. I wanted to go back to your original question and maybe just talk about the mechanism by which the Silver Book may be referenced. It isn't in there totally by reference. There's nothing at the beginning of a set of technical provisions that says, references the Silver Book. Section by section, while the technical provisions are being written, they can be added. So, for the folks that are working on technical provisions, I think that's what usually brings up the debate between how much you include that's prescriptive, which is what normally is in the Silver Book versus something else. Almost all of the conversation within the Department I think are batting that pendulum back and forth. I think when we are writing the technical provisions, there may be an opportunity to miss things that are automatically covered in the Silver Book. That's been a difficulty when it gets under construction because a lot of the construction level folks like or REs, they're used to seeing it and they're going, well wait a minute, where's the provision for, fill in the blank and then you

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go back to the technical provisions and it was never picked up from the Silver Book and put into the technical provisions. It was missed.

Mortensen: Mary, I think you're actually working off of maybe a little bit older design-build spec. Because starting with NEON, I believe its Section 26? Is it 26?

Rodriguez: Uh huh.

Mortensen: 26, we actually pull in not only NDOT standard plans but the Silver Book. Like I said, with the exception of some of the 100 clauses that basically have to deal with the way that we normally do business as far as measuring payment and that type of thing. We actually on the more recent jobs have tried to incorporate more of those in there.

Now, as we talk about the give and take on specs and what contractors are trying to bring to the table, some of the things that we're looking at are ways of helping them save on schedule. Other items along those lines. An example would be, if we spec out a bridge deck and under normal circumstances we say you're going to do X, Y, Z. And our design-builder goes out there and does X, Y and Z and we end up with a cracked bridge deck, that risk is NDOT's risk because we told them that they have to do steps X, Y and Z to get there. Whereas, if we say we want a bridge deck that doesn't have cracking, we're open to you guys using these methods. Then, if they have a cracked bridge deck, then it's their responsibility to make sure that we get a quality product in the end.

That's where the dance back and forth with the technical provisions comes. We've gone both ways. We're continually trying to improve our specs and get staff on board to try to help us do that. You have some people that either don't understand or don't like the design-build delivery method. There's often times where we've had to correct some [inaudible] that are put in there. For example, one that comes to mind almost immediately here is on the Garnet design-build. We had bridge engineers say, we don't allow a design-builder to use closed abutments. We'll the reason they said that is, if you have open abutments, you want to come in and widen it in the future, you can do a soil nail wall back and add an additional lane in each direction if you like. The bridge engineer says, no closed abutments. Only open abutments. Well, our design engineers had already included in that width an additional future lane. Basically, had a doubling up. We had somebody making concession to have an additional lane and then somebody else saying, well we need one more.

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We're constantly going back and forth with that. Each project unfortunately has different challenges. An anywhere from just the utilities and the interaction between the design-builder and the utility companies, whether or not we have the right-of-way available for them to go out and do appropriate geotechnical investigation in certain areas and how we manage that risk.

One of the examples that I can think of where we've tried to learn and grow as a Department was on NEON. We actually had a number of the contractors through our one on ones come in and say they felt that there was a huge risk involved with the utilities on that project because it's a dense urban core project. What we did is we recognized that and put together a list of every known utility that we knew that was out there and from MTP-1, we allowed them 120 days to go in and pot hole and to dig up every utility that we listed there and basically at that point in time, we asked them to put us on notice of anything that was misidentified or unidentified. We talked about mitigation methods and measures at that point in time. Essentially that was our method of sharing risk because we wanted to have the problem taken care of on the front end of the contract rather than on day 1200 of a 1300-day contract we have the contractor say, well we just hit a jet fuel gas line that's going to set us back a year and a half.

With that in /mind, it was a way of allowing the contractors to get a level of comfort with the risk that they were taking on as part of the bid and allowed us to share that risk to try to get the best, most cost-effective bid.

Koenig: Great process, by the way. It's a very—very fair. I think, in the end, I can just speak from the way we bid, it helped us with how we looked at contingency around utilities. We were easily backed off of risks that ended up not really being there and didn't cost the taxpayer anything.

One last thing, everything you're talking about is very typical of a DOT going through their first 10 years of design-build. It's very typical.

Savage: Spot on.

Koenig: Yeah.

Martini: Yeah. Mr. Chairman, I've got people telling me to mute my line but I'm actually wanting to talk. I just want to put a correction in. I'm not referring to ancient technical provisions. I was referring to a conversation that we had on Garnet less

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than four weeks ago where one of our consultants, Margo, explained the very thing that I repeated, so it is current.

Savage: Thank you Mary. One last comment, from my private experience on the design-build-bid, it's important as a Department, I think that we have that as our number one priority, to ensure that we don't get lazy internally with the CMAR and the design-build and the CMAR, there's less work for the Department to do, its more contractor. We have to be careful, I believe, in my humble opinion to maintain, to keep practicing, to keep delivering those design-build-bid projects and utilize the design-build and the CMARs.

What I've seen with other jurisdictions, it hasn't been NDOT. I want to be very clear. Because it's all about consistency and trust with the contractor. If the jurisdiction of the Department can ensure that trust, consistency and confidentiality is there, day in day out, you'll get the best price from the contractor. If the entity gets sloppy in handling the CMAR process, whether it's the valuation or whether it's the advertising or whatever it is, it has to be consistent. I think that the Department has to be well aware of the pitfalls of the CMAR and the design-build side and use it in a consistent, trustworthy, confidential delivery from the contractor, not as a CWG Member.

Mr. Controller.

Knecht: Oh, the only thought I have is, a lot of people think that the only professions that live on arguing with each other are economists and lawyers. Now we can add engineers. [laughter]

Savage: Very good. Anybody else have anything on Agenda Item No. 5?

Kaiser: Reid Kaiser for the record. One last comment. John Terry and I have lots of discussions on this very subject. We both agreed, same thing that you just said that you know, we don't want to get too many design-build projects going at the same time because they are very taxing on our NDOT staff. They take a lot of time, they take a lot of travel. We honestly would prefer to build as much as we can on the design-bid-build. It's just sometimes, a Project NEON comes along and we all agreed the best way to build that would be on a design-build. We've got to cut down the schedule as much as possible.

I think we are all on the same page with your comments, Chairman Savage, that we need to stay focused on design-build and do what's best for the taxpayer.

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Savage: Exactly. Exactly. Thank you, Reid. If you could kind of keep this an ongoing conversation for Member Martin's benefit. Just keep this in the Old Business, if you could moving forward.

Kaiser: Sure.

Savage: Moving on to Agenda Item No. 6, Old Business.

Mortensen: Chairman Savage, we still have Dale and Pedro to present [crosstalk]

Savage: Oh yes, we do. [laughter] [crosstalk]

Mortensen: With that, I'll turn it over to Dale Keller.

Savage: I'm sorry, thank you Cole.

Keller: All right, Dale Keller for the record. We'll give a quick little brief—a quick update on Project NEON, where we are today. As you recall, we awarded the design-build contract to Kiewit back in November 2015. We're about a year and half in the job more or less. This is as of April 1st. All these figures will be to April 1st. This is a calendar day contract. We are roughly over 500 days of our over 1300-day contract. That puts us right around 37% complete for contractual days. We're a third of the way done with Project NEON for a calendar year contract.

With this though, the contract, Kiewit, has earned roughly 27% of that contract. They've earned \$162 million. You maybe noted from the previous slide that more contractual days have been expended, more than what the value has been earned. The main reason of that is if you look on the bottom left of the screen, design is [inaudible]. The real money is in the construction and as you can tell, we're only 15% done with construction.

We're on schedule. That's always been the plan. Roughly the first year, get done with finalizing design and then really have a very condensed construction schedule. As we go through a couple of these slides, you'll see that the earned value will definitely catch up and surpass the number of working days there for that percentage wise.

Knecht: Dale, quick question on that.

Keller: Yes sir.

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Knecht: When you have spent to date of 27% and 94% on design and 15% on construction, since you point out construction is what costs, are we basically on schedule in terms of spending and progress on design and construction or ahead or behind or you can't say?

Keller: Big picture is, we are on schedule. As you can tell, there's a lot of work left to be done and to be performed and do. With this Project NEON has a lot of these interim milestone completion and have incentives associated with it. There's projects within projects. Right now, we're impacting US-95, there's 300 days to get that work done. There's roughly a \$6 million incentive associated with that. That's a project within a project. That just kicked off a few weeks ago. That really started to really ramp up construction as well as some other work on the left side.

Big picture, yes we're on schedule. As a Department, do we know there's—we should have more work done on some of the side streets, maybe so. The real answer, some key check and time periods. One is when we get done with that 300 days. The next will be that March of 2018, when we start impacting the I-15. A lot of work has to happen in order to get to some of these interim milestones. We're hitting all of our interim milestones, so big picture, we're on schedule.

Knecht: Thank you.

Keller: Here's our earned value curve and chart. The yellow area is what's in our approved baseline schedule. We have these activities that are cost loaded and that's how we can project all the way out to the completion of the job which is around, our substantial completion is Summer of 2019. The blue is what they earn on a monthly basis. As you can tell, for the next six-months, they're projected to earn over about \$20 million. Once again, there's a lot of action happening, a lot of costs associated with that construction.

Then once again, it starts to kick back, spike back up there in March of 2018. I know Kiewit is trying to do their best to even out of some of those spikes, but this is what we're showing on our approved baseline schedule as we progress with Project NEON.

Change Order Status to date. We have executed roughly 15 change orders, totaling over \$11 million out of the \$559 million contract. That's roughly less than 2% of contractual value. I know FHWA has that in measures per year about what they look to, any indicators that the project might be off track and I believe

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that is the value, 2%. We're under that 2%. Right there in contractual change orders. As you can tell, the second column on the right is regarding who initiated that change order. A lot of these are the owner directed change orders. Either from NDOT or the City of Las Vegas. I'd like to point out, the City of Las Vegas, through our cooperative agreement has roughly a \$5 million contingency associated with it. They can go ask NDOT or direct NDOT, we would like to get this work done and incorporate that as part of Project NEON. That's what's listed there as assumed responsibilities.

Savage: That's a very important column. You don't see one change order that the contractor initiated.

Keller: If you take a look at, for example, No. 4, on Sales Tax Increase. You take a look at some things, we talked about shared risk in our contract, if the sales taxes increase in Clark County then NDOT would pay and cover that. We put a pot of money that they're pulling out through \$150,000 to draw from, from that sales tax and they have to provide receipts showing that additional increase in that cost. Also, we talked about utility costs. For example, Century Link, additional costs. There was a scope of work that wasn't identified in the project. We said, yes that makes sense and we incorporated that as a change order.

As you walk through some of this—you also talked about opportunity. In design-build, there is opportunity to have done. If you take a look at No. 6, Pavement. [inaudible] same for valued engineering. With that, we looked at some of the local streets that we can find a better way of doing some of pavement after we get buy-in from FHWA on some of the local street facilities. Once again, that's a shared value. Half of that—the total value of that was roughly \$200,000. We got half as the Department, Kiewit got the other half. There is value in the design-build projects as well.

Savage: Thanks Dale.

Wellman: Can I ask, just out of curiosity, your sales tax, that's not exempted?

Keller: That increase of sales tax occurred after the setting date when the proposals were due. Part of that was in—I don't know, that's a good question for what exactly—

Wellman: When we do it—once the project is bid, then it stays at that sales tax rate perpetually until its completed. That's just our—you know—not that Clark County can't use the sales tax.

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- Keller: That increase came in after the fact. It was approved by, I believe, I want to say the Legislature in 2015. Didn't go into effect until that January 1st. As we look back into that, from our setting date—the setting date for the design-build contract is when the contractor can actually use that date and put their proposal together. That didn't get approved until after that setting date.
- Wellman: One I think just came on, I know it's exempt. We just got a new sales tax in Clark County again, for the more cops. That would be exempt.
- Keller: I'll take a look into that. I'll have to get back to you there.
- Savage: Because in our world, I mean, when we bid a project, we have to bid it through the term of the project and incorporate all taxes and wage increases and everything else. You guys are [crosstalk]
- Wellman: Revailing wage is set too. Prevailing wage is set for the duration.
- Savage: If there's a union increase—
- Wellman: Unions, yes.
- Savage: That's the contractor's responsibility.
- Wellman: [crosstalk] Correct.
- Savage: And if there's a tax increase—so, anyway, it's something to look into. Thanks Dave. Thank you Bill.
- Knecht: Mr. Chairman. The biggest item on there is sub-structural bridge resolution. Can you give us some background on that real quickly?
- Keller: Cole mentioned, if you have a [inaudible] in the room, Geotech in the room, you really get three opinions. As we walk through this design—through the design process all year, we saw eye-to-eye on every item except for substructure and geotechnical drill shafts. This is our battle with the contractual engineers. What this did was found common ground on assets to the Department, contracting the contract or incorporate certain elements in the design. There's a figure and I'm sure Chris can talk about this even more is that where if they want to use local opportunity, maybe use across the country in different entities and different State DOTs or Canada, you name it, that they felt they had onus to include that opportunity in the contract. From us in the Department, we felt that, no, here's some of the guidelines that we want to install and direct you to use.

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Out of all these change orders, this one was the most work all the way from my level, all the way up to the Director's Office and back down about finding a solution that works best for the project. What's included here is win-win for the Department and for the contractor, for a couple of reasons. First, it was a solution that our engineers and our geotechs could agree upon and knew that it was a fair solution. Second, it did not delay the project or the schedule. With those two events in mind, we actually work together to find ways to say we have, I forget how many different bridge [inaudible], 10 that we can still move forward some of the design without delaying design, without delaying the project. As we talk through our partnering, other aspects, this was actually a very beneficial for both sides. Even though it cost the Department and taxpayer's more.

Knecht: Thank you.

Keller: With that, I'll be happy to answer any other questions about Project NEON. That's a very high-level overview. I know some of the quarterly Board updates with Project NEON has a lot more information where we are. Director Malfabon mentioned today about turning over all the right-of-way. On time or if not early. That's been a huge success on the Department that cannot be underplayed at all. A lot of effort that went into the Right-of-Way Group and the Director's Office as well. That's a tremendous success. That gets us—we talk about risk transfer, well that's [inaudible]

Savage: That's really a big deal because the contractor has his terms and if we can't [inaudible] then we're responsible. I thank you again Dennis. I thank Ruth Borelli. Of course, thank you Dale and Project Management for staying on top of things down there.

Rodriguez: For the record, Pedro Rodriguez, NDOT Project Manager. Similar to what they all went through, I'll just give you a real quick high-level view of USA Parkway. We've had a lot of success with this project being a design-build.

Here are some general timeframes. As you recall, we elected to give the design-builder the notice to proceed, pursuant to Board approval in January. We worked diligently to put together all our documentation and quality plans in place to allow them to move forward with a second notice to proceed in April. As of now, substantial completion is still set for the contract of September 9th. In fact, it's moved up and we anticipate completing the project by September 1st. 92% of the design is already complete. I'll show you a chart there kind of explaining that. I have more updated numbers in regards to the construction status. We're actually

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about 64% complete. I'll show you more on that as well. Schedule status, as of now, we're looking at about 74% complete of contract days. Costs were expended at about 60%.

Our design status, these are the different packages we have for USA Parkway. We have that last design unit there for the sculpture that's going to go in on the northern part of the project. That actually just came in last week and we expect to have that up to the 90% level this Wednesday. In essence, a next step on this would be to conform the plan set and then have a submittal there for final. There really isn't much more left to do, other than to put together your ASPO Plans pursuant to the construction completion.

Construction, as I mentioned before, they're at the bottom. We're actually more about 64% complete. The first area, the paved area within USA Parkway or the most northern part of the project, where it reads Work Area 1 Intersections. The only piece of work left to do there is the insulation of the sculpture which is being fabricated now. The rest of the project, it is moving forward well. We've reached our connection point there at USA 50 and if I can add here too that the earthwork on the project is at about 90% complete. We're in essence, waiting for some good weather to pave.

Right-of-Way has been completed. That's been completed for quite a while now. All advanced utility adjustments pursuant to the contract has also been completed. The other thing I want to mention, real quickly here regarding the construction is a part from the 64% complete on the project and mind you, these numbers are changing daily because Ames is moving forward pretty quickly. We've had change orders that have been introduced to the project. 30% of the change order work is complete and maybe more so today.

Savage: The largest change order was that conduit and ITS vault.

Rodriguez: That's correct. And 30-40% of that insulation is complete.

Kaiser: Reid Kaiser for the record. What that conduit and vault installation is, as most people know, there's a fiber company out there and there's a big push right now by the Governor to install fiber statewide. In fact, there's a couple of bills in Legislature right now to do that. One way we could get fiber to this area is by installing the conduit and the boxes/vaults on this project. That's what this change order takes care of, it installs conduit and vaults from US-50. Does it go all the way up to I-80, Pedro, or just up to—

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Rodriguez: It goes into the paved section where Switch already has facilities in place.

Savage: It was good timing, really. It's a cost savings. You can't see that cost savings, but just imagine if that stood on its own, what that would cost.

Rodriguez: That's correct. And, maybe going into a little bit more of the details. Here's a quick look at our change orders on the project. We have a couple of pages on that. As you can see there, the impacts on the schedule of the project, the design-builder has been well aware as to when we, the Department, would like this project to be completed. Essentially completed and open to the public. None of these change orders have any impacts to the schedule.

The major change order, as we were discussing here is the Change Order 9 there which is the insulation of the conduits for future fiber optic installation. That \$4.6 million constitutes, again, the 6% of the 7% of total change orders on the project, Department directed.

Knecht: You said that's 30-40%--

Rodriguez: As of last week, the insulation of that change order work is 30-40% installed.

Knecht: Thank you.

Rodriguez: And mind you, this was one of our later change orders that was introduced on the project but our design-builder was adamant that they'll get that included in the project without any additional time.

With that, I guess I can take any questions you guys might have.

Savage: I'd just like to compliment you, Pedro and Sam, since you're here. Everyone from NDOT and as well as the contractor. I mean, it was a high-risk project. We had one heck of a winter. We persevered. It looks like—or, it sounds like you can see the light at the end of the tunnel.

Rodriguez: We're excited, yes.

Savage: You're excited. You never know. I appreciate all that's been done from the Department's standpoint, as well as the Contractor's standpoint.

Rodriguez: We appreciate that for sure. I can definitely say that this project has a lot of people in the background. It's involvement from all Divisions from the

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Department, obviously working hand-in-hand with our Construction Division, as well as the design-builder has a lot to say in the success of the project.

Savage: The question I have of the consultants, how are the consultants doing?

Rodriguez: Our consultants are doing great. Both our crew augmentation is on top of things, as well as our design consultants that are assisting us with the review of the project.

Savage: Good to hear. Thank you. Anybody else? Moving on. Now we'll close Agenda Item No. 5. Moving on to Agenda Item No. 6. Reid Kaiser.

Kaiser: Okay. I'll march down through the items on Item 6. The first one is Contractor Prequalification. We went live April 1st with our new Contractor Past Performance Rating. We did send it out to the AGC in the North and also the AGC in the South and we received no comments. It's out there and we're using it.

Savage: Everything is perfect.

Kaiser: Everything is perfect.

[crosstalk and laughter]

Savage: I'm glad Reid was laughing at that.

Kaiser: Item No. 2, NDOT DBE Process and Work Force Development. We've had a lot of discussions already about work force development. I also know just from spending some time at the Legislature this morning, their struggle statewide with the laborers/operators work force [inaudible] also.

I'm going to give a little update for Tracy here. Tracy did receive an award from the Urban Chamber which is the African-American Chamber for promoting small businesses and women. Two plus years ago, NDOT did not have a good relationship with this entity and it's through the efforts and the work of our Civil Rights Team that we were recognized. Kudos to Tracy and her group for turning us around in this area.

Savage: Yes, thank you Tracy.

Kaiser: Okay. The applications for the DBE/SB certification have been steady so far this year. There's been 57 new applications in 2016 and six so far in 2017. 37

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interstate applications and three so far in 2017. The DBE supportive services program is very active in 2016. Two RFPs for NDOT's new DBE Supportive Services for 2017 will go out in the few weeks. Outreach, the external Civil Rights staff have attended 21 outreach events in 2016.

Project NEON is moving forward with work being completed in the construction phase of the project. Kiewit continues to recruit DBE firms for the construction phase and has been successful in identifying and contracting with various DBE firms. They're currently on target for achieving their DBE goal.

That is all I have for Item No. 2. Do you have any questions for Item No. 2? They should probably be fairly shallow because I'm not real schooled in this area.

Okay, Item 3, As-Builts. NDOT's contractor on this contract, Aggregate Industries is moving forward. They've been working with our consultant RE in preparing their As-builts. This is a project in Las Vegas, on Las Vegas Boulevard in North Las Vegas. Our consultant RE has been working with Aggregate Industries in preparing their As-builts. We'll see how that turns out.

Okay, Item No. 4, CMAR Change Orders and Agreements. We have four active CMAR projects. One on Charleston Boulevard, down in Las Vegas, that is in its infancy so it's just beginning. Verdi Bridges, we've got the Tropicana Escalators and the Bike Path up at Lake Tahoe. Do you have any questions in regards to that? I think there is one change order on the escalators for some janitorial services that the District is going to take over.

Savage: The District? I thought we were giving the whole escalator project over to the Convention Authority or Las Vegas. I didn't think [crosstalk]

Kaiser: Well, we are at the end of the project. From what I understand and Cole could probably—

Mortensen: I believe this is just in the interim.

Kaiser: This is just the interim to the end of the project.

Savage: How long—where are we on this project?

Mortensen: Unfortunately, this is one that's under Lynnette, so I haven't had a whole lot of exposure to it but I believe that we've gotten some of them installed. I know we were accelerating it based on requests from stakeholders there. I can certainly get that information.

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Martini: I can give you an update if you'd like.

Savage: Is it done? Is it done? [laughter]

Martini: Sorry, it's not. This is Mary Martini, District 1, for the record. The status right now on the Tropicana Bridges is the one is complete and the work is continuing corner by corner. The agreement is that we will turn over the project when complete to Clark County Public Works. Clark County Public Works has been very adamant that they do not want to have it piecemeal. They want to see a completed project, so we're about 35-40% finished with the project. It is a CMAR. The current issues that are going on regard some of the work that was not in the original scope and yet which is turning out to be needing to be fixed. Maybe a preview of coming attractions. We are still on track to be finished by the end of next year. Our costs are on track to be at about \$30 million and there's about a \$5 million risk reserve, don't hold me too close to those numbers. I know they're more refined, I don't have that information in front of me.

Savage: Is the \$5 million risk reserve in the \$30 million?

Martini: No, it isn't.

Savage: Okay.

Martini: The agreement with Clark County has gone back and forth a couple of times for review. We're still hoping to be able to transfer them to the Clark County as we're finished. There were a lot of details around the warranty that are currently being worked out.

Savage: Thank you Mary. Reid?

Kaiser: Any more questions on CMAR Change Orders and Agreements?

Savage: None here.

Kaiser: Hearing none, we'll move on to Item No. 6, our Resident Engineer's Project Assignments. You guys have any questions in regards to our RE's assignments so we can answer them. Right now, most of the REs are located in Las Vegas. One is up in Tonopah working on two projects. The District 2 projects or REs. We have one RE which is working out in the desert. One is at USA Parkway. One is in Carson. One is in Reno and one is in Tahoe. We have a scattering of consultants all over the place.

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Savage: Very quickly, what I noticed, I like—this is a new add to this packet. I noticed District 2's graphic. I'm a visual guy, so you can automatically see which RE has got work stacked. Versus the D1, everybody is pretty flat. I don't know, maybe I'm overanalyzing this but to me, it was very informative. I'd just like to see—and then D3 didn't have any graph. It would just be nice moving forward that we all use the same format in all three Districts.

Kaiser: I think District 1 and District 2's format is the same, I just believe the projects are so big in District 1 that each RE really only has one project assigned to it. District 2's projects seem to be a little bit smaller, dollar wise, a lot of betterments, maybe a lot of chip seals and stuff, projects like that. They can handle a lot more projects.

Savage: In my experience, whether it's small or big, the smaller projects a lot of times take as much time and effort as the larger projects, to some point.

Kaiser: They do on the paperwork side. Sometimes you can get away with less manpower on the smaller projects. Thor, got any comments?

Dyson: Well, the small projects are painful because they're small and they have the same amount of paperwork as the big projects. Even though they're smaller, you might only put one or two inspectors on them there are some days when the contractor on the small project will have a ton of questions or possibly cause a lot of problems with traffic control or some other—so, it does take time of the RE. We're happy to change the graphics.

[crosstalk and laughter]

Kaiser: Your graphics are fine. I'll work—we had one person prepare them all. I'll just talk to the guy and make sure that we get some more graphics, I believe on the District 3 showing what work they have going on at this time.

Savage: Just some uniformity so it's a quick snapshot.

Dyson: District 3 is in transition too. Kevin is not there.

[crosstalk]

Kaiser: Yeah, District 3 is in a state of transition because two of the people who will be working for one of our consultants just east of Fernley just retired from District 3 this last fall. District 3 is definitely a work in progress right now.

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Dyson: We can help out too, with District 3. [inaudible] You Sharon, in District 3, can help out.

Foerschler: Well we have a pretty good—Sharon Foerschler for the record. A pretty good finger on the pulse of what's going on because we have to manage where the construction crews in the districts, the consultant program to help with the workload. And we also generate the budgets for all the travel and per diem. We have a pretty good idea in our office when contracts are going to be under construction. We will get you that information.

Savage: Sounds great.

Foerschler: We'll work with Reid to accommodate your request.

Kaiser: Thank you.

Savage: I had a question on 3580.

Kaiser: Boulder City, District 1.

Savage: And NEON.

Kaiser: Those are both on the second page of District 1, so Page 2 of 2. Martin [inaudible] he has NEON. Tim [inaudible] has Boulder City.

Savage: One is a design-build-bid on 3580?

Kaiser: Yes, design-bid-build.

Savage: On 3580.

Kaiser: Yeah.

Savage: Okay. And, [inaudible] Okay. Go ahead, I don't have any more questions on that.

Kaiser: Okay. Unbalanced Bidding, Item No. 7, nothing new to report. Item No. 8, Construction and Project Management Division Agreements. Are there any questions associated with these two spreadsheets? We tried to work together and make the spreadsheets the same, so that they're easy to follow.

Savage: I'll tell you, this is the first run at this.

Kaiser: Yeah.

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- Savage: Again, this is a work in progress. I thought it was a good first attempt and we'll just keep the format improving and more consistent. A couple of questions very quickly. On the second page, for example, CH2M Hill, there's no dollar value there.
- Kaiser: I think that's probably my mistake, when I printed this thing out. I thought I caught all of those. I monkeyed with this a lot to try and get the margins wide enough so that the number would print. I think I'll take the blame for that one.
- Savage: Oh, I don't know about that.
- Kaiser: The spreadsheet they sent me, it did show the numbers but when you're trying to get them on one page so that you can also read them. [laughter] It sounds like a job for Claudia next time.
- Knecht: It sounds like a job for eliminating the cents in those listings.
- Kaiser: Good call.
- Savage: Also, I didn't see the NOA Consultant. The Natural Occurring Asbestos. Maybe I missed it.
- Kaiser: CDM Smith?
- Savage: Oh, CDM Smith.
- Kaiser: They are probably under the DCS Agreement for—
- Savage: I thought it was Terra something.
- Kaiser: They came—I believe they came up with the specifications and the design package.
- Savage: Oh, CDM Smith is the—
- Kaiser: CDM Smith—
- Foerschler: CDM Smith is on—
- Kaiser: They're on the first spreadsheet.
- Foerschler: 3580.
- Kaiser: Yeah, they actually are listed on the first spreadsheet.

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Foerschler: TerraCon was hired through environmental services, so you wouldn't see them on the project management.

Savage: Okay.

[crosstalk]

Tedford: Yeah, you're not looking at environmental agreements, that's why you don't see them.

Savage: Okay. I think that's a good first run. We can improve the years and a few other things, but I think it's a real good—it's going to be a real good tool.

Kaiser: Now, do you want to see these every quarter? They're quite a bit of work to put together and you're probably not going to see a whole lot of change every quarter. If we could, I'd like to present them every six months.

Savage: Semi-annually?

Kaiser: Is that okay?

Savage: That sounds good.

Kaiser: Okay.

Savage: I do refer to the CWG now and I am going to say it again, the Construction Work Group and the Consulting Work Group. There's only a few of us left here, for whoever cares, the consultants all left.

Foerschler: So, if I can float Construction Division for a minute, we do keep ours updated monthly, so if you ever need it, just ask.

Savage: Thank you very much.

Dyson: And, from the District standpoint, which I think this is modeled after, what Rick Bosch put together, we do it weekly. Well, I should say—when we see a major—when Thursday shows up and the apparent low bidders come in, we update it.

Savage: That's good, thank you Thor. Reid?

Kaiser: Okay. Item 6B, this has a list of projects—or, excuse me, not projects, meeting we attended and most of them are just AGC Meetings. Keeping contractors up to speed with what we have going on within the Department. There's been a lot of

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discussions regarding Legislature and what we have going on there. There's been a lot of discussion with work force development. Tracy has been spearheading quarterly meetings with Committees to spearhead not only promoting the unions to hire people but also project managers to go to work for contractors. They're trying to get a degree from either UNLV or UNR that would allow contractors to hire project managers from within Nevada.

Savage: Nice.

Kaiser: It's good. It's a good program.

Savage: It's a real good program and I thank Tracy and everyone at NDOT. Quick question, does our PIO Office get involved in any of these work force issues or are they strictly staying out ahead of the construction?

Kaiser: For the most part, they don't get involved in the work force development.

Dyson: Thor Dyson, District Engineer. Our HR Office, years ago, got involved in marketing, working with high school students, universities. Not so much with the contracting community, but when you have engineers coming out of—or students in elementary and high school and college, some of them will go to the contracting community and work. HR, Rob Easton, Kimberley King, those individuals did some ancillary work force development if you will.

Savage: That's good. It will be interesting to see what Ms. Wall comes up to next time. Thank you Thor. Reid?

Kaiser: Okay. That finishes Item No. 6.

Knecht: Question on 6B, Page 5 of 8. That's an NRS section, [inaudible] attached to the agenda for December 13th. Have we run into problems, like the waters at the US problems with that definition or have we not had to confront that?

Gallagher: For the record, Dennis Gallagher. To my knowledge, we haven't had any problems with it. At least not that have been directed to my attention.

Kaiser: I think why that item was on there was there's a new administrator in NDEP and he was interpreting the law a certain way. I think there was a conflict with what the previous administrator had interpreted it. That item was to talk it over with the contractors and we actually—Dave Gaskin used to work over at NDEP and he got it straightened out.

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- Knecht: My observation, as a non-Bar Member, JD is that, this is one of those things where especially Section 2 there, basically leaves to the 'as applied' review by courts. When you get a new guy applying it differently, that's when you possibly run into trouble. I'm glad to hear we don't have—
- Kaiser: We straightened it out.
- Knecht: --those problems with that.
- Kaiser: Okay, Item 7, Projects Under Development. This is our five-year project plan. Usually John Terry gives a little schpeal on this item. John is not here. Do you guys have any questions, we'll see if we can answer them.
- Savage: We're good.
- Foerschler: Well, after the winter, you may see Page 2 which are the 3R projects, moved around a little bit.
- Savage: I had some questions but I think I'll save it for the June Meeting.
- Kaiser: Okay.
- Dyson: Thor Dyson for the record. Back to the contract list, for the three districts, the construction contracts. I don't believe that showed any of the emergency contracts that we did.
- Savage: It doesn't.
- Dyson: I happen to have it here for District 2, a list of, I think it was either 23 or 25 emergency contracts in District 2 alone, ongoing. A couple of them have been completed but this is on top of what we have on the documents that Reid collected from all three districts with Sharon's help. I just want to point out, we're pretty overloaded with emergency work and regular planned construction work. I'm happy to provide this to you if you want.
- Kaiser: Thor—Reid Kaiser for the record. Do you have—do the emergency contracts take the same amount of documentation?
- Dyson: Well, we're doing time and materials. A lot of them have a fair amount of documentation in regards to the forced account procedures that we have to follow. We still have to enter them into the pay estimates or no, those are agreements, right. They don't have four-digit contract numbers. It's a little bit less, but

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nonetheless, it still takes away some people, some inspectors and assistant RE. Sam can, if he were here, he could explain to you how much time he spent the last 2-3 months doing emergency contracts. Which you know, he's unable to prepare and really stay on top of his normal contract work.

Savage: Thank you Thor. We'll probably see that, those dollars at the next T-Board Meeting, I would imagine. Rather than objecting those at this time, we'll hold out, but thank you.

Kaiser: Reid Kaiser, for the record. Robert Nellis has a lot of those projects listed in his small agreements under \$300,000. A lot of those emergency projects are listed.

Savage: Yeah. We saw some of those. My only question was on Page 8 of 10, the landscape and aesthetics. All of the budgets are either \$1.9 million or \$2.9 million, so I have some question on those. Then also on the Damonte, the \$1.6 million, I remember that it was \$1 million. I don't know how it jumped to \$1.6 million. I remember Damonte and South Meadows were each \$1 million. We'll want to look at that and maybe have an answer next CWG Meeting.

Kaiser: Okay.

Savage: The budgets are questionable to me.

Dyson: Thor Dyson, are those the landscape—those are the landscape budgets.

Savage: All being \$1 million or \$2 million.

Dyson: Those seem to have changed. They seem to be fluid.

Foerschler: I've got a processing memo for those two. I want to say one was \$1.6 million and was \$675,000, something like that.

Savage: I remember the budget was \$1 million for Damonte and I see the \$1.6 so I'm concerned about that.

Kaiser: I will let John know.

Foerschler: I think we all remember a contract that was out that we decreased the scope on to keep the dollars down, on the [crosstalk] project.

Savage: Yes.

Foerschler: [crosstalk] Chairman of the Board.

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- Savage: That's all I have at this time, Reid.
- Kaiser: Okay. Moving on to Agenda Item No. 8, Project Closeout Status. We closed out eight projects this past quarter with 3292 being among them. Good job Thor and your staff and the Construction Office. I'm sure that was a monumental task, closing out that project.
- Savage: Yes, that's very good news. Sharon, Steven, Thor. Everybody, thank you.
- Foerschler: It's our pleasure. [laughter] You will notice the contract closeout schedule has increased in size. I just want to point out that that's indicative of the size of our program. Our staff now, running electronic documentation in closing out our projects, we decreased the time of closeout. Once we get it from the crews to do the independent audit by 70-80%.
- Savage: That's huge.
- Foerschler: Yeah. Although there's a lot of projects on there, I'd just like to note it's just indicative of the large work program we have going on right now.
- Savage: And kudos to you, Sharon, Steven, in the Construction Division. It's a breath of fresh air. I made mention of that at the last Board Meeting in March.
- Kaiser: I second it.
- Savage: But, Reid, and yourself as well. It's everybody.
- Foerschler: It's a team effort.
- Savage: And this is where you see it. Now we're harvesting [inaudible] by saying, let's [inaudible] project closeout. Thank you.
- Kaiser: Are there any questions on Agenda Item 8A, B, Summary of Projects Closed. Item C, projects closed, the detail sheets?
- Savage: I just comment, again, the formatting is nicely simple. It's very transparent. It's easy to look at. Good snapshots. I mean, I think we're getting [inaudible] I appreciate it.
- Kaiser: Item 8D, Status of Active Projects.
- Foerschler: I would like to point something out for your attention. Sharon Foerschler for the record. With our new electronic documentation system, the way the system

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reports had led us down a path and back up it and down again about three or four times because the data that we used to be able to capture in our Legacy System is different than what we capture now. You may notice that the column, we dropped Updated Contract Value. I think that's what we called it, right Steve?

Lani: Yeah.

Foerschler: Because what we were pulling out of our electronic system was not indicative of updated contract values. What it did was, it would pull all the contingencies, whether they were spent or not. It would pull information that skewed the data. If you compare this spreadsheet to what you saw at our last meeting, you might notice that change. I just wanted to bring that to your attention. We still show the budget. We still show what was bid. We show contract modification amount and then payment date.

Savage: That makes good sense.

Foerschler: Just so you're aware.

Savage: Thank you Sharon.

Foerschler: You're welcome.

Savage: So, are we going downhill or uphill?

Foerschler: No, we're doing good. Doing really good. [laughter] We're doing good. It just took us a while looking at the data going, that doesn't quite make sense. Why doesn't it make sense? There were many hours spent with all of us talking about what this data really meant and what it didn't mean.

Savage: Good. Thank you Sharon.

Foerschler: You're welcome.

Savage: Reid.

Kaiser: Okay. If there are no questions in regards to our status of active projects, our next item 8E, we just finished having our National Partnering Institute Meeting, which I was able to attend one day. I really enjoyed it. Listened to some really good presentations. Sharon, Steve, you guys were there, any comments?

Foerschler: Sharon Foerschler for the record. I would like to say, this was an agreement that was on the Board for informational only back late in 2015. There was a lot of

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discussion, this was money given to the Department by FHWA to do this sort of research project that included a one-day conference. That was originally scheduled for September of last year and we had a lot of trouble getting other DOTs to attend because there's limited out of state travel.

You saw an amendment to that agreement back in November/December, maybe you didn't see it until January, that brought the dollar value right up under the \$300,000 and that was to accommodate the travel for other DOTs. We had about 110 people signed up. We probably had close to 100 show up. We had representatives from across the nation. FHWA had quite a few people there and we did a half day on Tuesday that were two training modules. People could select what they wanted to listen to. Then we had an all-day on Wednesday. Then a half day on Thursday. They got a lot of good feedback. I believe it went well.

What I would like to mention, I was a little bit disturbed with was they had one local contractor attend. We reached out for a number of months and a number of platforms to get as many contractors there as we could and it was discouraging to only see one local contractor. We feel like we're making or we're continuing in our efforts in partnering. I don't know if it was a case of emergency work or why we didn't have more presence from Nevada Contractors, that would've been nice to see.

Savage: Yeah, that's unfortunate.

Foerschler: Yeah. We're glad—we said, we checked that off. That was a lot of work to put that on. We appreciated FHWA's assistance with that. We had a consultant on board that helped put it all together. I think it went over well, I think.

Savage: That's good to hear. I know the Board was concerned about it. I do thank the FHWA for helping us in a successful [inaudible]

Lani: Steven Lani for the record. The project was not entirely done yet. While the conference is over, there's a toolbox and an assembly of lessons learned, as well as a compilation of the survey data and elements of effective partnering programs from throughout the nation that are being compiled as part of this project. When that is complete, that should help bring us to the end of the agreement as a whole. The conference was one of the intermediate steps along the way.

Savage: Nice. Thank you Steven. Mr. Kaiser.

Kaiser: That is all I have.

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- Savage: Okay. Agenda Item No. 9, Public Comment. Any public comment here in Carson City or Las Vegas?
- Martini: None in Las Vegas.
- Novak: I've got one for you. You can guys can hire. We have a hiring freeze going on for the time being. With the change of administration, but that's not abnormal. We will be hiring federal employees sooner or later.
- Savage: Okay, that's—we don't know when that's going to be resolved?
- Novak: Nope.
- Foerschler: I have a little something for your approval. Mr. Lani is somewhat of a celebrity. He did an interview with—what's the Editor of—a news reporter took her out on the Carson Freeway and gave her a briefing on how NDOT has changed and whatnot. I haven't read it yet. He put it on my desk this morning. [crosstalk and laughter] I thought you might enjoy seeing that. He's quoted in it and he's passionate about his life with NDOT, you'll find it an interesting read.
- Savage: Yeah, on Page 4. Sharon Foerschler is the best boss I've ever had. [laughter] Okay.
- Kaiser: Yeah, Steve grew up in Austin, Nevada. His dad was a maintenance foreman there.
- Savage: Nice.
- Kaiser: Yeah, how many people you know come from Austin?
- Savage: It's a beautiful area.
- Lani: She made me feel old when she said, the Department is 100 years old and you've been here for a quarter of that.
- Savage: Well, thank you Steven. All right, are there any other public comments? Agenda Item No. 10, Closed Session. There's probably no need for a closed session.
- Gallagher: There's no need for a closed session. There's been no changes in our construction litigation. Now that this group has taken over consulting responsibilities, we'll have to add to that.

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Kaiser: I would like to say one comment, you know, there was this issue with AVAR and they were suing the Department from the I-580, from the Galina Creek Bridge, that project. One of Pierre's last projects was—

Gallagher: He was working on what's called a Motion for Summary Judgment. He got too ill to go argue it so another Deputy went down to argue it. The Court heard it on a Friday, issued its opinion on Monday and Pierre was still pretty alert at that point in time, so he knew he had won that motion. It was really great to be able—we sent the—somebody from District 2, Thor, was it you?

Dyson: Yeah, I took it up.

Gallagher: Yeah, hand carried up and delivered it to Pierre. It was—

Dyson: He was pretty fired up.

Savage: That's quite special.

[crosstalk]

Dyson: He went out a winner just like he was eluding to.

Savage: We'll miss him dearly.

Knecht: He'd gone out a winner even without that victory. Once in a lifetime thing.

Savage: May he rest in peace. I'll take a motion for adjournment.

Knecht: So moved.

Savage: Second. Thank you everyone.

Dyson: Wait, the Motorola guy has a comment. [laughter]

[end of meeting]



Representative