In The Matter Of:
State of Nevada Public Works Division
Video Conference Board Meeting

May 1, 2018

Capitol Reporters
123 W. Nye Lane, Ste 107

Carson City, Nevada 89706
STATE OF NEVADA

PUBLIC WORKS DIVISION VIDEO-CONFERENCE BOARD MEETING

TUESDAY, MAY 1, 2018
9:00 A.M.

CARSON CITY, NEVADA

THE BOARD:

BRYCE CLUTTS, Chairperson
SEAN STEWART, Vice-Chair
(Present but late)

PATRICK CATES, Director,
Department of Administration

CHRIS CLAYTON,
Interim Administrator
TITO TIBERTI, Member,
(Present but late)

KEVIN LEWIS, Member

CLINT BENTLEY, Member

ADAM HAND, Member

FOR THE BOARD:

SUSAN STEWART,
Construction Law Counsel

JEFF MUNICUCCI,
Deputy Attorney General

ERIK PASCIAK,
SPWD Program Officer

REPORTED BY:

CAPITOL REPORTERS

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3. For Possible Action: Acceptance and Approval of Public Works Board Meeting Minutes: November 1, 2017

4. Introduction of New Board Member Kevin Lewis

5. Capital Improvement Program (CIP)
   - Overview
   - New Building and Deferred Maintenance Criteria
   - New Deferred Maintenance Statewide Program
   - Requested Language Change in 2017 CIP Legislation

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   - Staffing
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CHAIR CLUTTS: Good morning. Welcome to the State Public Works Board meeting for Tuesday, May 1st, 2018, at 9:00 a.m.

Agenda Item Number 1: Roll call.

MS. PASCIAK: Chairman Bryce Clutts?

CHAIR CLUTTS: Present.

MS. PASCIAK: Vice-Chair Sean Stewart?

VICE-CHAIR STEWART: Present.

MS. PASCIAK: Member Clint Bentley?

MEMBER BENTLEY: Present.

MS. PASCIAK: Member Tito Tiberti?

MEMBER TIBERTI: Present.

MS. PASCIAK: Member Kevin Lewis?

MEMBER LEWIS: Present.

MS. PASCIAK: Member Adam Hand?

MEMBER HAND: Present.

MS. PASCIAK: Member Patrick Cates?

CHAIR CLUTTS: Thank you. We have a quorum. Just so everybody knows, Patrick is out of town, but he will be calling in here shortly. So, as soon as he calls in, we'll plug him into the meeting.

Moving onto Agenda Item Number 2: Public
1 comment. Is there any public comment? We'll pause for a moment.
3 MS. PASCIAK: Good morning, Patrick.
4 DIRECTOR CATES: Good morning.
5 CHAIR CLUTTS: Okay. You are officially present, Mr. Director.
6 DIRECTOR CATES: Officially.
7 CHAIR CLUTTS: Okay. Agenda Item Number 2: Public comment. Is there any public comment?
11 Hearing none, we'll move onto Agenda Item Number 3. For possible action: Acceptance and approval of Public Works Board meeting minutes for November 1st, 2017, which are attached.
13 Are there any comments, clarifications to the meeting minutes? If not, we'll entertain a motion.
16 MEMBER BENTLEY: Chairman, Member Bentley. I had one question. On page 18 -- if I'm looking at the right one here -- it said to make the change. Actually, the CIP, the way it came out. And instead of change "actually" to "actual," I think it needs to say "the actual."
22 COUNSEL STEWART: For the record, Susan Stewart. So you're proposing we delete "actually" at line 18 on page 18?
25 MEMBER BENTLEY: And say "the actual," not just "actual."
1 probably some of the most fascinating and interesting stories in the course of his career. And I don't know if we'd do it here at the Board meeting, but I've taken a chance. We took a tour up through Tahoe at Marlette and spent time together down in Las Vegas. We had lunch together, and Kevin had my mouth hanging open. He's certainly had a wealth of experience, and I think brings a huge amount of insight to our Board. So I would like very much to welcome you, Kevin, to this Board. And I appreciate your willingness to serve the State in that capacity.
12 MEMBER LEWIS: Thank you very much. Thank you all.
14 CHAIR CLUTTS: Thank you, Mr. Chimits.
15 Moving onto Agenda Item Number 5: Capital Improvement Program. Back to you.
17 MR. CHIMITIS: Chris Chimits, Interim Administrator. What I would like to do under the first item: Capital Improvement Program, I would like Ward Patrick to present.
21 Ward is Chief of Planning and has been central in helping to develop and format the CIP.
23 So, Ward, if you wouldn't make taking us through those first five points, starting with the overview, please.
2 MR. PATRICK: Ward Patrick, for the record.
3 Thank you, Chris.
4 What we have here is the five items here.
5 We'll go through an overview of the CIP. We've been in the process where we've been receiving applications recently. We'll talk about that a little bit. We'll go over the criteria that the Board approved two years ago, and that's in your packet. There's two pages in your packet.
10 We'll talk about a new program for deferred maintenance, a new Statewide program, and then look at some requested language changes for the 2019 CIP Bill and then talk about inflation a little bit on the construction on the CIP.
15 So an overview of the CIP program. Over the years, we've developed a process that we think creates success in all of the projects, and we'll go through that in our Milestone section of the presentation that's in your handout.
20 And we'll talk about the number of applications that we've received this session, and our historic number of applications for projects from the using agencies. And we'll go over some historical funding. And everybody always wants to know what the funding will be for next session, and that always kind of
1. comes in at the last minute. We'll show some of that.
2. And various departments like to request more
3. projects because they have more buildings, and so we'll
4. take a look at how many projects each department has
5. requested.
6. And I believe Chris is going to talk about
7. some of the major planning projects in his Administrator
8. briefing, and so we'll defer that to a little later.
9. Looking at the Milestone section, you'll see
10. at the very bottom, there's an October 1 date, and that's
11. what's driving everything for the Board. There's a
12. statutory requirement to have the Board's recommendation
13. to the Governor by October 1. And so we basically work
14. up a process to create effective CIP development, and
15. then we back into the October 1 date.
16. And so then you'll see the key milestones for
17. the Board are bolded in blue here. So here we are today
18. at this Board meeting. We'll have agency presentations
19. August 22nd and 23rd, and then there will be an
20. Administrator's recommendation on September 9th.
21. There's a couple of necessary meetings
22. pencilled in here. At different times, we've had as many
23. as three meetings, in order to move from the
24. Administrator's recommendation to the Board's
25. recommendation. In recent times, we've had a lot of

1. maintenance projects, and they didn't require a lot of
2. consternation, and those were approved in a single
3. meeting.
4. The other milestones here create assurance
5. for successful projects. Turn the page to the number of
6. applications. This is both historic and current. And
7. you can see here that we have 745 applications that our
8. PMs are reviewing right now. So application process
9. ended April 2nd, and we've assigned PMs to these
10. projects. We're vetting them out to see if they meet the
11. standards for what is a CIP, and we'll be conducting site
12. visits and creating estimates and narratives.
13. A couple of key points is that, in 2015, the
14. Director of Administration -- prior Director of
15. Administration -- asked us to simplify the reapplication
16. process. And so you can see, between 2013 and 2015,
17. those were very similar number of applications. And
18. I think State government got the idea that it
19. was easier, and so in '17, we had a big increase. And
20. then, I think we've even made it easier for people to
21. apply for projects. It's part of what we're calling our
22. proactive CIP process where we're allowing -- we're
23. advanced -- we're forwarding applications from the prior
24. session automatically for the using agencies. And that
25. creates some opportunities to be more efficient at the

1. project management level. It creates a few challenges
2. the CIP planning level. But overall, it's a good move
3. for the State, I believe.
4. On the next page, there's a number of
5. requests, by department, in the 2019 CIP. And so, as you
6. saw in the page before, there's about 100 more projects
7. than there was in the past. And so the players that
8. apply for a lot of projects are still applying for a lot
9. of projects because they have the lion's share of the
10. square footage, which we've discussed previously.
11. Moving onto historical funding, here's a
12. draft. And it shows, in 2007, we had a major CIP. And
13. then we had a very serious recession in 2011. Funding
14. was much lower. And we're kind of climbing out of this
15. recession here regarding available funding.
16. I would point out that these are the approved
17. amounts. And, as happened in the 2007 and 2009 time
18. frame, there was a major reversion act to remove general
19. funding from the projects to allow that to be used for
20. operations of the State. So these weren't the actual
21. number that were implemented, but numbers that were
22. approved.
23. So the State gets information from the
24. Department of Taxation, and then that information will
25. enable us to figure out how much funding will be

1. available for the next CIP. And that will be available
2. at the August board meeting.
3. INTERIM ADMINISTRATOR CHIMITS: Chris
4. Chimits, for the record.
5. The next section here, which I've also asked
6. Ward to just take us through these things. But in
7. August, as he mentioned, this Board will be meeting again
8. for two days to review and hear all of the agencies
9. present their projects.
10. And so I thought what would be incumbent on
11. the Staff today is to kind of refresh and prepare the
12. Board for that August meeting. And so the next two items
13. are criteria for how the Board goes about prioritizing
14. maintenance, deferred maintenance projects, and also new
15. construction.
16. And, as Ward indicated, that we'll probably
17. see a little bit of more new construction starting to
18. come to us. We've been doing deferred maintenance for
19. long enough years, I decided to retire. Sick of
20. mechanical repairs. But we're going to actually start
21. building some architecture again, I believe. And so,
22. we're reintroducing the criteria for evaluating new
23. construction so that you guys would be refreshed on that.
24. This criteria was previously approved, I
25. think two years ago, in 2016, by this Board. But we just
thought it would be good to have the conversation today
to prepare you for a couple of months from now.
So, Ward, if you wouldn't mind taking us
through the deferred maintenance first and then walk us
through the prioritization for the capital construction
as well.
MR. WARD: Thank you. Ward Patrick, for the
record.
This is the Public Works CIP prioritizing
criteria for our maintenance projects. If you see our
financial control sheet, these are projects that have an
"M" in the project number. M projects are maintenance
projects.
First priority here is the legal
requirements. And two years ago, these were went through
in a lot of detail, and we'll try to keep it brief here.
We've got the American's with Disabilities Act projects
to bring State facilities in compliance with that act.
If we have court orders or legal requirements, those are
obviously projects that have to be done. They're in this
first category, and then life-safety code violations and
seismic upgrades. Seismic upgrades are normally
completed where it's occupied buildings.
Project continuations. We talked about that
a little bit earlier. We've got some planning projects
in the '17 CIP. Some of the planning projects were
maintenance projects, so planning projects for
maintenance, and some were planning projects for new
construction of new architecture.
And so, we consider those maintenance
projects a little more complex than some of them that go
direct to construction. And those will likely be in our
Administrator's recommendation to you in September. And
they'll certainly be in the agency's request at those two
days in August.
Deferred maintenance, we like to categorize
this into basically four categories: Essential
government facilities, statewide programs, other
facilities that are not as essential, and historic
preservation.
Essential government facilities, we see a
highest priority in that category is our institutional
needs. We see this as protecting our prison population,
protecting the HHS, 24-hour services buildings, keep them
operational, at a high level.
Then, of course, we have governance is
second, which relates to the Capitol building, the Sawyer
building, these type of governance.
Public safety. This is largely highway
patrol buildings. Nevada National Guard is in the
essential government facilities area. And then you'll
see the small Roman numeral here: Nevada Division of
Forestry. This is split between essential and
less-essential buildings. Their essential functions are
fire and dispatch, and you'll see below, under Item
3.C.2, the Tree Nursery would be a less essential.
Agriculture is the same way. Food Stamps and
distribution of foods is an essential function, and
agriculture has other needs that are -- will be
prioritized lower if the conditions for maintenance are
similar.
Finally, Department of Motor Vehicles. The
State grinds to a halt when that system isn't working.
That's one of the last essential facilities we've listed
here on the priorities that were approved by the Board.
Statewide programs are next. We have five
statewide programs that are in the deferred maintenance
area: Roofing, ADA, fire and life-safety, indoor air
quality, and paving.
Finally, the other facilities. We talked a
little bit about agriculture and Nevada Division of
Forestry. The administration buildings. Some of those
buildings are also included in governance, and so there
will be some essential facilities, but then some less
essential in this Category C here.

1. Here's one of the areas where we've had
challenges getting to projects that are in this
lower-level. It seems like the funding has not always
been available, and I think later in the day here, we'll
be talking about a letter that the Chair had written to
the Governor's Office.
And so, some of these are difficult to get
down to this priority. Wildlife, that department, the
Nevada Department of Veterans Services, Museums and
Cultural Affairs. When I first got here, there were a
lot of carpets that were in disrepair. And I think
there's still a lot of challenges in all of these areas
down below here in Parks.
And so then higher education. When it comes
to maintenance, they get the Higher Education Capital
Construction funding, what we call HECC, and then the
Special HECC: Special Higher Education and Capital
Construction funding. And so that's pretty much
automatic funding. You'll have seen that in the past,
and that's continuing to move that way.
We have the historic preservation area.
Unreinforced masonry buildings that are occupied. We get
the nod first in this area, followed by historic
significance, degree of deterioration. If there's safety
issues in these buildings, they need to be addressed, and
1. Then the functional use of the building. Most of these
2. items here in the prioritization criteria are based on
3. the use of the building.
4. We also take a look at these projects based
5. on condition. And so you'll see some notes here on the
6. bottom. Our PMs are arranging for site visits actively
7. as we speak, and they'll be prioritizing these projects
8. with a 1, if they think the condition is such that it
9. needs to be addressed this session, a 2 if they think it
10. needs to be addressed the next session, and then a 3 if
11. it's some other type of a need.
12. We've worked fairly diligently to have these
13. two prioritization systems be very similar, a whole page
14. of maintenance priorities and a whole page of capital
15. priorities. And so we call these two lists sister
16. documents. So you'll see that the essential government
17. facilities, for both the maintenance area and the other
18. facilities, are nearly identical or identical.
19. And then I'm just steering you to the
20. considerations for priority, which these are not
21. necessarily in any prioritized order, but these are
22. considerations that are used in developing the
23. Administrator's recommendation.
24. If there's something that's mandated by law,
25. like ADA or court orders, life-safety, furniture

1. fixtures, any equipment from previously-funded
2. construction projects, we can't have a building that is
3. constructed and can't be used. So those usually get the
4. nod.
5. Commitments from the Legislature. These are
6. often continuation projects, planning projects from the
7. prior session. Oftentimes, there's an initiative, and if
8. finances work out in the lease purchase arena, there
9. might be a lease purchase project. These tend to have
10. good payback, so they move ahead.
11. Percentage of non-State funding in the past
12. has been considered, and especially if it approaches the
13. higher numbers. 100 percent non-State funding, most
14. people are -- all people are nodding, 75 percent, most
15. are nodding; 50 percent, we still give that the nod. And
16. then you're relying a little more on condition if the
17. other funding is lower than, say, 50 percent.
18. Custody level. This kind of falls into the
19. Category 1-A: Institutional. Lakes Crossing is one of
20. the buildings that is where the criminally insane
21. awaiting adjudication reside, and so they fit into that
22. category. Ely State Prison is our maximum prison, fits
23. into that category.
24. Level of service to the public. Again,
25. that's why DMV is more essential for the actual physical

1. plant there.
2. And then finally, something that we see is a
3. good check to make sure we're using the State's resources
4. effectively is Facility Condition Needs Index. It's a
5. national standard that if your repair costs are 50
6. percent or greater than your replacement value, that you
7. should consider replacing the building.
8. And so this is considered in many of our
9. projects and discussed with the departments openly, and
10. decisions are made based on that. These try to be picked
11. up and pointed out during the CIP process.
12. CHAIR CLUTTS: Thank you.
13. MR. CHIMIT: Chris Chimits, for the record.
14. I want to point out to the Board that in yesterday's
15. Staff meeting, I went through these same two criteria for
16. deferred maintenance and for new construction with our
17. Staff and reminded them that their thinking needs to
18. follow along this exact same order.
19. So I think what we want to do is get
20. consensus so that when we get to the August board
21. meeting, we're going to be -- our thinking will be
22. matching your criteria here that you're going through
23. today. So it should make it an easier process for
24. getting consensus on a priority order.
25. The other thing that just occurred to me. If

1. you could go to -- Ward just finished giving the overview
2. of the CIP with major milestones. He just finished going
3. through the deferred maintenance and new building
4. criteria.
5. If we could skip to the 12 percent inflation
6. item. It's the last tab in this -- it's orange-and-gray
7. columns. If I could just have the Board get to that
8. page.
9. What we did here is we prepared a graph which
10. depicts the inflation rate that we elected to use in each
11. Capital Improvement Program starting back in 2003. You
12. can see it's at 5 percent, stayed that way for four
13. years.
14. And then in 2007, things went crazy, and we
15. had a 12 percent inflation rate up north and a 14 percent
16. inflation rate down in Las Vegas. It dropped back down a
17. little bit in 2009, but still was very high, and then
18. things crashed in 2011. And then slowly, things have
19. been increasing.
20. As you see here, in 2019, we're proposing 12
21. percent inflation. It's shown on the red-and-gray bars
22. here. This may change in August when we get to our Board
23. meeting. We may have new information at that time. But
24. what we're getting now from cost estimating consultants,
25. from construction managers at risk that we're working
1. with currently, is that we're probably going to be 
2. anticipating 1 percent a month. 
3. And I think that's central to what's coming 
4. next here in this Board agenda. Because when inflation 
5. gets this high, it affects the way we behave. I think it 
6. affects the way we make decisions. And I wanted to make 
7. you all aware of this because this CIP, at 12 percent, 
8. that affects, profoundly, what we're able to do inside of 
9. the program. I think it affects how we behave. 
10. And, as Ward alluded to earlier, Chairman 
11. Clotts, you put a letter together and signed and sent to 
12. the Governor. And that was well-received. And that 
13. indicated a desire to start dealing with our deferred 
14. maintenance in a different way than we deal with capital 
15. construction. 
16. And so, towards that end, I would ask Ward -- 
17. if you wouldn't mind, Ward -- taking us through these two 
18. new statewide programs that we've got developed and we're 
19. going to include in the '19 CIP. And they are directly 
20. correlated or related to this high inflation rate that 
21. we're seeing right now. 
22. Also, Ward is going to cover a requested 
23. language change in the '19 CIP Bill that again, addresses 
24. our ability to be more nimble, in terms of making 
25. decisions and managing and executing projects in times 

1. where delays cost a significant amount of money, more so 
2. than the normal inflation year. 
3. So, Ward, if you wouldn't mind going through 
4. the two statewide deferred maintenance programs and then 
5. also cover what we requested LCB and the Legislature to 
6. consider in language for the coming CIP bill. 
7. And this, again, is in response to your 
8. letter to the Governor and the direction this Board gave 
9. us to start coming up with ways to be a little more 
10. creative, in terms of separating finance, in terms of 
11. being able to manage projects quickly. 
12. MR. PATRICK: Thank you, Chris. Ward 
13. Patrick, for the record. We're talking about this. And 
14. these two items -- 
15. CHAIR CLUTTS: Just interrupt you for a 
16. second, Ward. Just so everybody is on the same -- we're 
17. here; correct? 
18. MR. PATRICK: Correct. 
19. CHAIR CLUTTS: Okay. So the text -- the 
20. third tab for those down south, where the title is, "2019 
21. CIP Project Cost Estimate." 
22. Is everybody on the same page down there? 
24. MR. PATRICK: Thank you. Ward Patrick, for 
25. the record.

1. We see these a little bit like belt and 
2. suspenders, these next two items we're going to be 
3. talking about. Both of these items allow the State 
4. Public Works Division to be a little more responsive to 
5. the State's needs, and therefore, decrease the impact of 
6. inflation on projects by way of mitigating administrative 
7. delays, waiting for things to be in the cue, waiting for 
8. things to get approved, those types of things. 
9. So we have this new proposed Statewide 
10. program concept presented here. So the key thing is this 
11. is a concept. This is not the projects that -- this is 
12. likely not the projects that you'll see in August, but 
13. it's likely to be a close facsimile of that. 
14. We have existing statewide projects: ADA, 
15. roofing, fire and life-safety, indoor quality and paving, 
16. and we administer those projects in a way where, if one 
17. project has a little extra money after it's executed, 
18. another project needs a little money, those projects can 
19. still be implemented, and there wouldn't be a delay to go 
20. get approval to execute the construction contract, the 
21. owner construction agreement, on those types of projects. 
22. And so, with this hyperinflation that we 
23. believe we're being told is coming our way, it's one of 
24. our challenges. We're pretty good at estimating projects 
25. based on today's costs, but we're not so great at 

1. estimating inflation out in the future. There's no 
2. crystal ball section here at the Public Works Division, 
3. but we rely on consultants. And so this is not a new 
4. system to us. It's just another tool in our statewide 
5. project list. 
6. The existing statewide projects will remain 
7. the same, so we're no: looking at moving them into here 
8. or having them be any different. So a lot of business as 
9. usual here. These will be not specific to a certain 
10. area. These will be deferred maintenance. So take away 
11. the statewide programs, look at deferred maintenance. 
12. That's what's going to be in these two statewide 
13. programs. 
14. MR. CHIMITS: If I could -- Chris Chimitis, 
15. for the record -- just interject here. 
16. We also would not propose to intermingle any 
17. funding. With each of the projects that you see in Items 
18. 1 through 16 on the first one, which is a deferred 
19. maintenance program for Health and Human Services. And 
20. again, if you look at the second page, it's a statewide 
21. deferred maintenance for the Nevada Department of 
22. Corrections. 
23. Each of those 16 projects there, in both of 
24. those programs, are completely State-funded. There are 
25. no highway funds. There is no outside agency funds or
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1. federal grants, that type of thing. So we would not mix  
2. those type of funds in the development of these statewide  
3. projects.
4. Very similar, as Ward mentioned to us, the  
5. roofing. You work your way down. And we would be  
6. normally submitting each of those 16 projects as separate  
7. M projects: 19M, 45, M46, 47. They would be managed in  
8. the same way.
9. Ward mentioned something critical here. Much  
10. of this is business as usual. We would not manage these  
11. any different. They would all be assigned to project  
12. managers with the appropriate expertise: Mechanical,  
13. electrical, plumbing, structural, whatever they are. But  
14. we would just include these in a Statewide program  
15. together, so that we would have flexibility.
16. As he mentioned, some of these projects, just  
17. by their nature, some will come in a little better. Some  
18. will come in under budget. We might have one or two that  
19. come in over. We would complete all of these, as we  
20. present to the Legislature, and as they get approved. If  
21. there's any overage, we'd be able to use those to help  
22. another project on this list that came in under, and that  
23. would be for HHS and for Corrections. So that's these  
24. two statewide programs.
25. Anything else, Ward, on that?

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1. MEMBER HAND: Member Hand. I have a quick  
2. question. Demolition of buildings is on this list. And  
3. would those be in locations where buildings would be --  
4. new buildings would be built? Or are those just  
5. demolition buildings and to get rid of them?  
6. MR. CHIMITS: Chris Chimits, for the record.
7. Good question. So these are very similar to  
8. the Kincaid building here where they've become a  
9. liability. In this case, some of these buildings here  
10. are actually a serious health and life-safety liability,  
11. so we're taking them down and removing risk from the  
13. So what would come is unknown to us at this  
14. time. We just know that we have a liability that we have  
15. to manage and remove risk. So that's why they're  
16. included here.
17. Ward mentioned that this is kind of like a  
18. good example of what could be on the Statewide program,  
19. but we wouldn't finalize these until we have Board  
20. approval in August or, you know, in the subsequent  
21. meetings.
22. MEMBER HAND: Member Hand again. I guess I  
23. didn't ask the right question. Is it eliminating risk  
24. and not putting another building on that same piece of  
25. ground? Or would there be buildings planned for that

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1. MR. PATRICK: No. That covers it.
2. MR. CHIMITS: Okay.
3. CHAIR CLUTTS: I've got a question. Bryce  
4. Clutts, for the record.
5. So will there be one of these for each of the  
6. departments that -- you have HHS here and NDOC here.
7. Will there be one for each of them, or there's just two?  
8. MR. CHIMITS: Chris Chimits, for the record.
9. If you go back to the slide that says  
10. "Requests by Department, 2019 CIP," and it's the vertical  
11. bars that are all in red. It was just back a few pages  
12. in this book. You'll see there that Corrections has 187  
13. requests, and Department of Health and Human Services has  
14. 165 requests.
15. POST, on the other hand, has one. Public  
16. Safety has three, agriculture has five, and Wildlife has  
17. nine. So the elephants in the room are Corrections and  
18. HHS. So our intention would be, is put these statewide  
19. programs together for the two biggest ones on this list  
20. and not do it for -- it wouldn't be needed for other  
21. agencies.
22. CHAIR CLUTTS: Okay. Thank you.
23. Before we move on, are there any other  
24. questions of the Board regarding this before we get too  
25. far down the road?

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1. same piece of ground in the same CIP?
2. MR. CHIMITS: Chris Chimits, for the record.
3. There is not necessarily a new building plan  
4. for the CIP at these sites.
5. MEMBER HAND: Thank you.
6. MR. CHIMITS: You're welcome.
7. CHAIR CLUTTS: Okay. CIP Bill Modification.
8. Ward?
9. MR. PATRICK: Thank you. Ward Patrick, for  
10. the record.
11. The CIP Bill Modification has a smaller  
12. effect as the new deferred maintenance statewide. This  
13. proposal enables us to be responsive to the State's needs  
14. and decrease the impact of inflation.
15. So you'll see here the current -- there's  
16. four paragraphs here. The first paragraph is just to  
17. identify the language as part of the CIP Bill, kind of  
18. just a little identifier. Piece of paper isn't just  
19. hanging out there.
20. The current language in the CIP Bills of the  
21. past say that: "With the approval of the Interim Finance  
22. Committee, Public Works Division and the Nevada System of  
23. Higher Education may transfer appropriated, allocated and  
24. authorized money from one project to another within the  
25. same agency or within the Nevada System of Higher
1. Education.
2. And then it goes on to list the sections of
3. the CIP Bill where various funding is allocated to the
4. types of projects. But essentially, this is largely the
5. entire CIP, all of these sections: 1, 3, 6, 10, 15, 17,
6. etcetera.
7. Now, we're proposing -- as some interim
8. language -- that will broaden this, where instead of just
9. for Corrections or just for Health and Human Services, we
10. would consider this with all State agencies to transfer
11. money within the same CIP year.
12. So here, you see we're removing the approval
13. of the IFC by keeping the power with the Public Works
14. Division to move money between projects, where one
15. project is completed and has created some savings,
16. another project may bid, and has been not within the
17. budget. And so these sections that would be listed would
18. pertain to projects funded by General Obligation Bonds
19. and general funds.
20. So then basically, this final paragraph here
21. discusses how all other types of projects that are not
22. solely funded with GOB or general funds would go through
23. the normal process that's been in the CIP historically.
24. CHAIR CLUTTS: Are there any questions or
25. comments of the Board before we move on?

1. Everybody good down there?
2. All right. Moving onto Item Number 6: Bill
3. Draft Request. State Public Works Division is only
4. proposing one Bill Draft Request in 2019, pertaining to
5. deferred maintenance. The proposed BDR is Staff's next
6. step in addressing the Board's concern of the State's
7. ongoing deferred maintenance needs.
8. The Board has had numerous discussions
9. regarding the State's growing backlog of deferred
10. maintenance, most recently, discussions pertaining to the
11. development of the 2017-2018 Capital Improvement Program.
12. At the August 16th, 2016 Board meeting, Staff
13. reported, at the Board's request, on how other states
14. addressed deferred maintenance needs. The research
15. revealed that the states with the most success approached
16. deferred maintenance completely separate from capital
17. construction, both in funding and prioritization of
18. projects.
19. Also, the successful approach identified a
20. funding source for deferred maintenance in an amount
21. between 1 and a half and 2 and a half percent of the
22. total value of assets as a guideline for the funding
23. necessary to address deferred maintenance.
24. The Board brought their action, proposed
25. solutions to the Governor in November 2016
1. In addition to reviewing existing documents, Mr. Katz is also helping us with drafting a new set of Division design/build contracts.

4. Unrelated to Mr. Katz's review was changes that we've made to CMAR documents, including the CMAR selection scoring. Specifically, the scoring of the CMAR fee has been changed from 20 points to 10 points. It's Staff's opinion that the new scoring allows for a more balanced evaluation between the CMAR's qualifications and the CMAR's fee.

11. Also, the CMAR contingency split will be changed from 80/20 to 90/10. Staff has some concerns, and so this reduction of the CMAR’s portion of the CMAR’s contingency minimizes the CMAR's ability to target this savings as a profit center.

16. And so we just wanted to provide the Board with an update on that, the work that we’ve been doing in that regard.

19. CHAIR CLUTTS: Thank you, Ms. Stewart.

20. Any questions or comments of the Board?

21. Moving onto Agenda Item Number 8:


23. Mr. Chimits?

24. MR. CHIMITS: All right. Thank you, Chairman Clutts. Chris Chimits, for the record.

1. Board to submit between 1 and a half and 2 and a half percent of the assessed value of our current inventory, each biennium, in deferred maintenance.

4. MEMBER TIBERTI: That's a new request. We're not required now to do that?

6. MR. CHIMITS: That's correct.

7. MEMBER TIBERTI: Thank you.

8. MR. CHIMITS: You’re welcome.

9. CHAIR CLUTTS: Any other questions or comments? Okay. Thank you.

11. Moving onto Agenda Item Number 7: Contract review, new design/build documents, CMAR scoring, CMAR contingency.

14. Ms. Stewart?

15. COUNSEL STEWART: Thank you. For the record, Susan Stewart, Construction Law Counsel.

17. As we've mentioned in prior meetings, the Division hired Gerald Katz, an expert consultant, to assist Staff and myself with a thorough review of our existing contract documents, both our hard bid and CMAR.

21. The primary focus of that review has been compliance with new laws and to make sure that we have consistent terms throughout our many number of contract documents, as well as make sure that our contract terms are consistent with the project management process.

2. We've got two items in here that you see:

2. Staffing and major construction project review. And under "staffing," I would start first and tell you that this is not an easy time to hire Staff that's construction-related. Anybody that's got a part in the design process or the construction process is at a premium right now. And I see that continuing for years to come.

9. And so, what I would tell you is that I believe this agency has been blessed to hire three new architects here: Jeff Current, Mark LaBarge, and Kent LeFevre. All three of these gentlemen are extremely talented professionals with a great deal of experience that is germane to the type of work that we have. So I'm really very grateful to have gotten these people on board with us. We are having one Staff architect, Robbie Oxbury, who will be retiring this summer. And so really, a net add of two architects to our Staff.

19. We also, along the same lines, have been fortunate to hire some engineers: Kerstin Howell, who is a structural engineer, has come to us. Very fortunate to get her. She used to be a principal at one of the firms down in Las Vegas.

24. We have John Foster, who is an electrical engineer. They are truly like hen's teeth to try to
find, so we've been very fortunate to get John. Jason
Avila, electrical engineer, from up north here. T.J.
Dobson, a mechanical engineer, who we hired from a
consultant that we do a lot of business with. Bryan
Bassey, who followed him to us here, and Bryan Walker, a
civil engineer.
These are younger, smarter, highly skilled
people. We're very fortunate to have them. And, as I
mentioned, we have one project architect that's retiring.
We also have one electrical engineer that, later on in
the summer, will be retiring.
So what we've done is, we have made allowance
so that they can work in tandem together. We've had some
redundancy where they're able to work
together and provide an excellent handoff on projects and
provide continuity for our project management.
Again, I want to say how much I appreciate
our Staff's willingness to support each other. Part of
serving with humility has been to make the other guy look
good, and this Staff really does that well. And I think
the new people that are coming to us are quickly seeing
that philosophy that's active and engaged with each
person that works here.
Our leadership team has been in a
metamorphosis here. Jeff Graham is our new building
official. He's a Deputy Administrator for our building
department. Jeff and I've known each other since I had a
full head of hair. He started work together at the State
here back in the very early -- actually, late '80s.
MR. GRAHAM: Correct.
MR. CHIMITS: And started together on the
first in-house project that we did here. So I have a
long track record with Jeff, and I trust him implicitly
to handle the Code accurately and yet reasonably, working
with designers and contractors. And Jeff has had a great
impact on the inspection Staff here. So I really am
grateful that Jeff was able to come here and willing to
come here and help this agency really shine. So I thank
you, Jeff, for that.
On the other side of the house, Deputy
Administrator for Buildings & Grounds, Ron Cothran. Ron
has also come to us recently. I think about three or
four months ago?
MR. COTHRAH: Uh-huh.
MR. CHIMITS: And has taken command of
Buildings & Grounds in a very significant way. Ron as
also with us in our Facility Condition Analysis Group,
and then joined the National Guard for a period of time,
and then we were able to sweet-talk him back to coming
back with us. And so I'm very grateful that Ron is here.
He's a huge asset to Buildings & Grounds and has brought
a leadership style here that has encouraged and embraced
our philosophy of taking pride in our work, building
consensus. And we're really seeing a lot of positive
change, especially in the Las Vegas branch, but here too.
So, Ron, I'm very grateful to you for coming
back to us. We certainly need your leadership here and
so appreciate it. Two deputy administrators that I think
are going to take this agency a long ways forward in the
near future.
And then I had the good sense to get out of
the way and let people that were younger and smarter than
me take over, move this agency forward.
And last night, the Governor's Office reached
out to Director Cates and approved his selection for a
replacement as a new Administrator for our agency. And
so I would like to introduce Ward Patrick as our new
administrator for the State Public Works Board, as of
last night. Ward's first day on the job will be Monday,
May 7th. So that's my report on our staffing. I don't
know if -- we'll go ahead and move on here. Ward will
probably have a significant speech at the next Board
meeting.
We've got several new major construction
projects underway, and I wanted to update the Board on
those real quick. All of these are '17 CIP projects that
we're going through right now.
The first one is C4, which is the new DMV
we're building in South Meadows up in Reno. That project
is going to go out to bid on March 15th, this next March,
and will be complete June 15th, 2020. That's almost a
$39 million-dollar project right now. And so we're
really excited for that. Any of you who drive a car and
have a driver's license will be looking forward to that
project.
C5: The National Guard Readiness Center down
in North Las Vegas. That project is aging for a notice
to proceed date of January 14th, 2019, right after the
first of the year. And we'll be looking for a
substantial completion there of May 7th, 2020. That is a
$32 million-dollar project. These are larger projects
for us.
We also have a new engineering building up at
UNR. It's C6, Project 17C6, that we're going to start
this summer. July 1st, we're going to start
construction up there on Evans Street, the southeast
corner of campus. Hopefully, it won't mess up Member
Hand's office space. And then we're aiming for a
substantial completion date of June 26th, 2020, for that
project.
State of Nevada Public Works Division
Video Conference Board Meeting

May 1, 2018

1. So, Adam, you'll have to find different parking if you've been parking on Evans there. That's a big project. That's $70 million dollars right there.
2. We're 30 percent complete right now with the Northern Nevada Vet's Home, C-13. That's on schedule.
3. It's doing really very well. Q&D Construction is doing a great job for us there. We have a substantial completion schedule for January 18th, 2019.
4. But on Veteran's Day, November 11th -- which I'm hoping that each Board member will be able to be there -- we're going to look substantially complete. The Governor made it abundantly clear to us that he wanted that building as much finished as possible. So the contractor has been really good about getting the key elements done so that we will have a walkthrough and a ribbon cutting on Veteran's Day. So that will be a significant event. That will be on November 11th, for Board members who are able to attend that.
5. COUNSEL STEWART: 2019? November 11, 2019, or 2018?
6. MR. CHIMITS: '18.
8. Sorry.
9. INTERIM ADMINISTRATOR CHIMITS: You're welcome.

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1. The next project: C-15, is the UNLV medical school building. And this one, you may have been reading some of the articles in the press, but we received -- we have in hand $15 million of the $25 million dollars of donor funds that was placed for that project.
2. This project originated in Senate Bill 553 as a $15 million-dollar project that we would, together with UNLV, develop a scope of work, a schedule, a site, and then report back to Interim Finance twice a year. That was how that bill was crafted.
3. We've received $15 million dollars, as I mentioned. We have a site established. But there's been a flux of their leadership at UNLV, and so we are in a holding pattern right now, waiting for UNLV to really authorize the State Public Works Division to proceed with the design.
4. The designer, Tate Snyder Kimsey, and the construction manager at risk, Whiting-Turner, have both been selected and approved, through the Board of Examiners, but are not moving forward until the donor situation has stabilized and we receive word from them to go ahead and proceed with the design there.
5. 17PO4 is a new fleet services maintenance facility down in Las Vegas. And we're currently at design development right now. That will come in on June 8th, this summer. That's going to be about a $4.7 million-dollar project.
6. There's advanced planning at Southern Desert Correctional Center for a housing unit down there. And right now, we'll see the design development coming at the end of this month. And that will be a fairly significant project, roughly $52 million dollars for -- we're actually planning on two housing units down there at Southern Desert. Depending on GFA's projections, that may be one or two, but we've made room to build two housing units down there, if needed.
7. CSN has got a health and science building.
8. That's PO7. And we'll see the schematics come into this office in the middle of June. And that one, we had to wait for the million dollars to come in because we're spending the agency money first before State money. So that one got a little bit of a late start because we had to wait for their contribution to come in to us.
9. P-8, the next project is the education/academic building at Nevada State College. And those schematics will also come to us in the middle of June this summer. So we'll be establishing those things.
10. And the Board of Regents, I would point out, will be meeting in a couple of days from now. Ward and I will be attending that meeting, and we'll get the

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1. Regent's priority. And we've agreed to abide by their priority. So I would assume that -- in fact, I have an understanding that they will be keeping these planning projects as their highest priority, will be moving them forward in construction in the '19 CIP.
2. UNLV has is a College of Engineering, an academic and research building, that is a $15 million-dollar project. And the design development level of drawings will come to us in September on that project.
3. We're doing a master plan, which we've got complete for the Department of Corrections: S04, a master plan, authorized in '17. And that master plan is complete, but the Department recently altered some of their critical criteria, and so we're going to be issuing an addendum to that master plan. And I bring that to the Board's attention because that may well affect what buildings get included in the Gov Rec for the CIP.
4. That's institutional, and so it's the highest level prioritization. And the way they're changing their criteria or have changed it -- and we're going to respond to it -- might make more housing needed in this CIP.
5. We'll see.
6. And then the last one is -- probably, I saved the best for last. It's a smaller project, but it's the Fallen Soldier Memorial at the Capitol Complex. I
believe it's the most sophisticated architecture that
this agency has ever contemplated. And it's going to
start construction this July, and it will be built right
on the east side of the Capitol building along the Mall
there.
6 The completion date for that is November 5th.
7 The Governor wanted this done six days before Veterans
Day, and he's going to cut the ribbon on Veteran's Day up
here for that memorial. Again, I would encourage you to
attend that. That's a very unique and unusual
architectural solution that honors the soldiers of Nevada
that died in the course of their duties. So that is the
completion of the end of my report on our major
construction projects.

CHAIR CLUTTS: Thank you, Mr. Chimits.
I want to first congratulate Mr. Patrick on
the newfound responsibility.
MR. PATRICK: Here, here.
CHAIR CLUTTS: And open it up to the Board
for any questions or comments.
MEMBER TIBERTI: Tito Tiberti, for the
record. I am very happy we have some continuity with
Ward Patrick. I think what's coming -- a lot of
projects, a lot of money, and there's a lot of
sophistication in all of this.

And I'm very concerned and happy that Ward is
doing this, because I think, with Gus leaving and Chris
leaving and everything else that's happening, and the
bigger projects coming on and coming out of this
recession, I find that this 12 percent inflation is very
frustrating. You're probably correct.
So I think it's very important that this
Board -- I happen to be on the UNLV Board, and I can't
tell you how many people tell me all the time they'd love
to be able to build their own things because State Public
Works Board gets that their way, which I tell them I have
a problem on both boards, and I don't agree with them.
Sometimes, I know we are frustrating to them. But, you
know, they're all experts on every other board I'm on,
but we don't know what we're doing. And I don't want to
prove them right.
I think it's important that we keep our
talent, that it's up to par, because it will challenge.
So, important that the State have this Board and a
competent Staff behind us, which Ward and all of you --
I like what Chris said. So I just have a comment that I
think this is all very important work. And it's going to
be more important as we get through this next 18 months.

Thank you.
CHAIR CLUTTS: Thank you, Member Tiberti.

Previously, the requirement was that they be
a licensed engineer or architect. That was changed in
2015. That was removed and replaced with the requirement
that they have a master's-or-above degree in various
subjects, as well as some experience.
That didn't sit too well with me, so we went
back in the 2017 session, trying to add back the
requirement for a licensed engineer or architect because
frankly, the change they made in 2015 wouldn't have
allowed Ward Patrick, Chris Chimits, or Gus Nunez to
qualify under statute. But we were successful in getting
the licensure requirement added back in, so we had both
of those.
And I can tell you that the recruitment -- we
had a very small pool of applicants that actually
qualified, even with those two requirements. I think
that's at least partially due to the economy. You know,
things are booming, and I think it was a little bit
difficult to attract people. So we had a small pool of
applicants. We went ahead and kept the recruitment open
longer than we originally intended just to try to make
sure we had a good pool.
We did have some people that applied that
actually had pretty solid backgrounds in construction
management, managing big projects, but they didn't meet
1. Moving onto Agenda Item Number 10: Public
2. comment.
3. Is there any public comment?
4. Hearing none, we will adjourn the meeting.
5. Thank you.
6. (The meeting concluded at 10:05 a.m.)
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1. The requirements under statute.
2. I am very thankful that Ward applied. He was
3. definitely the standout applicant, and his experience
4. with the agency is really unparalleled. The other
5. candidates were nowhere near in his league. And, you
6. know, to Member Tiberti's comments, I think the
7. continuity for the program is very critical. And I'm
8. very happy that he stepped up and look forward to working
9. with him in his new role.
10. CHAIR CLUTTS: Thank you, Director Cates.
11. I, too, before we move on in the next agenda
12. item, want to thank you for your many years of service to
13. the State and to this department, and we're going to miss
14. your expertise, and more importantly, your wit. So thank
15. you for serving the State of Nevada.
16. All right. Moving onto Agenda Item Number 9.
17. For possible action: Board comment and discussion.
18. Are there any Board comments on any agenda
19. item we've covered thus far?
20. MEMBER TIBERTI: I have a question. Tito
21. Tiberti, for the record, for Counsel Stewart. I know you
22. have a lot of codes for your offices and air conditioning
23. and pets.
24. Is there a dress code for the men on the
25. Board that has coat and sport coat? Because there's one

1. member that consistently -- and I don't know if there's
2. an enforcement. Mr. Sean Stewart --
3. VICE-CHAIR STEWART: Sorry. You guys are
4. breaking up. We can't hear you.
5. COUNSEL STEWART: You can hear me. There
6. isn't, Member Tiberti, but I think we should add
7. something.
8. MEMBER TIBERTI: Yes, I think so. So I'll
9. propose that in the future.
10. COUNSEL STEWART: Thank you.
11. VICE-CHAIR STEWART: Sean Stewart, for the
12. record. Only if I can bring my own fridge.
13. CHAIR CLUTTS: Okay. Assuming that that may
14. or may not be on a future agenda item, we'll see.
15. Are there any other future agenda items
16. anybody wants to propose?
17. Any action items for the State Public Works
18. Division?
19. COUNSEL STEWART: For the record, this is
20. Susan Stewart, Construction Law Counsel. I just want to
21. reiterate. We will be scheduling a meeting to adopt the
22. regulations, and we'll try and do that at a time when we
23. have other Board business so we can make the best use of
24. your time when we get together.
25. CHAIR CLUTTS: Thank you.
STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION
Public Works Division

STATE PUBLIC WORKS BOARD ACTION ITEM REQUEST

Meeting of August 22 and 23, 2018

Agenda Item # 3

SUBJECT TITLE:

FOR POSSIBLE ACTION: Acceptance and approval of Public Works Board meeting minutes for May 1, 2018—Attached

DISCUSSION:

Construction Law Counsel has reviewed the May 1, 2018 minutes and recommends the following changes:

1. Page 7:23—change “make” to “mind”
2. Page 13:7—change “MR. WARD” to “MR. PATRICK”
3. Page 18:20—delete “that is”
4. Page 18:22—add “security” between the words “maximum” and “prison”
5. Page 19:1—change “is” to “as”
6. Page 23:7—change “cue” to “queue”
7. Page 27:9—change “Kincaid” to “Kinkead”
8. Page 27:12—change “pallet” to “profile”
9. Page 28:12—change “us” to “than”
10. Page 29:16—change “has been” to “is”
11. Page 33:8—add “and” after “good government,"
13. Page 36:20—change “Kerstin Howell” to “Kirsten Nalley”
15. Page 37:5—change “Bassey” to “Bassi”
17. Page 38:3—change “he” “we”
18. Page 38:21—change “as” to “was”
19. Page 38:24—delete “back to” and add “into”
20. Page 40:12—delete “aging” and add “scheduled”
21. Page 43:9—change “GFA’s” to “JFA’s”
22. Page 43:19—change “P-87” to “P08”
23. Page 44:3—add “and” after “priority,”
24. Page 44:6—change “is a” to “its”
25. Page 46:11—change “that” to “in”
PRIOR ACTIONS:
None.

FINANCIAL IMPACTS//ISSUES:
Not applicable.

RECOMMENDATIONS:
Approve or deny the May 1, 2018 meeting minutes as amended.

ACTION ITEM:
Motion to approve or deny the May 1, 2018 meeting minutes as amended herein AND/OR as further amended by the Board.

PREPARED BY:  Susan K. Stewart, Construction Law Counsel