

STATE OF NEVADA
PUBLIC WORKS DIVISION



STATE PUBLIC WORKS BOARD
MEETING NOTICE & AGENDA

DATE & TIME OF MEETING:

Wednesday, January 4, 2023, at 3:00 p.m.

NOTICE: *Unless set for a specific time, items on the agenda may be taken out of order at the discretion of the Chair. The public body may combine two or more items for consideration; and the public body may remove an item or defer discussion of an item on the agenda at any time.*

Prior to the commencement and conclusion of a contested case or a quasi-judicial proceeding that may affect the due process rights of an individual the board may refuse to consider public comment. See NRS 233B.126. Public comment will be limited to 3 minutes per person.

PLACES OF VIDEO CONFERENCE MEETING:

NORTHERN NEVADA

State Public Works Division
515 E. Musser Street, Suite 102
1st Floor Conference Room
Carson City, NV 89701
Phone: (775) 684-4141

SOUTHERN NEVADA

State Public Works Division
2300 McLeod Street
Conference Room
Las Vegas, NV 89104
Phone: (702) 486-5115

AGENDA

1. Roll Call
2. Public Comment

Public comments will be taken during this agenda item. No action may be taken on a matter raised under this item until the matter is included on an agenda as an item on which action may be taken. public comment will be limited to 3 minutes per person.

3. **For Possible Action:** Discussion and possible action on the Board's letter to the Governor regarding the State's deferred maintenance needs.

4. Public Comment

Public comments will be taken during this agenda item. No action may be taken on a matter raised under this item until the matter is included on an agenda as an item on which action may be taken. Public comment will be limited to 3 minutes per person.

5. Adjournment

NOTES:

- (1) The appearance of the phrase "For Possible Action" at the beginning of an agenda item denotes items or sub-items on which the Board may take action.
- (2) Notice of this meeting was posted in the following locations:
 - State Public Works Division, Las Vegas Office, 2300 McLeod Street, Las Vegas, Nevada 89104;
 - State Public Works Division, Carson City Office, 515 E. Musser St., Suite 102, Carson City, Nevada 89701;
 - and
 - The following web locations:
 - <http://www.publicworks.nv.us>
 - <http://www.notice.nv.gov>
- (3) We are pleased to make reasonable accommodations for members of the public with disabilities. If special arrangements are necessary, please notify Kent LeFevre, Administrator for the Public Works Division, 515 E. Musser St., Suite 102, Carson City, Nevada 89701, telephone (775) 684-4141, or via email, to j.wiest@admin.nv.gov as soon as possible and no later than 24 hours prior to the time of the meeting.
- (4) Abbreviations: SPWB is the State Public Works Board, SPWD is the State Public Works Division, CIP is the Capital Improvement Program, A/E is Architect/Engineer, IFC is Interim Finance Committee, BOE is Board of Examiners, RFP is Request for Proposal, CMAR is Construction Manager at Risk, and RFQ is Request for Qualifications.
- (5) For further information, or supporting materials contact Kent LeFevre, Administrator the State Public Works Division, 515 E. Musser St., Suite 102, Carson City, Nevada 89701. Phone (775) 684-4141, Fax (775) 684-4142.

State Public Works
Board Meeting
Roll Call
January 4, 2023, 3:00 pm

Name	Attended	
	Yes	No
Chairperson Adam Hand	<input type="checkbox"/>	<input type="checkbox"/>
Vice Chairperson Clint Bentley	<input type="checkbox"/>	<input type="checkbox"/>
Member Tito Tiberti	<input type="checkbox"/>	<input type="checkbox"/>
Member Kevin Lewis	<input type="checkbox"/>	<input type="checkbox"/>
Member / Director of the Dept. of Administration, Laura Freed	<input type="checkbox"/>	<input type="checkbox"/>

Joe Lombardo
Governor



Laura E. Freed
Director

Matthew Tuma
Deputy Director

Kent A. LeFevre
Administrator

Carson City Office:
515 East Musser Street, Suite 102
Carson City, Nevada 89701
Phone: (775) 684-4141

Buildings & Grounds Section
Phone: (775) 684-1800

STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION
PUBLIC WORKS DIVISION

Las Vegas Office:
2300 McLeod Street
Las Vegas, Nevada 89104
Phone: (702) 486-5115

Buildings & Grounds Section
Phone: (702) 486-4300

STATE PUBLIC WORKS BOARD
Meeting of January 4, 2023

Agenda Item # 2

Subject Title:

Public Comment

Discussion:

Public comments will be taken during this agenda item. No action may be taken on a matter raised under this item until the matter is included on an agenda as an item on which actions may be taken. At the Chair's discretion, public comment will be limited to 3 minutes per person.

Prior Actions:

Not applicable.

Financial Impacts/Issues:

Not applicable.

Recommendations:

Not applicable.

Action Item:

Not required.

Prepared By:

Assistant to the Administrator

Joe Lombardo
Governor



Laura E. Freed
Director

Matthew Tuma
Deputy Director

Kent A. LeFevre
Administrator

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STATE PUBLIC WORKS BOARD ACTION ITEM REQUEST
Meeting of January 4, 2023

Agenda Item # 3

SUBJECT TITLE:

POSSIBLE ACTION: Discussion and Possible Action on the Board's letter to the Governor.

DISCUSSION:

1. Draft Correspondence to Governor (Exhibit A)
2. Prior 2016, and 2020 correspondence (Exhibit B).

PRIOR ACTIONS:

- September 8, 2016, Board Meeting
- October 10, 2016, Board Meeting
- November 7, 2016, Prior Board Correspondence
- July 2, 2020, Board Meeting
- October 16, 2020, Board Meeting
- November 7, 2020, Prior Board Correspondence

FINANCIAL IMPACTS//ISSUES:

Not applicable.

RECOMMENDATIONS:

Provide updated correspondence to the Governor regarding the Board's emphasis on addressing the State's deferred maintenance needs.

ACTION ITEM:

Motion to approve staff's draft of Board correspondence to the Governor or as otherwise developed by the Board.

PREPARED BY: Susan K. Stewart, Construction Law Counsel

Exhibit A

Joe Lombardo
Governor



Laura E. Freed
Director

Matthew Tuma
Deputy Director

Kent A. LeFevre
Administrator

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Las Vegas Office:
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Buildings & Grounds Section
Phone: (702) 486-4300

January 4, 2023

The Honorable Joe Lombardo
Governor of the State of Nevada
Capitol Building
Carson City, Nevada 89701

Re: State Agency's Deferred Maintenance Needs
2023 Capital Improvement Program

Dear Governor Lombardo:

During the 2019-2020 biennium the State experienced three critical infrastructure failures,

- March 2019 – Ely State Prison, hot water system failure
- January 2020 – Division of Child and Family Services, building heating system failure
- April 2020 – Southern Nevada State Veterans Home – chiller failure

Prior to 2016, the 10-year annual average of the CIP deferred maintenance funding was \$22 million. Based upon the agency CIP requests presented, the State Public Works Board, in similar correspondence, asked both Governor Sandoval and Governor Sisolak to fund deferred maintenance at an increased level to meet the current needs and tackle the backlog. The 2017 CIP funded deferred maintenance at \$114 million and the 2019 CIP funded deferred maintenance at \$119 million.¹

Since 2017, with the support of both the Governor's Office and the Legislature, the State has turned a corner in reducing the deferred maintenance backlog. While the State is making progress on its deferred

¹ Due to the financial crisis created by COVID 19, \$21.5 million in funding for deferred maintenance projects was reverted in Senate Bill 1. The impact of the \$21.5 million funding reversion increases the risk of critical infrastructure failures and the State's deferred maintenance backlog. Most of the affected projects are included in the Board's 2021 CIP Recommendation.

maintenance backlog, the Board continues to have concerns regarding the failure of critical systems and the impact on State programs.² This backlog was created in part, because selected projects are limited by available state funding. Additionally, deferred maintenance competes against capital construction projects for available dollars, often at the expense of maintaining approximately \$4 billion in assets. As a result, the State only addresses our essential facilities' most critical needs, while the backlog grows. Working with the State Public Works Division staff, the Board recommends the following to address the current backlog and meet the State's deferred maintenance needs.

Address the current backlog by adequately funding deferred maintenance in the next several CIPs as follows: (1) this session – fund the Board's deferred maintenance recommendation at \$211 million (includes \$12.4 million of non-State funding); (2) next session – fund deferred maintenance at \$155 million; and (3) in the following sessions – fund deferred maintenance at a steadily decreasing rate from the previous biennium until the backlog is eliminated. Please reference the attached chart which shows the current deferred maintenance backlog and how these requested levels of funding will adequately address the need.

The Board respects the numerous and difficult decisions you must make in preparing the FY 2021-2023 biennial budget. We hope this information assists you in making an informed decision.

Respectfully,

Adam Hand, BS, MS, PhD, Civil Engineering
Chairperson State Public Works Board

cc: State Public Works Board
Kent LeFevre, State Public Works Administrator
Ben Kieckhefer, Chief of Staff, Governor's Office
Amy Stephenson, Director, Governor's Finance Office

² This deferred maintenance analysis does not include NSHE facilities.

Deferred Maintenance Backlog and Funding Analysis

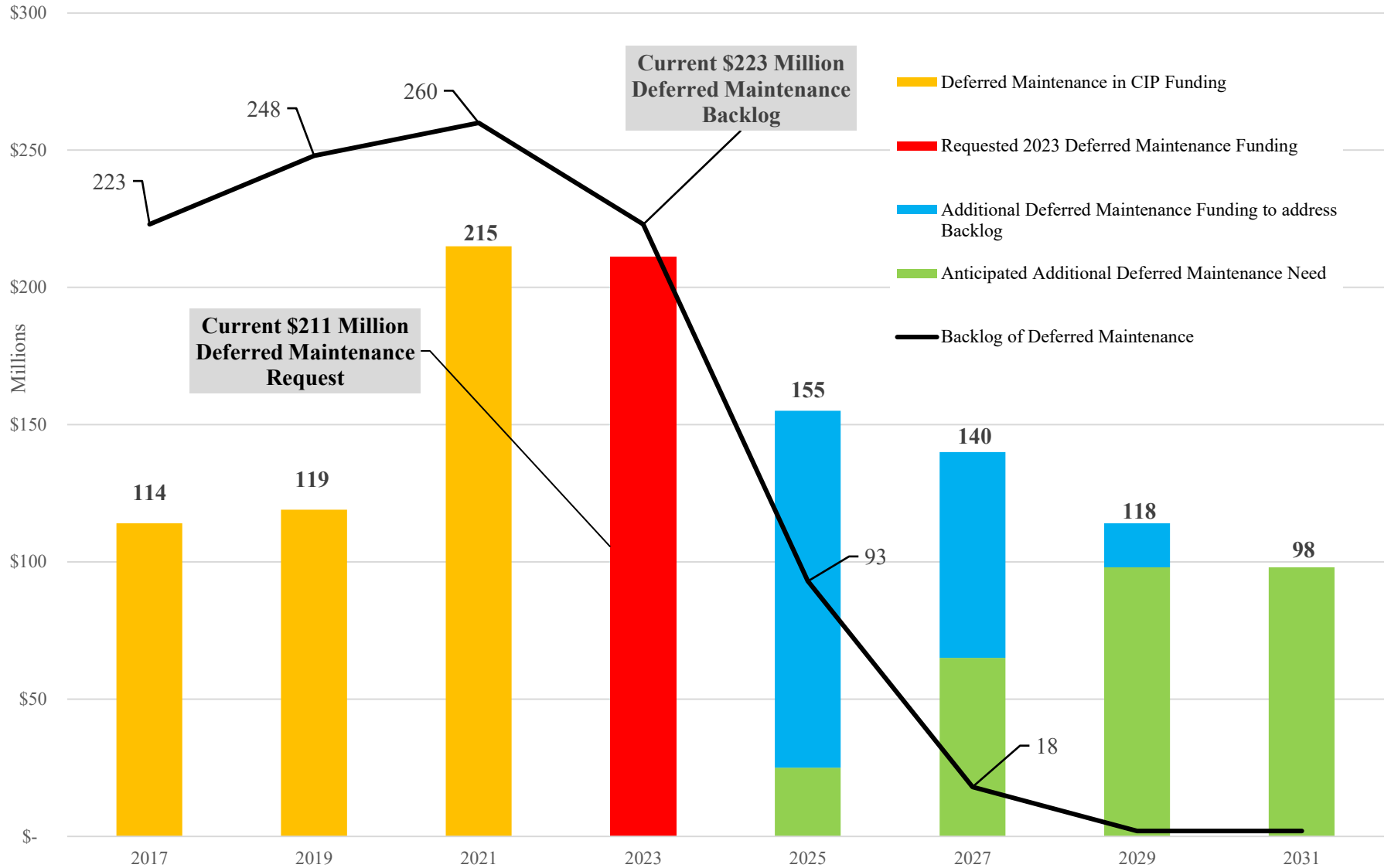


Exhibit B



Carson City Offices:

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515 E. Musser Street, Suite 102
Carson City, Nevada 89701-4263
(775) 684-4141 • Fax (775) 684-4142

Buildings & Grounds Section
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Las Vegas Offices:

Public Works Section
1830 East Sahara, Suite 204
Las Vegas, Nevada 89104
(702) 486-5115 • Fax (702) 486-5094

Buildings & Grounds Section
2300 McLeod Street
Las Vegas, Nevada 89104-4134
(702) 486-4300 • Fax (702) 486-4308

PUBLIC WORKS DIVISION

November 7, 2016

Hand Delivered

Governor Brian Sandoval
State Capitol Building
101 N. Carson Street
Carson City, NV 89701

Re: Deferred Maintenance

Dear Governor Sandoval:

On five separate occasions this past summer, one hundred and fifty-three employees were sent home early because the Bradley building was shut down. The Grant Sawyer building also had to be partially shut down and employees from nine State agencies were sent home at 10:00 a.m. In all of these instances, critical infrastructure failed, making both buildings uninhabitable and impossible for State agencies to implement their programs. The State is currently paying \$5,000 per month for a temporary cooling tower servicing the Supreme Court until a permanent replacement is designed and installed. These failures and excessive costs negatively impact the State's ability to provide efficient and effective government services.

Historically, the lack of adequate funding for deferred maintenance projects has resulted in lost productivity, failure of critical systems, and a significant backlog of deferred maintenance projects across all state agencies.¹ This backlog was created in part, because selected projects are limited by available general obligation bonds. Additionally, deferred maintenance competes against capital construction projects for available dollars, often at the expense of maintaining approximately \$4 billion in assets. As a result, the State only addresses our essential facilities' most critical needs, while the backlog grows. Rather than continue to defer this serious issue, the Board proposes the following solutions.

First, address the current backlog by adequately funding deferred maintenance in the next several CIPs as follows: (1) this session – fund the Board's deferred maintenance recommendation at \$114 million (includes \$7 million of non-State funding); (2) next session – fund deferred maintenance at \$141.5 million; and (3) the following session – fund deferred

¹ This deferred maintenance analysis does not include NSHE facilities.

maintenance at \$127.5 million. Second, while the backlog is addressed, assess all state agencies a manageable average cost of \$0.36 per square foot per month. This assessment amount will address a major portion of the backlog, and once the backlog is eliminated, the \$0.36 per square foot per month will fully fund the State's ongoing deferred maintenance needs. (See attached, Deferred Backlog and Funding Analysis).

These proposed solutions will develop a separate funding source for deferred maintenance, freeing up general obligation bonds for capital construction projects. This will allow for overdue upgrades of the State's facility infrastructure, and phasing out outdated inefficient facilities. New facilities will further reduce the backlog of deferred maintenance resulting in a lowered monthly square foot assessment. For example, the replacement of the East Sahara DMV and the Reno DMV with new facilities will reduce our current backlog by approximately \$7 million. If deferred maintenance is funded by a monthly assessment, federal dollars can be allocated to the monthly assessments. Finally, addressing deferred maintenance in a proactive timely manner arrests deterioration (before failure and the necessity for replacement), significantly reducing costs.

The Board respects the numerous and difficult decisions you must make in preparing the FY 2017-2019 biennial budget. We hope this information assists you in making an informed decision.

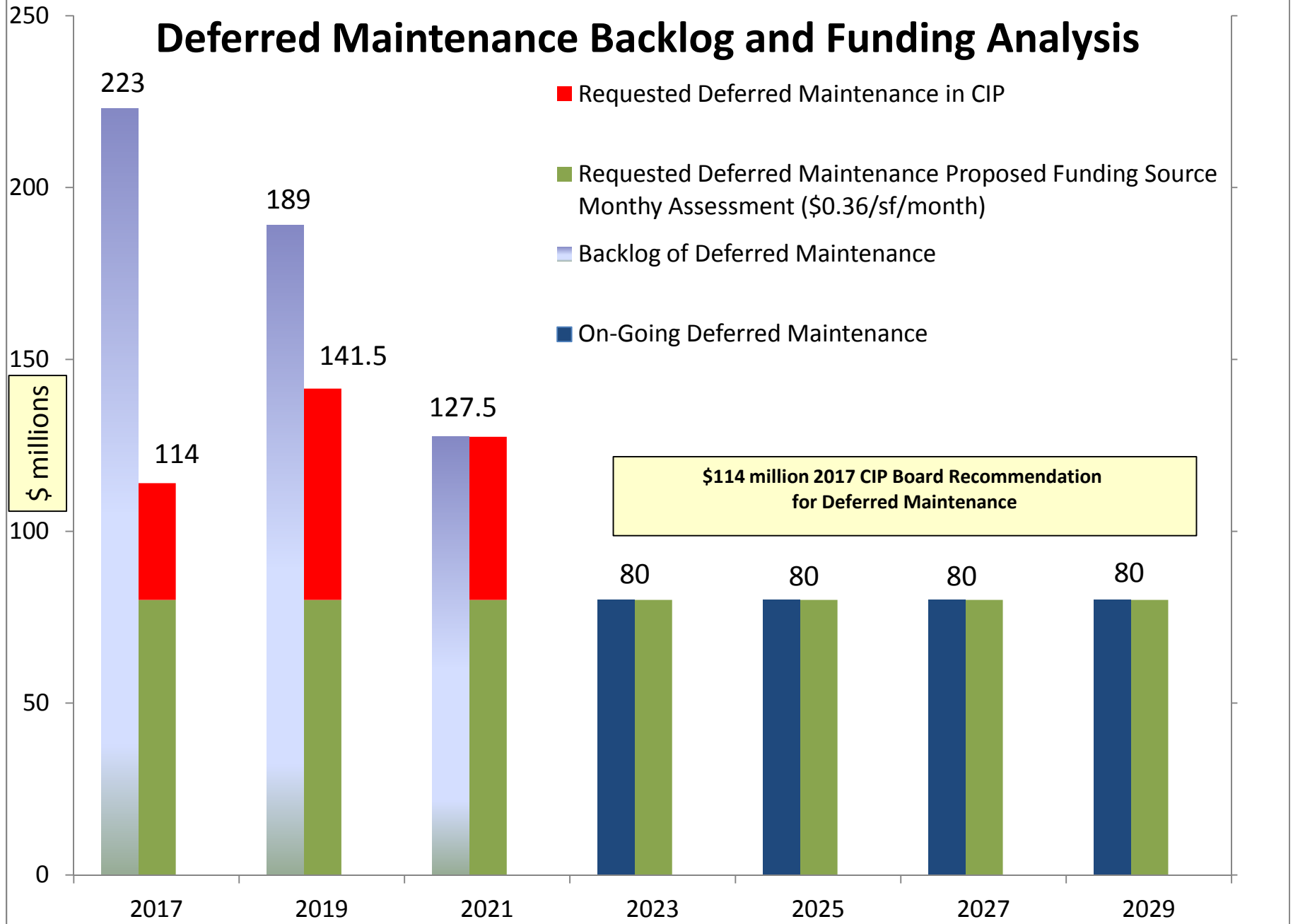
Respectfully,



Bryce Clutts, Chairperson State Public Works Board

cc: State Public Works Board
Gustavo "Gus" Nunez, PE State Public Works Administrator
Mike Willden, Chief of Staff, Governor's Office

Deferred Maintenance Backlog and Funding Analysis



Steve Sisolak
Governor



Laura E. Freed
Director

Colleen Murphy
Deputy Director

Ward D. Patrick, PE
Administrator

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November 6, 2020

The Honorable Steve Sisolak
Governor of the State of Nevada
Capitol Building
Carson City, Nevada 89701

**Re: State Agency's Deferred Maintenance Needs
2021 Capital Improvement Program**

Dear Governor, Sisolak:

On January 15th of this year, the Division of Child and Family Services' adolescent substance abuse treatment program was "severely disrupted" because the building's heating system failed, rendering the building uninhabitable. In March of 2019, the Ely State Prison shut down two housing units (Buildings 7 and 8) and a dormitory (Building 12), because the underground hot water heating system failed, rendering these buildings uninhabitable. Inmates were housed in the prison industries building and Nevada's maximum-security prison could not utilize one quarter of its capacity. In April of 2020, a chiller failed at Southern Nevada State Veterans Home, and the Nevada Department of Veterans Services is paying over \$17,000 a month to rent a temporary water-cooled chiller. Without the rented chiller, the facility would be forced to close, displacing Nevada's vulnerable Veterans. These are just three examples of several critical infrastructure failures within the last biennium.

Prior to 2016, the 10-year annual average of the CIP deferred maintenance funding was \$22 million. Based upon the agency CIP requests presented, the State Public Works Board, in similar correspondence, asked Governor Sandoval to fund deferred maintenance at an increased level to meet the

The Honorable Steve Sisolak

November 6, 2020

current needs and tackle the backlog. The 2017 CIP funded deferred maintenance at \$114 million and the 2019 CIP funded deferred maintenance at \$119 million.¹

While the State is making progress on its deferred maintenance backlog, the Board continues to have concerns regarding the failure of critical systems and the impact on State programs.² This backlog was created in part, because selected projects are limited by available state funding. Additionally, deferred maintenance competes against capital construction projects for available dollars, often at the expense of maintaining approximately \$4 billion in assets. As a result, the State only addresses our essential facilities' most critical needs, while the backlog grows. Working with the State Public Works Division staff, the Board recommends the following to address the current backlog and meet the State's deferred maintenance needs.

The Board recommends adequately funding deferred maintenance in the next several CIPs as follows: (1) this session – fund the Board's deferred maintenance recommendation at \$174 million (includes \$29.3 million of non-State funding); (2) next session – fund deferred maintenance at \$150 million; and (3) in the following sessions – fund deferred maintenance at \$10 million less than the previous biennium per biennium until the backlog is eliminated. Please reference the attached chart which shows the current deferred maintenance backlog and how these requested levels of funding will adequately address the need.

The Board respects the numerous and difficult decisions you must make in preparing the FY 2021-2023 biennial budget. We hope this information assists you in making an informed decision.

Respectfully,



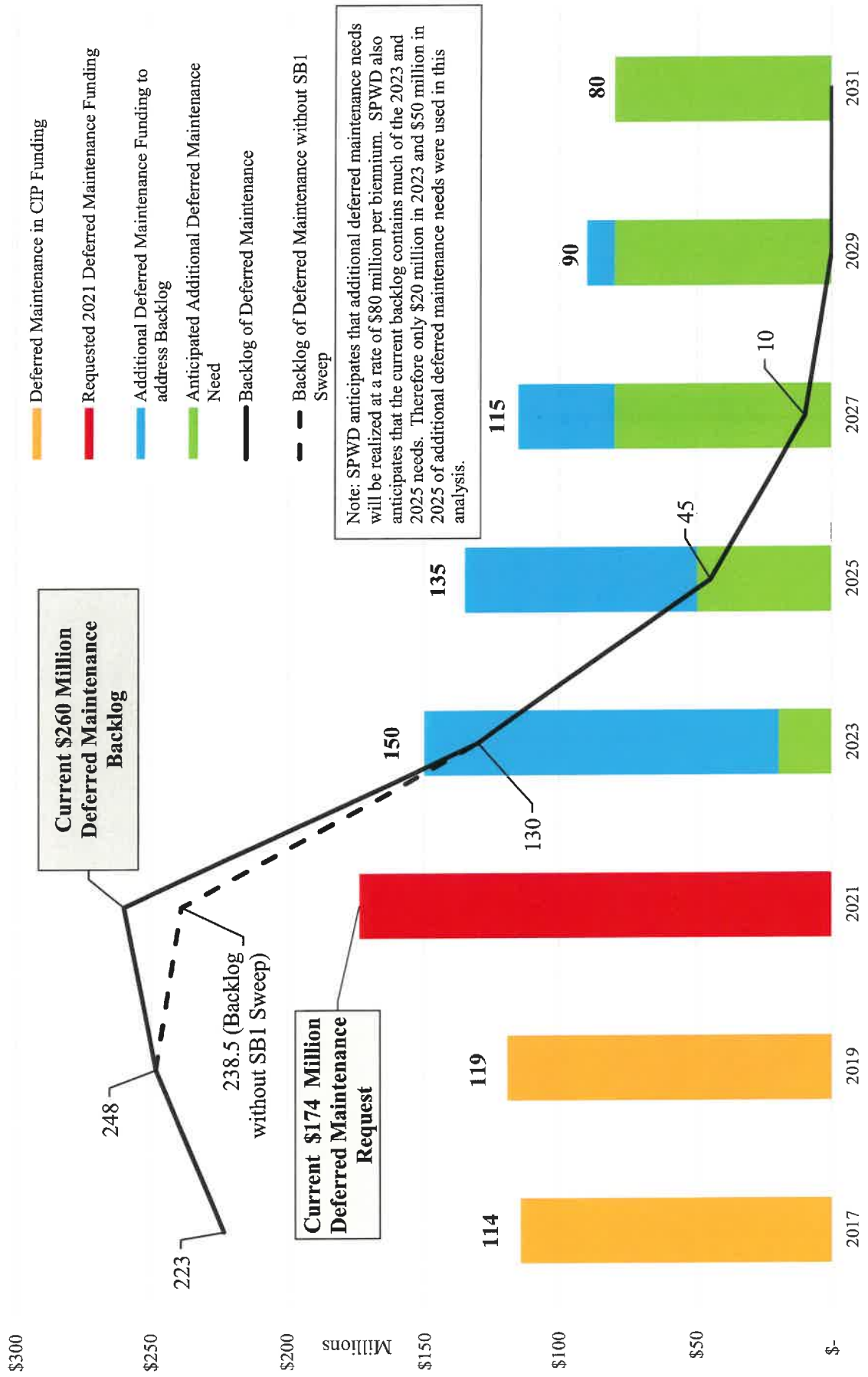
Adam Hand, PhD, PE Civil Engineering
Chairperson State Public Works Board

cc: State Public Works Board
Ward Patrick, PE, State Public Works Administrator
Michelle White, Chief of Staff, Governor's Office
Susan Brown, Director, Governor's Finance Office

¹ Due to the financial crisis created by COVID 19, \$21.5 million in funding for deferred maintenance projects was reverted in Senate Bill 1. The impact of the \$21.5 million funding reversion increases the risk of critical infrastructure failures and the State's deferred maintenance backlog. Most of the affected projects are included in the Board's 2021 CIP Recommendation.

² This deferred maintenance analysis does not include NSHE facilities.

Deferred Maintenance Backlog and Funding Analysis



Joe Lombardo
Governor



Laura E. Freed
Director

Matthew Tuma
Deputy Director

Kent A. LeFevre
Administrator

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STATE PUBLIC WORKS BOARD
Meeting of January 4, 2023

Agenda Item # 4

Subject Title:

Public Comment

Discussion:

Public comments will be taken during this agenda item. No action may be taken on a matter raised under this item until the matter is included on an agenda as an item on which actions may be taken. At the Chair's discretion, public comment will be limited to 3 minutes per person.

Prior Actions:

Not applicable.

Financial Impacts/Issues:

Not applicable.

Recommendations:

Not applicable.

Action Item:

Not required.

Prepared By:

Assistant to the Administrator