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STATE OF NEVADA

PUBLIC WORKS DIVISION VIDEO CONFERENCE BOARD MEETING

FRIDAY, OCTOBER 16, 2020

10:00 A.M.

CARSON CITY, NEVADA

THE BOARD:

ADAM HAND, Chairperson
SEAN STEWART, Vice-Chair
LAURA FREED,
Director of Administration
WARD PATRICK, Administrator
KENT LEFEVRE, Deputy Administrator
KEVIN LEWIS, Member
CLINT BENTLEY, Member
TITO TIBERTI, Member

FOR THE BOARD:

SUSAN STEWART,
Construction Law Counsel

JEFF MENICUCCI,
Deputy Attorney General

RANDAL MILLER,
AV Tech

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1 CARSON CITY, NEVADA; FRIDAY, OCTOBER 16, 2020,
2 10:00 A.M.

3 -oOo-

4 CHAIRPERSON HAND: Good morning again,
5 everyone. I think we don't have Sean, but Tito, are you
6 with us? Good morning, everyone. And this is the time
7 and place of the Public Works Board meeting. It's a
8 minute after 10:00 on October 16th, and start with our
9 first item on our agenda this morning is roll call.

10 ADMINISTRATOR PATRICK: Administrator Patrick
11 with the roll call. First, Chair Adam Hand?

12 CHAIRPERSON HAND: Present.

13 ADMINISTRATOR PATRICK: Vice-Chair Sean
14 Stewart? We'll mark him in as he makes himself present.
15 Member Clint Bentley?

16 MEMBER BENTLEY: Present.

17 ADMINISTRATOR PATRICK: Member Tito Tiberti?

18 MEMBER TIBERTI: Present.

19 COUNSEL STEWART: He's present. He's got his
20 line muted.

21 ADMINISTRATOR PATRICK: Yep. He's present.
22 Member Kevin Lewis?

23 MEMBER LEWIS: Present.

24 ADMINISTRATOR PATRICK: Thank you. Member
25 and Director of Department of Administration, Laura

1 Freed?

2 DIRECTOR FREED: Here.

3 ADMINISTRATOR PATRICK: We have a quorum,
4 Mr. Chair.

5 CHAIRPERSON HAND: Great. Thank you, Ward.

6 The next item on our agenda is public
7 comment. Do we have any public comment?

8 COUNSEL STEWART: Susan Stewart, for the
9 record. We've been informed that there is no request for
10 public comment.

11 CHAIR HAND: Great. Thank you, Ms. Stewart.

12 COUNSEL STEWART: There's Sean.

13 CHAIRPERSON HAND: So for the record, Sean
14 Stewart is joining us. And that brings us to Agenda Item
15 3 for possible action, which is acceptance and approval
16 of the Public Works Board meeting minutes from our August
17 26th, 27th and September 16th, and they are in our
18 packet. Does anybody have any comments on the minutes?

19 Hearing none, do we have a motion to approve
20 the minutes?

21 ADMINISTRATOR FREED: So moved.

22 CHAIRPERSON HAND: How about a second?

23 MEMBER LEWIS: Second.

24 CHAIRPERSON HAND: Thank you. And that was
25 Member Lewis, I think. Great. And again, I guess we'll

1 use any noes rather than -- so if there are no objections
2 to the motion, then we'll move it forward. Are there any
3 objections to the motion? If not, then it will move
4 forward and our minutes are approved. And that will take
5 us to --

6 COUNSEL MENICUCCI: Mr. Chairman, this is
7 Jeff. Could we just get an affirmative from everybody
8 just to make the record clear that everyone is voting in
9 favor of the motion?

10 CHAIRPERSON HAND: Sure.

11 MEMBER TIBERTI: Tito Tiberti. I'm in favor.

12 VICE-CHAIR STEWART: Sean Stewart in favor.

13 MEMBER BENTLEY: Clint Bentley in favor.

14 MEMBER LEWIS: Kevin Lewis in favor.

15 DIRECTOR FREED: Laura Freed in favor.

16 CHAIRPERSON HAND: Adam Hand, in favor.

17 Thank you. So the motion moves forward. Thank you,
18 Jeff. I was trying to make it easier in this world we're
19 living in. This is something that in other meetings that
20 I've been participating in has been used to try to, you
21 know, that and the hand waving.

22 DEPUTY AG MENICUCCI: Sometimes it's hard
23 when you're doing this electronically, but it's always
24 good to try to make a sufficient record.

25 CHAIRPERSON HAND: No, that's great. Thank

1 you.

2 Then the next item on our agenda this morning
3 for possible action is discussion and possible action on
4 the State Public Works Board Contractor Qualifications
5 Subcommittee Recommendations. And I think Ms. Stewart,
6 will you be sharing that with us.

7 COUNSEL STEWART: Yes. Thank you,
8 Mr. Chairman. Susan Stewart, for the record. And we
9 have a little bit of information to go through this
10 morning, so please bear with me. I will be as clear and
11 succinct as possible.

12 You'll see here there's in the Agenda Item
13 Number 4, there's an outline. We'll go a little bit over
14 the background. We have required revisions to our
15 contractor qualification process, other revisions, and
16 then finally, we have revised documents that the
17 subcommittee created by this Board is recommending for
18 Board approval.

19 First the background and overview. NRS
20 requires that the Board adopt regulations governing the
21 Division's qualification of contractor's process. The
22 NAC also requires that the Board approve the application
23 and the scoring and weight of criteria.

24 It doesn't seem possible, but it's been since
25 2009, we've had that new requirement regarding the

1 scoring of fines and discipline. And based upon some
2 challenges with scoring that, we created -- the Board, I
3 should say, created a subcommittee to take a look at the
4 contractor qualification process.

5 So the subcommittee was created October 22,
6 2019, and the subcommittee met two times: December 11th,
7 2019, and then July 20, 2020. The subcommittee
8 considered changes required by statute and then other, I
9 would say, omissions in the current scoring process, and
10 then the scoring of the OSHA and MSHA fines, and then
11 there were some other minor revisions.

12 One of the things that we talked about in the
13 subcommittee was if these changes are implemented, the
14 Board will monitor the impact of these changes and report
15 back to the Board. There's two separate application
16 processes. One is our application for over a hundred
17 thousand, and the second is our application for smaller
18 projects, smaller qualification under a hundred thousand.

19 We have a couple of categories, as I
20 mentioned. We have required revisions. And the required
21 revisions are scoring of contractor evaluations,
22 disclosure of applicant's litigation history, the
23 addition of a pass/fail category for breach of contract
24 for a \$25 million-dollar project, public works project, I
25 should say, and then also adding a category of pass/fail

1 to the under \$100,000 application for how that's actually
2 handled if and when a contractor discloses Chapter 7
3 bankruptcy.

4 The scoring of the contractor evaluation is
5 the first required revision. The NAC was revised to
6 require that the State Public Works Division consider
7 each final evaluation the performance of the prime
8 contractor on a public work of the State. And I e-mailed
9 you yesterday simply for your reference that evaluation
10 form so you could just see what it looks like. We're not
11 making any changes to that, and the recommendation from
12 the subcommittee is that we score that consistent with
13 what the Board had already approved.

14 And just FYI, that Contractor Evaluation Form
15 was developed in public meetings along with the Board.
16 So that was the subject of quite a bit of discussion and
17 consensus between the Board as well as the contractor
18 community.

19 The recommendation -- and this is on page two
20 of your action item for Agenda Item Number 4 -- the
21 recommendation is that the contractor performance
22 evaluation be considered in the qualification application
23 and scored in a manner consistent with prior Board
24 action. What you'll actually be asked to approve is the
25 changes to the form, and so I'll go over each one of

1 those specifically when we discuss whether the Board is
2 going to approve the recommendation and changes to those
3 documents.

4 The second required revision is disclosure of
5 applicant litigation history. Last year, the Board
6 approved revisions to the NAC expanding the information
7 that a contractor provides regarding their litigation
8 history. What we're asking for is they disclose all
9 litigation related to their public works projects,
10 whether they initiated it, whether they won, whether they
11 lost. We're now asking for that information.

12 What the subcommittee realized is it's very
13 challenging to decide how to score that. And what the
14 subcommittee is recommending is that we collect that
15 data, that we report it, and that at some point, we
16 revisit and see if there may be an appropriate way to
17 score the reported litigation history.

18 The third required revision is to disclose
19 the breach of contract for projects over \$25 million, and
20 this is simply implementing what is required by statute
21 in NRS 338.1379 sub 8. And you'll see on page three of
22 Agenda Item Number 4 the recommendation is to add a
23 pass/fail category as required by statute.

24 The last required revision is to the under
25 \$100,000 application. As it currently exists, a

1 contractor is required to disclose, on their under
2 \$100,000 application, whether they have filed Chapter 7,
3 Chapter 13, or Chapter 11 bankruptcy, but staff were
4 given no direction on what to do with that information.

5 The recommendation from the subcommittee is
6 that Chapter 7 bankruptcy be evaluated as a pass/fail.
7 This is the same way that a Chapter 7 bankruptcy is
8 treated on the larger application, so it's consistent
9 with our other process.

10 We have other revisions. This is the
11 challenge such as Granite's appeal this morning. We have
12 a requirement that a contractor disclose whether they've
13 been disciplined or fined by a state contractors board or
14 another state or federal agency for conduct that relates
15 to the ability of the applicant to perform the work.

16 What we're finding is that the current
17 scoring system can result in minor administrative
18 violations, less than \$2,000, having a disproportionate
19 impact on contractor's score. Staff cannot make a
20 decision that an administrative fine is unrelated to the
21 contractor's ability to perform the work. So what the
22 committee has recommended is something that more
23 accurately would assess that.

24 The subcommittee has also recommended
25 something that levels out how big an impact this section

1 of the scoring has on the overall application. What
2 we're finding is that this OSHA and MSHA violation have a
3 disproportional impact vis-a-vis the contractor's
4 performance history or bonding. So we're just trying to
5 level that off so it has a similar impact to the other
6 scored sections of the application.

7 The recommendation of the subcommittee is
8 that points will only be deducted for serious repeat or
9 willful OSHA and MSHA violations. The subcommittee is
10 also recommending revising the point deduction associated
11 with the amount of the fine. The proposed scoring would
12 begin deducting points at fines of \$5,000 or more.

13 Finally, the subcommittee also recommends
14 capping the points deducted in this section at 20 points,
15 and this is consistent with the scoring of all other
16 sections in the qualification application. There are
17 also, you'll see there's some minor edits. We've cleaned
18 up some typos. We've raised the qualification amount
19 from \$30 million to \$50 million, more consistent with
20 what contractors are, you know, the amount of money that
21 these projects cost and the amount of the limits that
22 they're asking for in their qualification process.

23 What I have attached as Attachment A is the
24 revisions to the application over \$100,000. Attachment B
25 is the scoring that staff does, and then Attachment C is

1 the under \$100- application, which is just provided for
2 context. That remains unchanged. And then C1 is the
3 revised evaluation form.

4 And, Mr. Chairman, if it's okay, I'd just
5 like to go through each of the exhibits that the
6 subcommittee is recommending for Board approval.

7 CHAIRPERSON HAND: Yes, please. Thank you.

8 COUNSEL STEWART: Okay. So if you can follow
9 along, I'm going to go through Exhibit A, which this is
10 an application that the contractor fills out and the
11 information that they have to disclose.

12 The first change is on page five, and this is
13 where we require the disclosure of a breach of contract
14 for a public work. This will be a pass/fail.

15 Page six, some updating of the referenced
16 statutes. Page 10: This is where we require the
17 disclosure of prior litigation. Page 11: I just want to
18 point out this is where the contractor is going to
19 disclose their OSHA and MSHA violations. We haven't
20 changed what they're required to disclose, but we have
21 changed how we'll score it. Page 12 is just a minor
22 edit.

23 And then finally, on page 22 is where we are
24 asking the contractor to disclose their prior contractor
25 performance evaluations. They're asked to list every

1 project that they've completed with the public works
2 division within the last five years and include a
3 completed performance evaluation form for each one of
4 those projects. And those are the changes to the
5 application.

6 Mr. Chairman, I didn't know if you wanted to
7 -- there was a preference to ask for a motion now or go
8 through all three documents and then ask for a motion at
9 that time?

10 CHAIRPERSON HAND: My preference would be to
11 go through all three.

12 COUNSEL STEWART: All right.

13 CHAIRPERSON HAND: If that's okay with the
14 rest of the Board.

15 COUNSEL STEWART: Okay. I don't hear anyone
16 complaining or objecting, so I'll go on with Exhibit B.
17 In Exhibit B, this is how staff will score and implement
18 the changes that we're proposing that the subcommittee is
19 proposing.

20 The first change that you'll see on page 1 of
21 Exhibit B is you see the \$50 million. We've raised the
22 cost category from \$30 million to \$50 million. Here,
23 you'll also see the disclosure of the breach of contract
24 over \$25 million. That's a pass/fail as required by
25 statute. At the top, you'll see some corrections to the

1 referenced statutes. Down at the bottom, this is how
2 staff will score the OSHA and MSHA and other violations.
3 And you'll see the scoring and deduction of points starts
4 at \$5,000 and above. And then the last category is
5 \$25,000 and above. And on the next page, you'll see
6 we've added a maximum of 20 points deducted.

7 Finally, on page three, part eight has been
8 added, and this is where the contractor performance
9 evaluation will be scored. This is consistent with prior
10 Board action and the subcommittee's recommendation.

11 I would point out that this will be new that
12 we're scoring this, and I think as we begin this process,
13 if there are challenges or hiccups, we would certainly
14 report that back to the Board and ask for help and
15 guidance as needed. But this will certainly get us on
16 the way to complying with the statute as we're required
17 to.

18 And then the last page, it's just simply one
19 of the things we've revised here is that if a contractor
20 excels in the performance of performing a public works
21 project, and that is reflected in the evaluation, they
22 actually can have points added to their evaluation or
23 their application. Okay. So that is Exhibit B. That is
24 the scoring of the over \$100,000 application.

25 Last is Exhibit C, which again is just

1 provided for context. You can see it's a very short
2 application. This is intentional to encourage smaller
3 contracts -- contractors to qualify and perform public
4 works projects. The change that the subcommittee is
5 recommending is reflected on C1, and that is simply where
6 if the contractor discloses a Chapter 7 bankruptcy within
7 the last five years, that will be scored as a pass/fail.
8 And that's the conclusion of my presentation of the
9 subcommittee's recommendations.

10 CHAIRPERSON HAND: Member Hand, for the
11 record. Thank you, Ms. Stewart. Does anybody have any
12 questions for Ms. Stewart? I have one, and it's on page
13 22 of Exhibit A. And I looked at this, but it just sort
14 of dawned on me that this might be something that's in a
15 database.

16 The requirement that the contractor provide
17 the evaluation forms, wouldn't public works already have
18 those? Or would they be like buried in the file or are
19 they in an electronic format where they would already be
20 easily -- I'm curious as to why. I would think that
21 public works already had them. That's why I'm asking the
22 question.

23 COUNSEL STEWART: For the record, Susan
24 Stewart. I think we would put the burden on the
25 contractor first. Then, if they needed assistance

1 locating those documents, we would certainly help them
2 which, you know, it's a very collaborative process. I
3 would hope they have them. And if they don't, I would
4 hope we have them.

5 CHAIRPERSON HAND: Maybe that begs another
6 question that out of curiosity, how are they stored here?
7 Are they electronic?

8 COUNSEL STEWART: Susan Stewart, for the
9 record. My understanding is that they are electronic.
10 Part of the project file.

11 ADMINISTRATOR PATRICK: Right. Ward Patrick,
12 for the record. They'd be located by our server by each
13 project. So that would be more of a challenge --

14 CHAIRPERSON HAND: Absolutely.

15 ADMINISTRATOR PATRICK: -- for us pulling
16 them out.

17 CHAIRPERSON HAND: You answered my next
18 question, which are they in a database as opposed to --
19 thank you. I don't have any other questions. Any other
20 members have questions?

21 Hearing none, the catchup on agenda items
22 here. So Agenda Item 4: Discussion and possible action
23 on the public works qualification side of any
24 recommendations. So do we have a motion to approve the
25 changes made in the documents that were presented in the

1 exhibits?

2 COUNSEL STEWART: Yes. And for the record,
3 Susan Stewart. I would just clarify that the motion that
4 the Chair is asking for the exhibits are reflected in
5 Exhibit A, B, and C1 in Agenda Item Number 4.

6 CHAIRPERSON HAND: So perhaps I'm not
7 speaking loud enough. Kevin, help me out here. So do we
8 have a motion to approve the changes in the Agenda Item 4
9 and the exhibits associated with Agenda Item 4? I'm
10 looking for a motion.

11 VICE-CHAIR STEWART: Sean Stewart, for the
12 record. I would make that motion, and I'd also like to
13 mention I really appreciate all of the work that the
14 subcommittee did and Susan Stewart did in putting this
15 all together. So I'd make that motion.

16 CHAIRPERSON HAND: Thank you, Sean. And do
17 we have a second?

18 ADMINISTRATOR FREED: Second.

19 CHAIRPERSON HAND: Thank you, Laura. And
20 consistent with Jeff's request, if all in favor could
21 please -- sorry. Is there any other discussion? If not,
22 then all in favor, please raise a hand or say aye so that
23 we can --

24 DIRECTOR FREED: Aye.

25 CHAIR HAND: -- for the record. Any opposed?

1 All opposed? And it doesn't look like anybody abstained,
2 so the motion carries. Thank you.

3 And I'd like to second Sean's comments on the
4 work of the subcommittee. And I know Susan does the
5 heavy lifting, and again, for the input of everybody on
6 the subcommittee.

7 And that brings us to Agenda Item 5 again for
8 possible action, and this is discussion and possible
9 action on the Board's letter to the Governor. Agenda
10 Item 5.

11 And Ward, are you going to take us through
12 that? Thank you.

13 ADMINISTRATOR PATRICK: Ward Patrick, for the
14 record. This is Agenda Item 5: Discussion and possible
15 action on the Board's letter to the Governor. And so
16 what we'd be looking for here is to request the Board to
17 approve that the Division work with the Chair to finalize
18 the draft letter contained herein.

19 Some of the discussion here, we've got some
20 items in outline form. We've got the draft
21 correspondence to Governor Sisolak. We also have the
22 prior correspondence to Governor Sandoval, dated November
23 7th, 2016. So when you review, you'll see there's a very
24 consistent theme in the two letters four years apart that
25 are proposed here.

1 Some prior actions were in 2016, on September
2 8th, it was requested for the staff to develop a letter
3 to Governor Sandoval. And on October 10th, that was then
4 approved similar to the request today. And then finally,
5 the letter was submitted to Governor Sandoval on November
6 7th of 2016. And now here again, in 2020, the Board has
7 requested similar correspondence to Governor Sisolak, and
8 that's contained herein.

9 So I'd like to -- I know the Board has had
10 great opportunity to review this, so I just want to
11 highlight for the record that there is a number of
12 projects that came up as emergency projects or projects
13 that critically affected operations of the State of
14 Nevada.

15 Within this first paragraph, you'll see
16 Building 8A, which the Board, through the Board's -- the
17 Division, through the activities of the statute,
18 performed an emergency contract to replace the air
19 handling unit in Building 8A.

20 And so there were 20 adolescents in this
21 facility, and this was in the newspapers and was brought
22 to the attention of the Governor's Office, and weekly
23 reports were provided to the Governor's Finance Office
24 and the Governor's Office on the status of this project,
25 and that was considered a fairly successful project,

1 although these projects, to do them right, they do take
2 time.

3 But in the emergency contracting process, we
4 eliminated the needs of a competitive bidding but still
5 complied with stamped engineering and stamped drawings,
6 complied with environmental concerns and all of the
7 public works normal closeout procedures on the project.
8 And so that was considered a successful project in that
9 it was an emergency project, but that also decreases the
10 opportunity to have bells and whistles or, you know,
11 really a good operating system. It's more of an
12 emergency project.

13 So the air handling unit that was put in on
14 this project was an off-the-shelf unit as opposed to a
15 custom unit, and so we're not providing the greatest
16 level of service to the agency by doing emergency
17 projects. And so these types of projects in this first
18 paragraph are projects that come about due to the lack of
19 funding or the increase in deferred maintenance.

20 And so we have a number of other projects
21 that were very similar to this that were considered very
22 important last session. We would call them priority 1Bs
23 that didn't get funded. And the priority 1As are the
24 ones that were recommended to be funded.

25 So some history in the next paragraph is that

1 in the last two sessions, the Public Works Division was
2 authorized to complete over \$120 million -- approximately
3 \$120 million dollars in maintenance projects. The ten
4 years prior to that, the average annual amount was \$22
5 million. And so there was an effect of the Board's
6 letter that went to Governor Sandoval in 2016 to increase
7 the level of funding that went to deferred maintenance.

8 So now here, moving to the final paragraph,
9 we're discussing here that in the Board approved 2021 CIP
10 recommendation to the Governor, there's approximately
11 \$174 million of maintenance funding that included
12 approximately \$29 million dollars of other money. And so
13 this is recommended -- it reinforced that recommendation
14 in this letter.

15 Also, to continue down the road, it would be
16 recommended, if this letter were reviewed and accepted by
17 the Board, to go down the road to the next session and
18 look at a number of approximately \$150 million and then
19 decreasing that number by \$10 million per session until
20 backlog is decreased.

21 And so I would point out that moving to the
22 graph on the next page, going from left to right, you see
23 the last two sessions historical funding of just under
24 \$120 million. You see in red the recommendation for
25 deferred maintenance including general fund and other

1 funding of \$174 million, and then in blue, we see the
2 decreasing amount of deferred maintenance, and then in
3 green, we see the deferred maintenance that we know is
4 continuing to come at us.

5 And so this number was developed by a survey
6 that was conducted by staff in the summer of 2016 that
7 said states who thought they were -- and entities who
8 thought they were adequately meeting their deferred
9 maintenance needs and were being successful had a level
10 of two percent of their facility replacement costs in
11 deferred maintenance per year.

12 And so I'd point out that at this level, this
13 is two percent per biennium. But so clearly, it's a
14 movement in the right direction, as in the prior ten
15 years. Again, I'll mention that it was \$22 million
16 dollars a year, and now we're up here in the yellow.
17 These are over \$50 million dollars a year. So I know the
18 Board is familiar with the prior letters, and so I would
19 just pause for any questions or concerns, Mr. Chairman.

20 CHAIRPERSON HAND: Do we have any questions?
21 I know, Tito, you were very passionate about deferred
22 maintenance with the 2016 efforts. Do you feel like the
23 deferred maintenance path that we see in front of us is
24 going in the right direction?

25 MEMBER TIBERTI: Chairman Hand, are you

1 talking to me about the deferred maintenance?

2 CHAIRPERSON HAND: Yes. I just had said that
3 you were very passionate about the deferred maintenance
4 in 2016 which led to the, you know, to the efforts in the
5 increase in deferred maintenance funding. And I'm asking
6 if you feel like this is still going in the right
7 direction and adequate.

8 MEMBER TIBERTI: It's funny you say that. I
9 was just looking at this and thinking that I am surprised
10 with the chart, and it looks like Ward feels that that we
11 are making good progress.

12 I have a major concern to write about about
13 Bishop Gorman High School in Las Vegas and all of the
14 other buildings that we have around this whole state that
15 we're responsible for. And it's all of our buildings.
16 All of a sudden -- I've been here a long time, and all of
17 a sudden they were new and now a lot of this is getting
18 to be 30, 40 years old, and the deferred maintenance is a
19 staggering thing for society. It's not just this Board.

20 I think every institution has got a major
21 problem with going back and refunding buildings and
22 getting help with buildings that we've built in the last
23 20, 30 years. It goes by quickly. And I hope, Ward, do
24 you think we're making progress? I hope we are. It's a
25 major thing to have every building in the State under our

1 board that we bring this up so that we don't have
2 delapidated facilities, we wake up one day and say who is
3 on -- I know it's back to the Legislature and funding and
4 priorities. It's not sexy to put a boiler in someplace.
5 I know that. But eventually, it has to be done. Thank
6 you, Adam.

7 ADMINISTRATOR PATRICK: Yeah, thank you,
8 Board Chair and Member Tito. Regarding if we're making
9 progress, I would have to say that progress is not having
10 the deferred maintenance exponentially increase. And so
11 we made great progress in kind of heading off this by
12 increasing the deferred maintenance in the last couple
13 sessions.

14 And so it appears as though we're -- shall we
15 say -- kind of evening off that deferred maintenance
16 that's accumulating, and so this plan here in this graph
17 shows a path to decrease the amount of deferred
18 maintenance. And so I would think progress is putting
19 more money into it and not causing it to exponentially
20 increase.

21 MEMBER TIBERTI: Thank you.

22 CHAIRPERSON HAND: Thank you, Ward. Any
23 other members have a questions for Ward?

24 ADMINISTRATOR PATRICK: If I could, Board
25 Chair, I have another comment I would make is it seems as

1 though one would ask why has the Board increased the
2 funding level from the yellow section around \$120 million
3 to this red number, over \$170 million.

4 And so one of the key factors there which we
5 discussed in the various Board meetings on the CIP, is
6 the budget reductions that happened, and so there's -- in
7 the letter, it refers to a \$21.5 million dollar impact of
8 those projects that were swept are now being requested
9 within that \$74 million. So part of that difference
10 would be that \$21 and a half million dollars.

11 And then looking at the makeup of the various
12 projects in 21 CIP, there's kind of a new category that
13 had a big impact on the amount of maintenance that's
14 being done in the 21 CIP, and that would be the utilities
15 at various correctional facilities.

16 So in the letter, we've referenced Ely State
17 Prison housing units being shut down. And so now we have
18 a major project to replace the balance. We did an
19 emergency project before, and now we have a big project
20 to do the balance of that. And there are similar utility
21 projects in other corrections facilities, and so that is
22 an area that we hadn't been putting funding into, but
23 we've been seeing these failures at Northern Nevada
24 Correctional Center, seen failures at Lovelock
25 Correctional Center as well as Ely State Prison.

1 And so if asked why this new jump, right.
2 And so I would point to the sweep of the general funding
3 and the budget reductions as a result of the COVID crisis
4 and then also, this new need for the underground utility
5 upgrades. Thank you for that.

6 COUNSEL STEWART: And, Mr. Chairman, if I can
7 pipe in. Susan Stewart, for the record. The
8 wordsmithing of the letter, if you will, I feel requires
9 a little bit more work, but the substance of it would, I
10 think, covers what is required. We do know about the
11 typo. Unfortunately, there's a typo, and then there's
12 also a typo on the cc line. So we would certainly go
13 over all of this with a fine-tooth comb.

14 And as I said, the first paragraph, I feel
15 like we were talking to the Board Chair, and we feel like
16 it could be a little bit more succinct and direct. There
17 may be too many words in that first paragraph. So that's
18 all. Thank you.

19 ADMINISTRATOR PATRICK: And Ward Patrick, for
20 the record. A question for Director Freed is: We put on
21 the cc list the chief of staff. And I was wondering your
22 opinion if we should add the policy, lead policy person
23 with the Department of Administration, Jessica, on the cc
24 list? What is your opinion on that?

25 DIRECTOR FREED: This is Laura Freed, for the

1 record. I'm not sure I have an opinion on that. I guess
2 since it's a money thing, I might add the GMO director.

3 ADMINISTRATOR PATRICK: Will do. Thank you
4 very much. Ward Patrick, for the record.

5 CHAIRPERSON HAND: Okay. If there aren't any
6 other questions, then I'll ask for a motion to approve
7 the letter to the Governor, recognizing that there may be
8 some wordsmithing to the first paragraph as Ms. Stewart
9 had suggested. I think, Tito -- you're muted, Tito.

10 MEMBER TIBERTI: Am I muted now?

11 CHAIRPERSON HAND: No. You're good now.

12 MEMBER TIBERTI: Chairman Hand, I will make
13 that motion to support this letter.

14 CHAIRPERSON HAND: Thank you, Mr. Tiberti.
15 And do we have a second?

16 MEMBER BENTLEY: Clint Bentley. I second the
17 motion.

18 CHAIRPERSON HAND: Thank you, Member Bentley.
19 And any discussion, further discussion? Hearing none,
20 then, we'll vote. So those in favor of the motion, if
21 you would please raise your hand or say aye?

22 THE BOARD: Aye.

23 CHAIRPERSON HAND: All opposed? We can't see
24 Sean. Sean, did we get a response from you? We can't
25 see you.

1 VICE-CHAIR STEWART: Yes. I was aye. I was
2 kind of like Tito. I forgot to change the mute.

3 CHAIRPERSON HAND: Thank you, Mr. Stewart.
4 So the motion moves forward then.

5 COUNSEL STEWART: And Susan Stewart, for the
6 record. Just to make it abundantly clear, those that we
7 didn't hear say aye, we could clearly see raise their
8 hand voting in favor of the motion.

9 CHAIRPERSON HAND: Thank you all. And that
10 brings us to Agenda Item 6, and that is the
11 Administrator's update. Ward, I assume you'll give us
12 that.

13 ADMINISTRATOR PATRICK: Thank you, Board
14 Chair. Ward Patrick, for the record. The
15 Administrator's report will include three areas listed in
16 your agenda: Staffing, major projects, and the 2021 CIP.

17 And so what's been happening at staffing here
18 is that as a result of the COVID crisis, there's been a
19 hiring freeze, and so we're going through administrative
20 processes that are in addition to normal hiring
21 administrative processes to keep staffing levels
22 appropriate. And so that's being done.

23 As a result of the general fund sweep, there
24 was \$100 million dollars of projects that were removed
25 from the CIP, and so on a high level, we consider that

1 commensurate with the vacancies that we've had. And so
2 we're continuing to review that, but we don't see that as
3 a dire need, you know, today because of that to decrease
4 any staffing levels. As we all know, we're an enterprise
5 fund, and so we manage our staffing levels based on the
6 funding that we have available.

7 And so it appears that we're eight months
8 away from new funding, and so the outlook right now is
9 that will be fairly steady, and so we think we're on the
10 right track now. We're staying the course, but on the
11 right track. Not too many and not too few staff members,
12 but managing and tweaking that as necessary.

13 Regarding major projects, three major
14 projects I would report on, which these are all moving
15 ahead well. There's two projects that are under
16 construction in Southern Nevada in Henderson: The
17 education building at Nevada State College and the Health
18 Sciences Building at the College of Southern Nevada. And
19 those are moving ahead, and they're expecting completions
20 in the next spring, so the April-May timeframe of 2021.

21 Regarding the project that's soon to be
22 completed is the South Reno Department of Motor Vehicles
23 project, and so this is planned for full occupancy and
24 open to the public on November 2nd. And so this week,
25 we've been doing final commissioning on the project, and

1 so all systems go on that. And so those are the major
2 projects that we have to report today.

3 And then really on the 2021 CIP, the only
4 thing to report there is we've delivered that to the
5 Governor's Office per the statutory requirement, have
6 that delivered October 1, the Board's recommendation, and
7 we're awaiting any calls to have discussions or to
8 finalize that and turn that into the Governor's
9 recommendation to the Board as the Governor sees fit.
10 And that's the end of the Administrator's report.

11 CHAIRPERSON HAND: Do we have any questions
12 from the Board? Well, thank you, Ward. And if not, then
13 we'll go to Agenda Item 7 for possible action, and it's
14 Board comment/discussion on the agenda items, future
15 agendas, public works management, and then setting future
16 meeting dates. And I assume that you don't have any --
17 you, at this point, Susan usually has something up her
18 sleeve, which it seems like she doesn't today.

19 COUNSEL STEWART: I do not have anything
20 planned for your future at the present. I reserve the
21 right to change that.

22 CHAIRPERSON HAND: Okay. Any members have
23 anything that they'd like to discuss or bring up before
24 the group today? Hearing none, I guess there's no action
25 on that agenda item, then the next item on the agenda is

1 public comment. And have we had anybody come in with
2 public comment?

3 COUNSEL STEWART: Susan Stewart, for the
4 record. We have not received any requests for public
5 comment.

6 CHAIRPERSON HAND: Our friend from Lake View.

7 MEMBER TIBERTI: Tito Tiberti, for the
8 record. Could I make a public comment?

9 COUNSEL STEWART: Yes, sir.

10 MEMBER TIBERTI: I can't help but notice Ward
11 Patrick, our Administrator, has very cool chic loafers
12 on, and I've been around a lot of engineers in my life.
13 So I want to congratulate someone other than Sean Stewart
14 being that chic. This takes the cake.

15 ADMINISTRATOR STEWART: Ward Patrick. Thank
16 you, Tito. Are you willing to show your loafers today?

17 MEMBER TIBERTI: It wouldn't be appropriate
18 today.

19 CHAIRPERSON HAND: Thank you for that
20 comment, Tito. We've got to have a little fun along the
21 way.

22 With that, the next agenda item is
23 adjournment. So I'll move that we adjourn. Thank you
24 all for a couple of quick meetings today. We appreciate
25 everybody's efforts. Thank you.

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(The meeting concluded at 10:52 a.m.)

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1 STATE OF NEVADA)
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3 CARSON TOWNSHIP)
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5

6 I, NICOLE J. HANSEN, Official Court Reporter for the
7 State of Nevada, Nevada State Works Board, do hereby
8 Certify:

9
10 That on the 16th day of October, 2020, I was
11 present at said meeting for the purpose of reporting in
12 verbatim stenotype notes the within-entitled public
13 meeting;

14 That the foregoing transcript, consisting of pages 1
15 through 32, inclusive, includes a full, true and correct
16 transcription of my stenotype notes of said public
17 meeting.

18 Dated at Reno, Nevada, this 21st day of
19 October, 2020.
20

21 
22

23 _____
24 NICOLE J. HANSEN, NV CCR #446
25 RPR, CRR, RMR

Steve Sisolak
Governor



Laura E. Freed
Director

Matthew Tuma
Deputy Director

Kent A. LeFevre
Interim Administrator

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STATE PUBLIC WORKS BOARD ACTION ITEM REQUEST
Meeting of August 24 and 25, 2022

Agenda Item # 3

SUBJECT TITLE:

FOR POSSIBLE ACTION: Acceptance and approval of Public Works Board meeting minutes for
October 16, 2020

DISCUSSION:

Construction Law Counsel has reviewed the October 16, 2020, minutes, and recommends the following changes:

Page 19:10 Change "great" to "the"

Page 27: 2 Change "GMO" to "GFO"

PRIOR ACTIONS:

None.

FINANCIAL IMPACTS//ISSUES:

Not applicable.

RECOMMENDATIONS:

Approve or deny the October 16, 2020, meeting minutes as amended.

ACTION ITEM:

Motion to approve or deny the October 16, 2020, meeting minutes as amended herein OR as further amended by the Board.

PREPARED BY: Susan K. Stewart, Construction Law Counsel