

# **Cash Management Update**

## **SCDOT Commission Workshop**

*October 20, 2011*

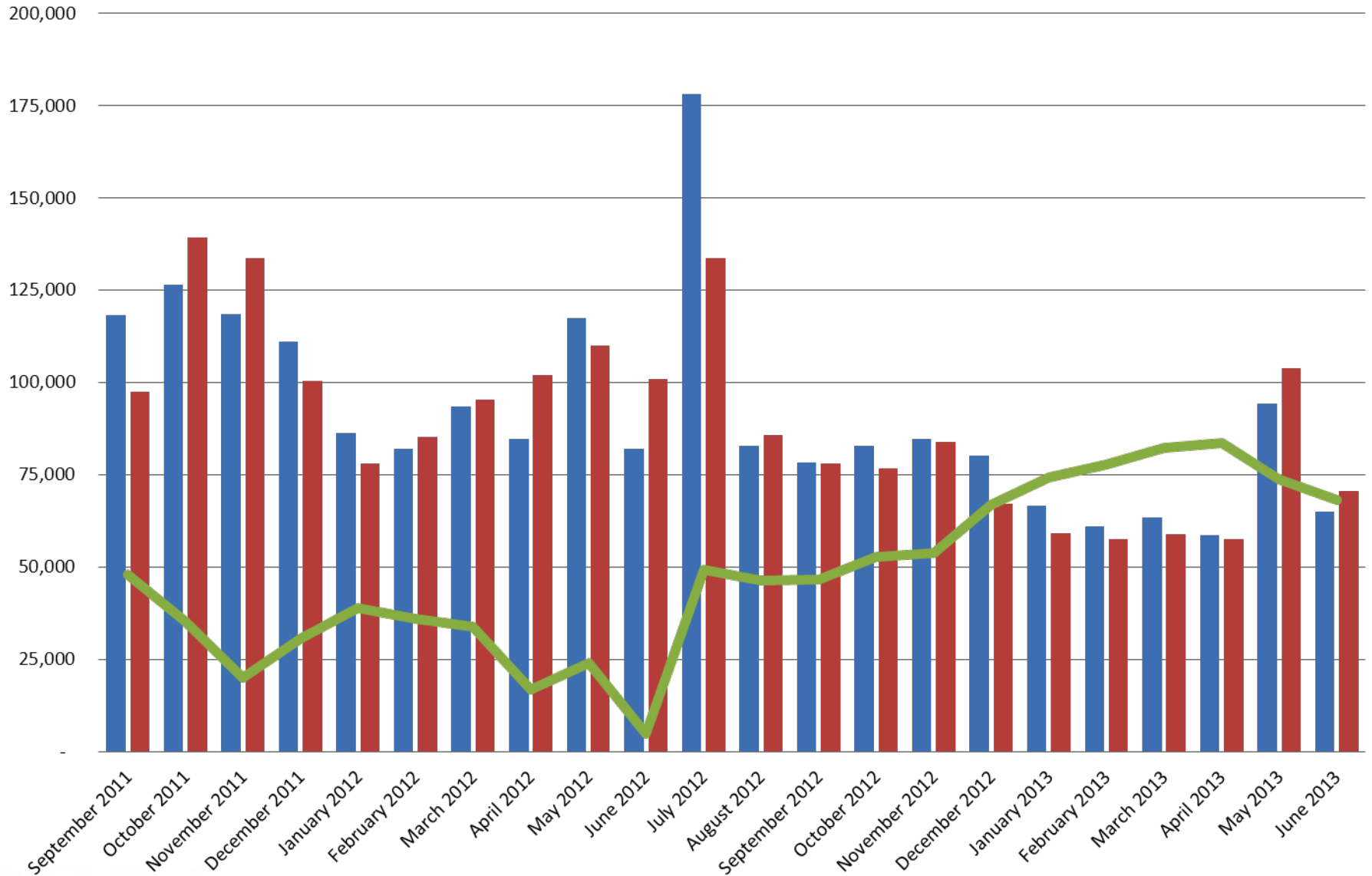


# Current Cash Status

- Cash balance as of Wednesday, Oct 19 was \$70.8M
- Debt/SCTIB payments current
- Update on other payments
- SCEIS Implementation



## SCDOT Projected Cash Receipts, Payments & Balance



■ Projected Receipts    
 ■ Projected Payments    
 — Projected Cash Balance

# Project and Resource Analysis Meeting (PRAM)

- Meeting once a week
- Team consists of key leaders of the Department in each division that deal with procurement, obligations and cash flow
- Inputs and assumptions



# **PRAM**

## **Major Payout Inputs**

*Numerous inputs, but the major ones are:*

- Construction Contracts
- Maintenance Program
- Procurement/Payroll
- Debt/SCTIB
- Consultant Contracts



# PRAM

## Other Payout Inputs

Other inputs include:

- DBE/Special Projects
- Outside Legal
- Overhead
- Payments to Other Entities
- Right of Way
- Scenic Byways
- Self Administered LPA's
- Signal Agreements
- SPR
- Transit
- Utilities/RR



# PRAM Revenue Inputs

- Projected federal reimbursements
  - Initial FY2012 obligation authority is \$78M thru November 18
- Projected state gas tax revenues
- Non-federal aid highway fund revenues
- Miscellaneous revenues



# Importance of Timelines

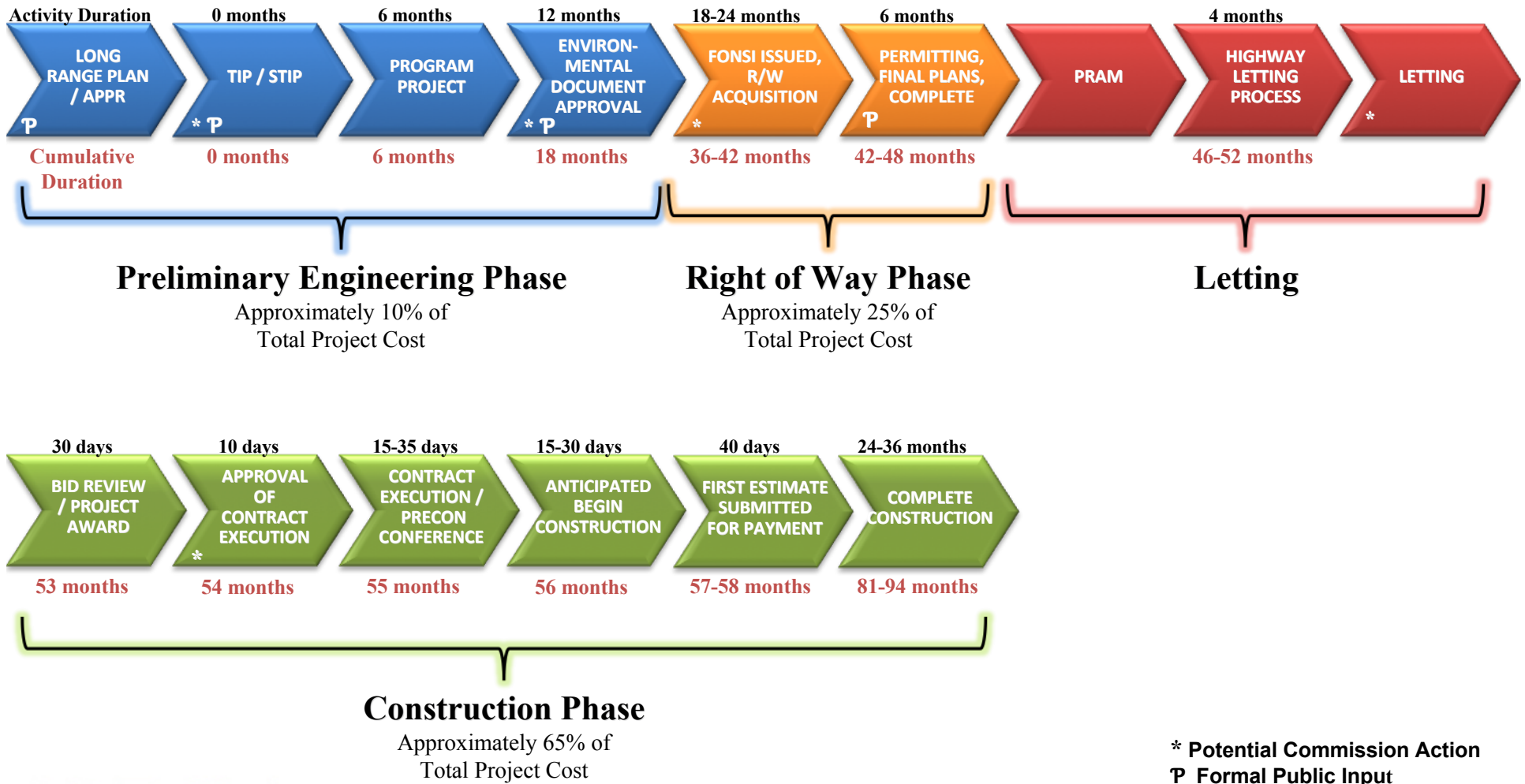
- Project development timelines vary anywhere from 2 months to 7 or 8 years, or beyond.
- Payout timelines also vary throughout the life cycle of a project.
- One function of the PRAM group is to more effectively forecast the delicate balance of engineering planning with financial planning.





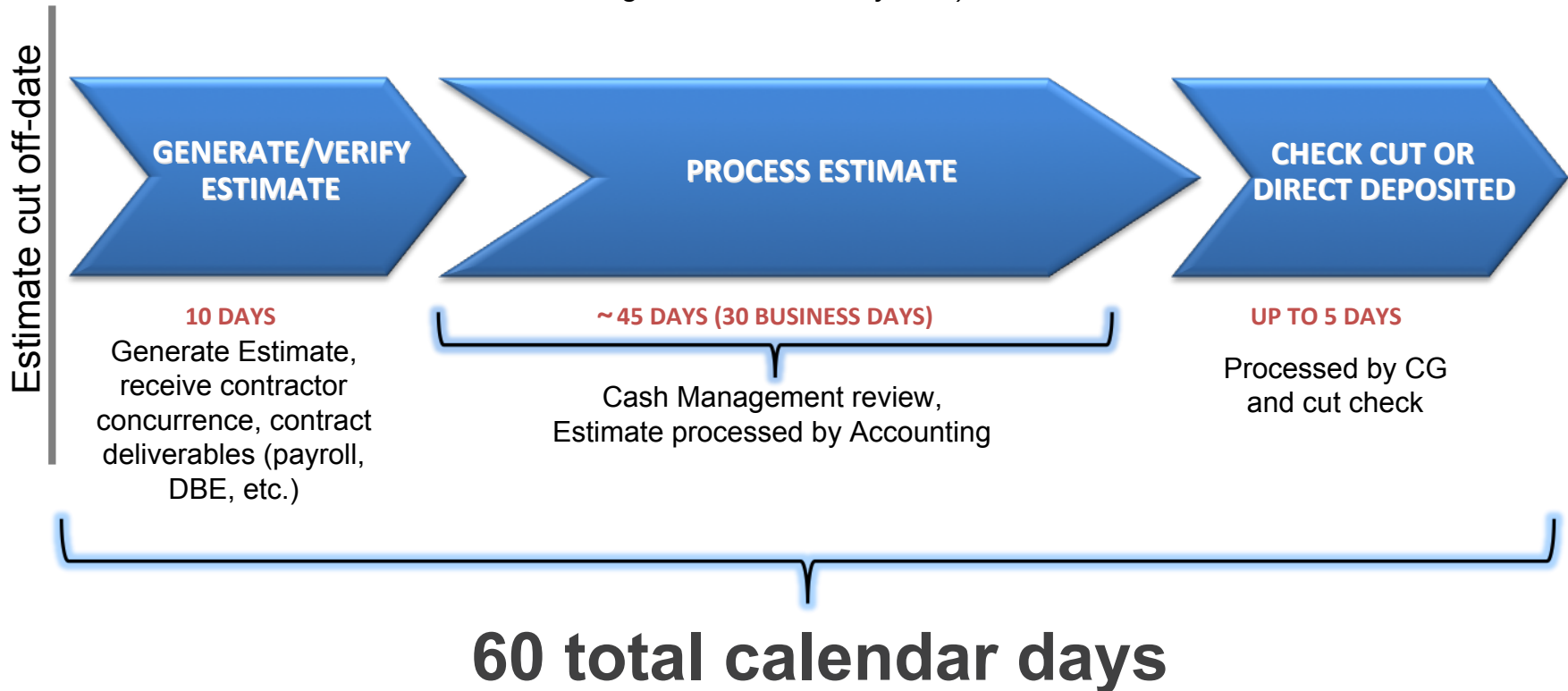
# Project Development Timeline

for a typical WIDENING project involving Right of Way



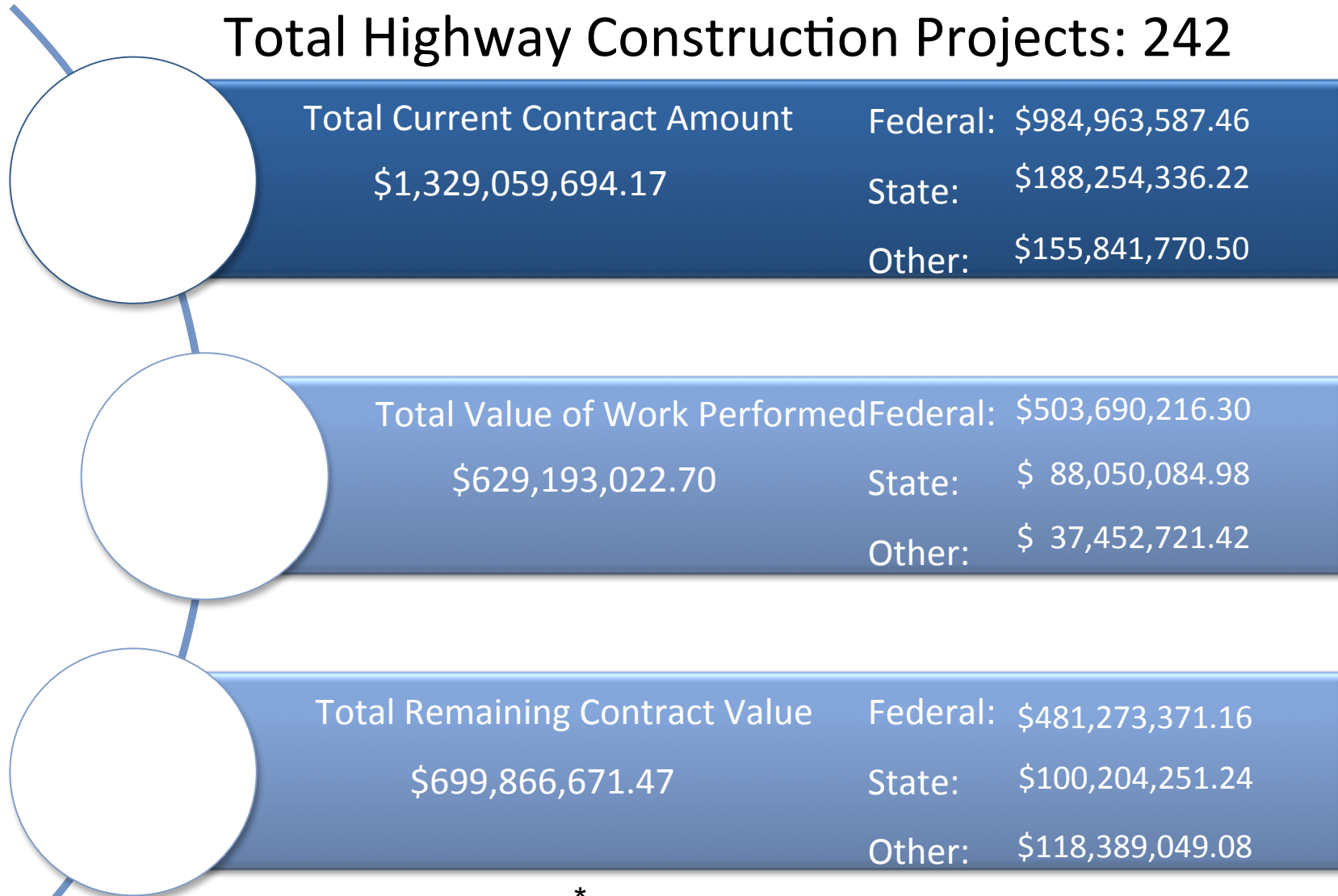
# Project Progress Estimate (Invoice) Approval

*Progress estimates are invoices used to pay contractors and represent the amount of work performed (quantities installed) during the estimate period. It is generated by the Resident Construction Engineer using Sitemanager (AASHTO Construction management software system).*



# Construction Contracts in Force

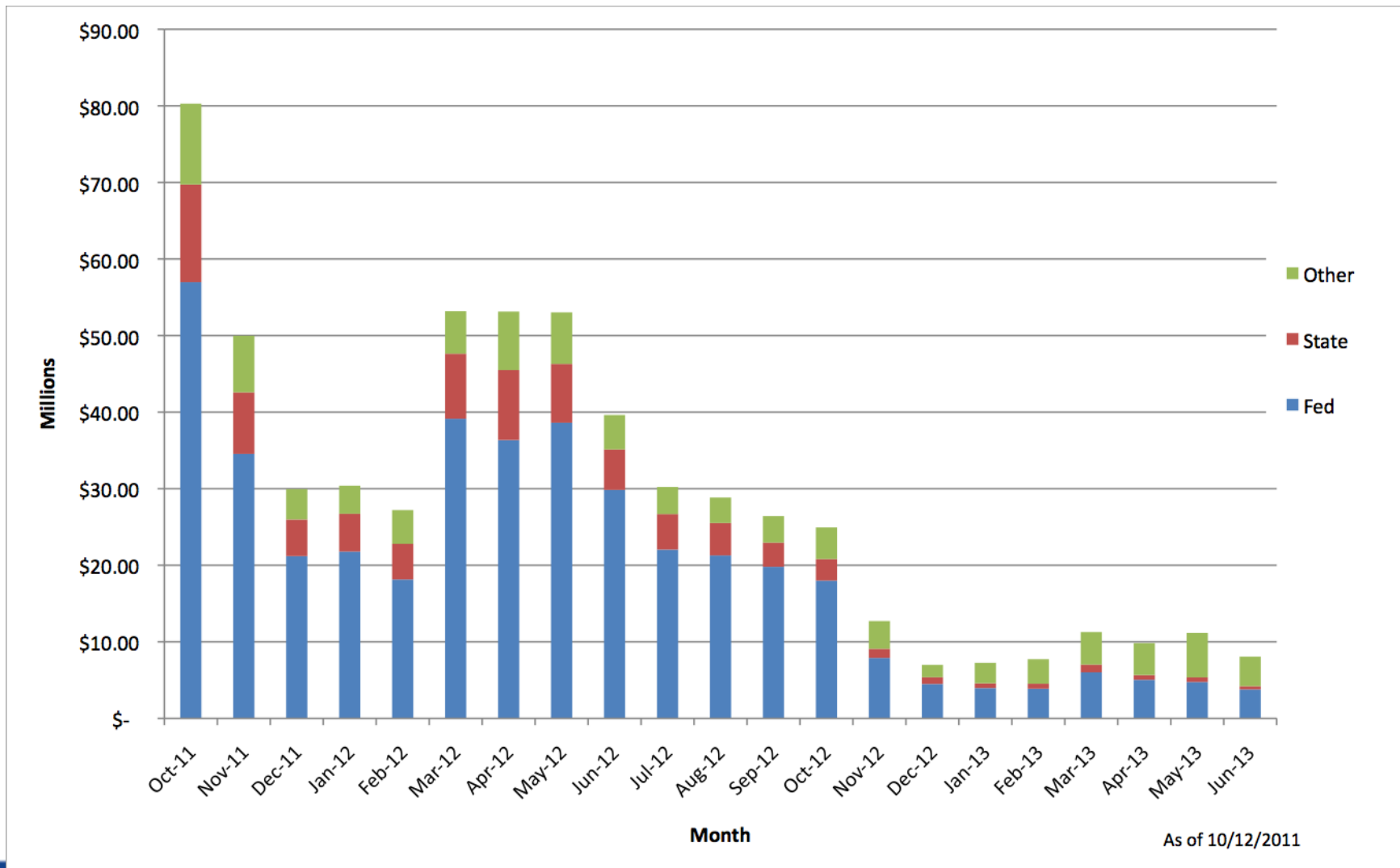
## Total Highway Construction Projects: 242



\*Includes County Sales Tax & CTC projects as well as Local (City, County, etc) match for the Federal Match program and Enhancement program.



# Expected Value of Work to be Completed (Active Construction Projects)



# Lettings - Past 2 Cycles

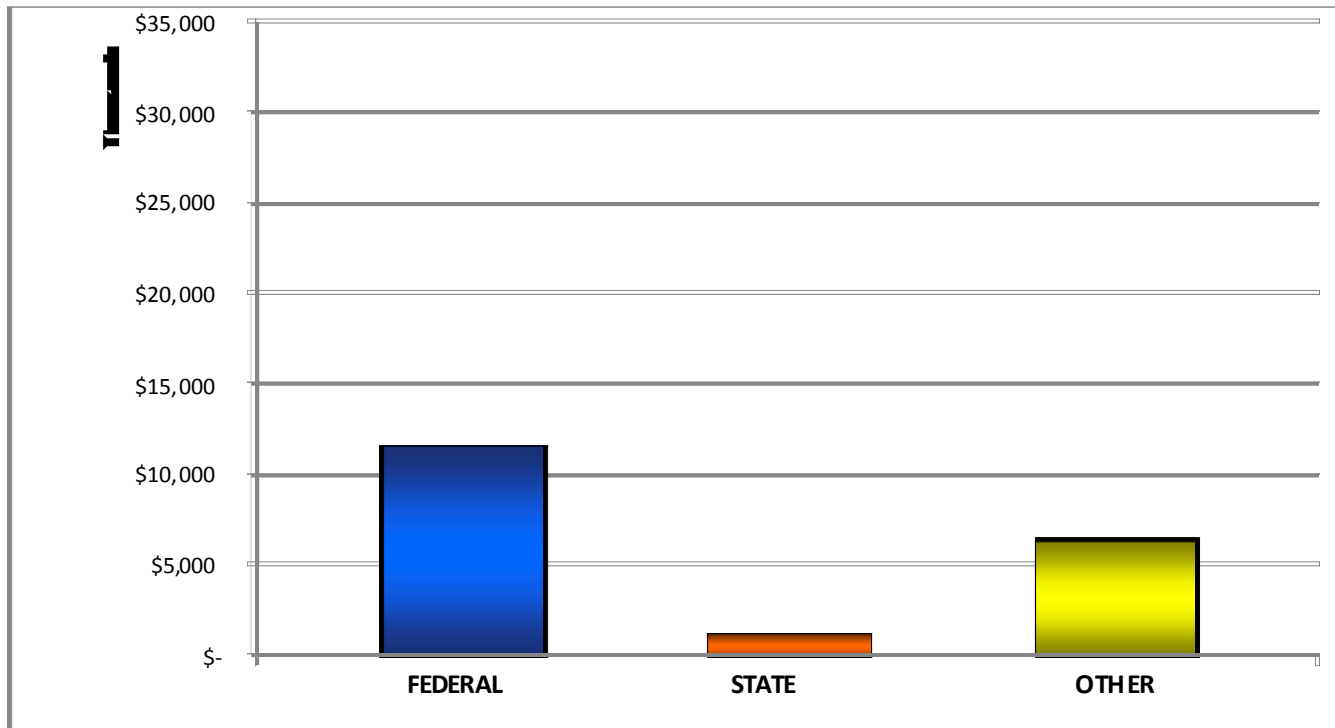
September 13, 2011

Status – **AWARDED**

Total Award Value \$19,403,593.79 (22)

Pending approval of Contract Execution by Commission on Oct. 20

PROGRAM	#of CONTRACTS	FEDERAL	STATE	OTHER	TOTAL AWARD AMOUNT
September 2011	22	\$ 11,691,411.33	\$ 1,267,974.98	\$ 6,444,207.49	\$ 19,403,593.79




# Lettings - Past 2 Cycles

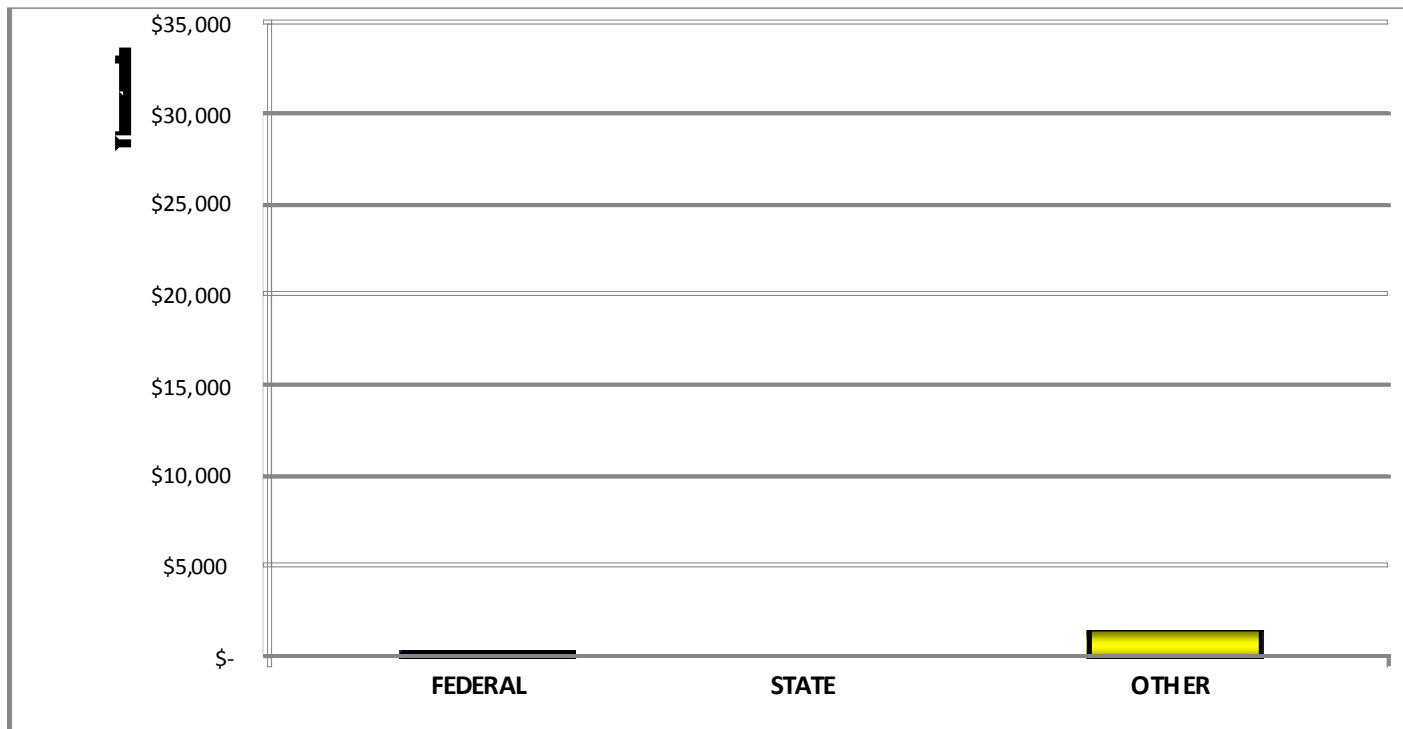
October 11, 2011

Status – **PENDING AWARD**  
 Total App. Low Bid Value \$1,824,229.32 (6)

Bid Review Underway



PROGRAM	#of CONTRACTS	FEDERAL	STATE	OTHER	TOTAL BID AMOUNT
October 2011	6	\$ 319,485.41	\$ -	\$ 1,504,743.91	\$ 1,824,229.32



# Lettings - Next 3 Cycles

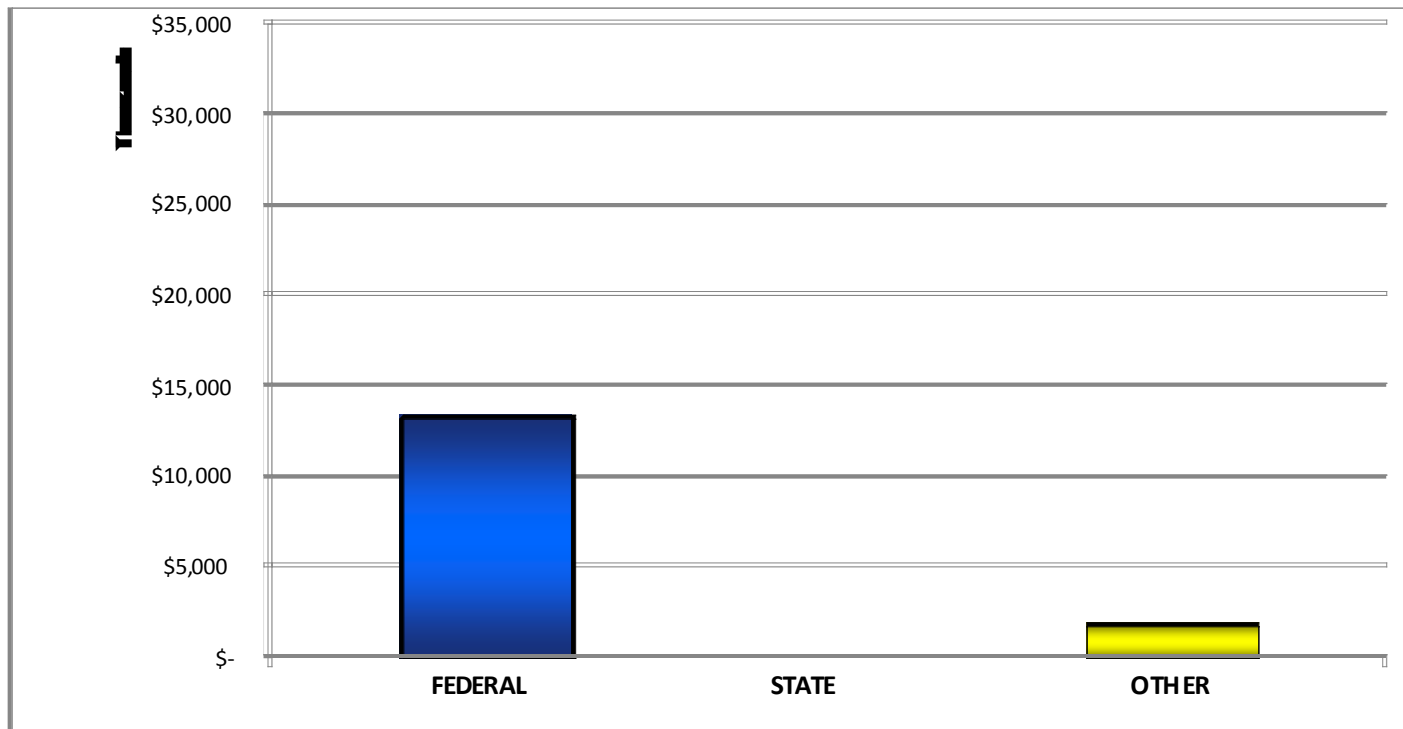
**November 8, 2011**

Status – **ADVERTISED**

Total Estimated Value \$15,231,214.90 (15)

Projects went out for advertisement Monday, October 3, 2011

PROGRAM	#of CONTRACTS	FEDERAL	STATE	OTHER	TOTAL BID AMOUNT
November 2011	15	\$ 13,360,438.45	\$ -	\$ 1,870,776.45	\$ -



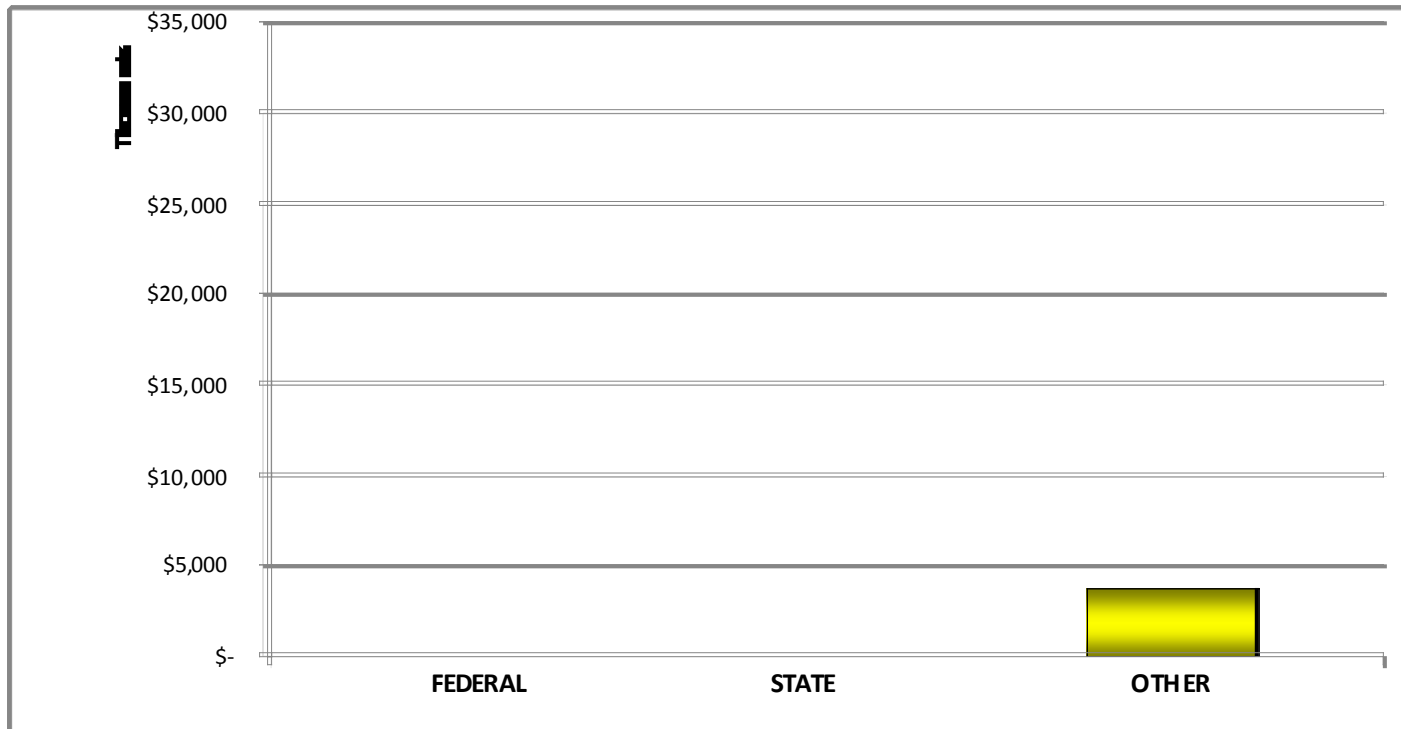
# Lettings - Next 3 Cycles

**December 13, 2011**

Status – **PENDING ADVERTISEMENT**  
 Total Estimated Value \$3,863,712.66 (7)

PS&E Packages must be completed with Official Engineer's  
 Estimates by October 21

PROGRAM	#of CONTRACTS	FEDERAL	STATE	OTHER	TOTAL BID AMOUNT
December 2011	7	\$ -	\$ -	\$ 3,863,712.66	\$ -





# Lettings - Next 3 Cycles

January 10, 2012

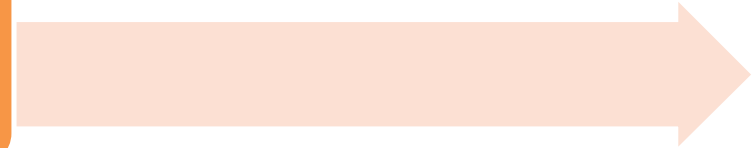
Status – PENDING REVIEW/APPROVAL

Review Underway

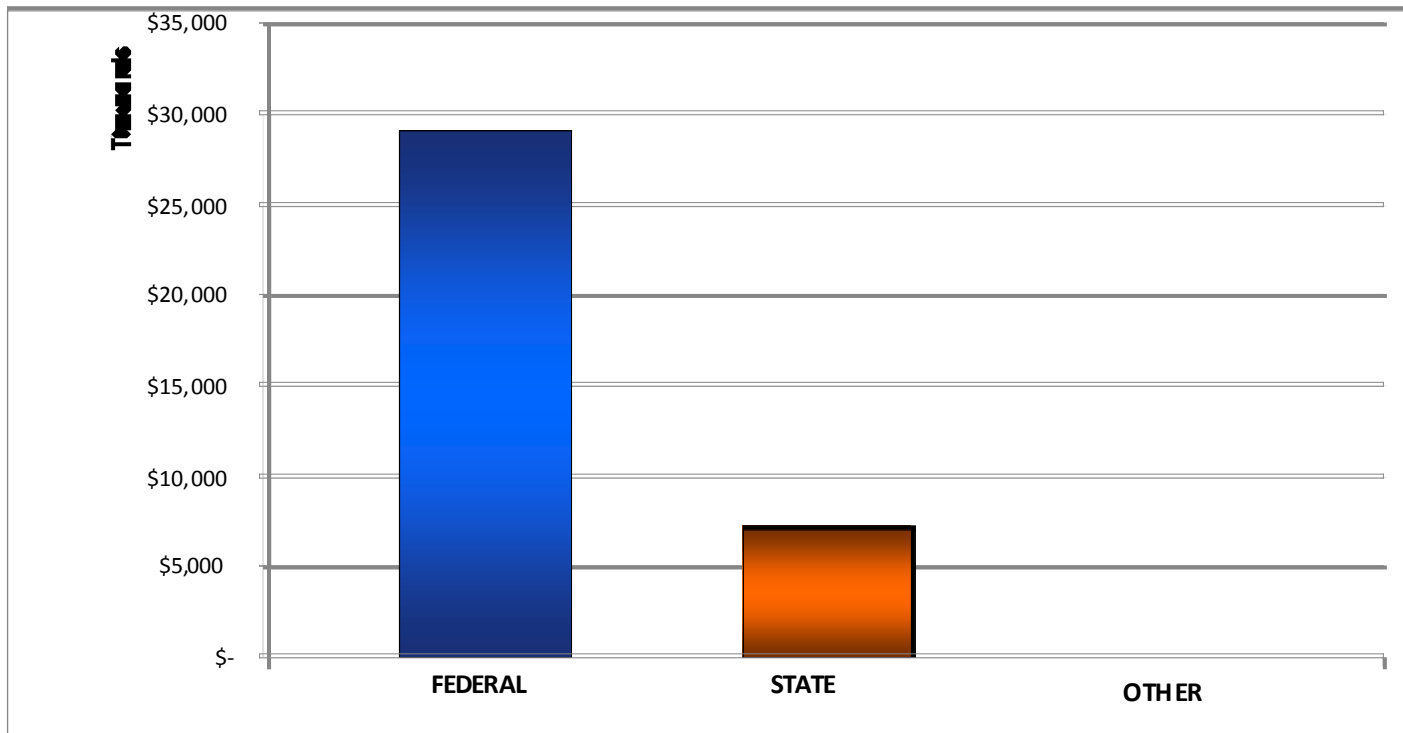


# Design Build Projects

Bridge Pkg A: Status - **ADVERTISED**  
 Bridge Pkg C: Status - **PENDING ADVERTISEMENT**  
 Bridge Pkg D: Status - **PENDING FHWA CONCURRENCE**

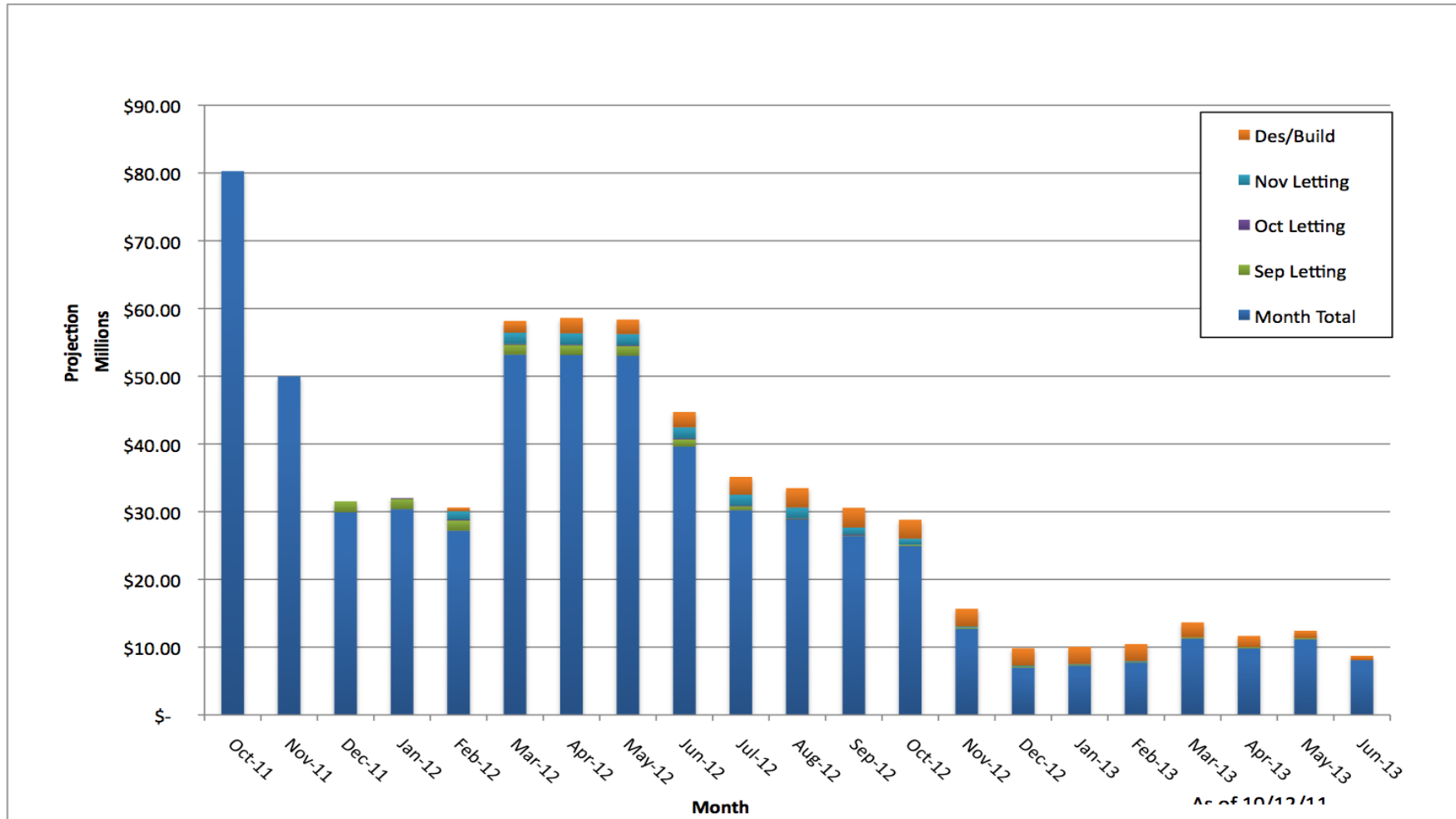


PROGRAM	# of	FEDERAL	STATE	OTHER	DB TOTAL
DESIGN/BUILD	3	\$ 29,222,380.80	\$ 7,305,595.20	\$ -	\$ 35,782,000.00



**\*\* State Participation is reallocation of SIB Multi-Project Loan \*\***

# Expected Value of Work to be Completed (Active and Future Construction Projects)



# Maintenance Program FFY Program Obligations State Funds

## 2012 State Program

Budget Item	Estimated Payout
Districts 1-7	\$217,894,785
PIP Program*	\$66,022,003
Statewide	\$27,112,904
Secondary RPM Program	\$1,500,000
<b>Total</b>	<b>\$312,529,692</b>

District revised amounts reflect deferment of contract maintenance projects

\*Includes \$22,674,000 of new projects and payout for previously let projects



# Procurement/Payroll

- Purchase orders (P.O.s) in force - \$42.7M
- Purchase orders are written to primarily support the maintenance and general activities of the Department.
  - Maintenance supplies – aggregate, concrete pipe, auto repair parts & supplies, roadside sweeping, tree trimming, catch basin repairs
  - Equipment purchases, IT purchases, software, copier rentals, etc.
- Payroll is paid twice a month with an average of \$8.9M, including employer portion of contribution



# Payroll

	June 2007			June 2008		
	#FTE	Payroll	% change	#FTE	Payroll	% change
Executive/General Administration	767	31,231,770		779	32,671,816	4.61%
Engineers	1,342	65,813,398		1,428	70,778,596	7.54%
Craft & Trades	2,876	79,884,109		2,952	83,090,184	4.01%
	4,985	176,929,277		5,159	186,540,596	

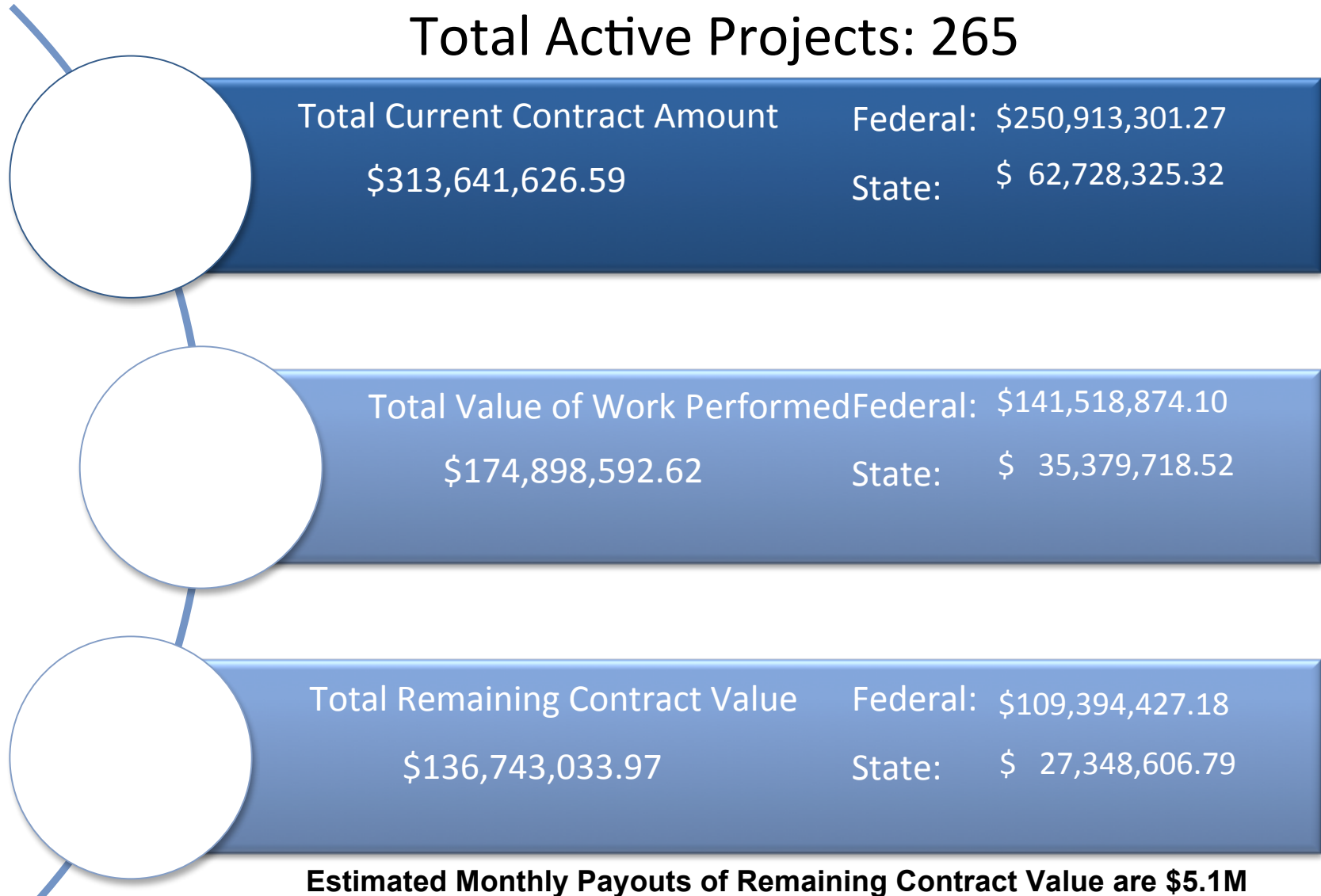
	June 2009			June 2010		
	#FTE	Payroll	% change	#FTE	Payroll	% change
Executive/General Administration	781	33,760,546	3.33%	763	33,022,197	-2.19%
Engineers	1,448	72,602,065	2.58%	1,445	73,052,577	0.62%
Craft & Trades	2,880	81,301,677	-2.15%	2,798	79,055,163	-2.76%
	5,109	187,664,288		5,006	185,129,937	

	June 2011		
	#FTE	Payroll	% change
Executive/General Administration	716	31,312,674	-5.18%
Engineers	1,445	69,824,810	-4.42%
Craft & Trades	2,535	72,172,872	-8.71%
	4,696	173,310,356	

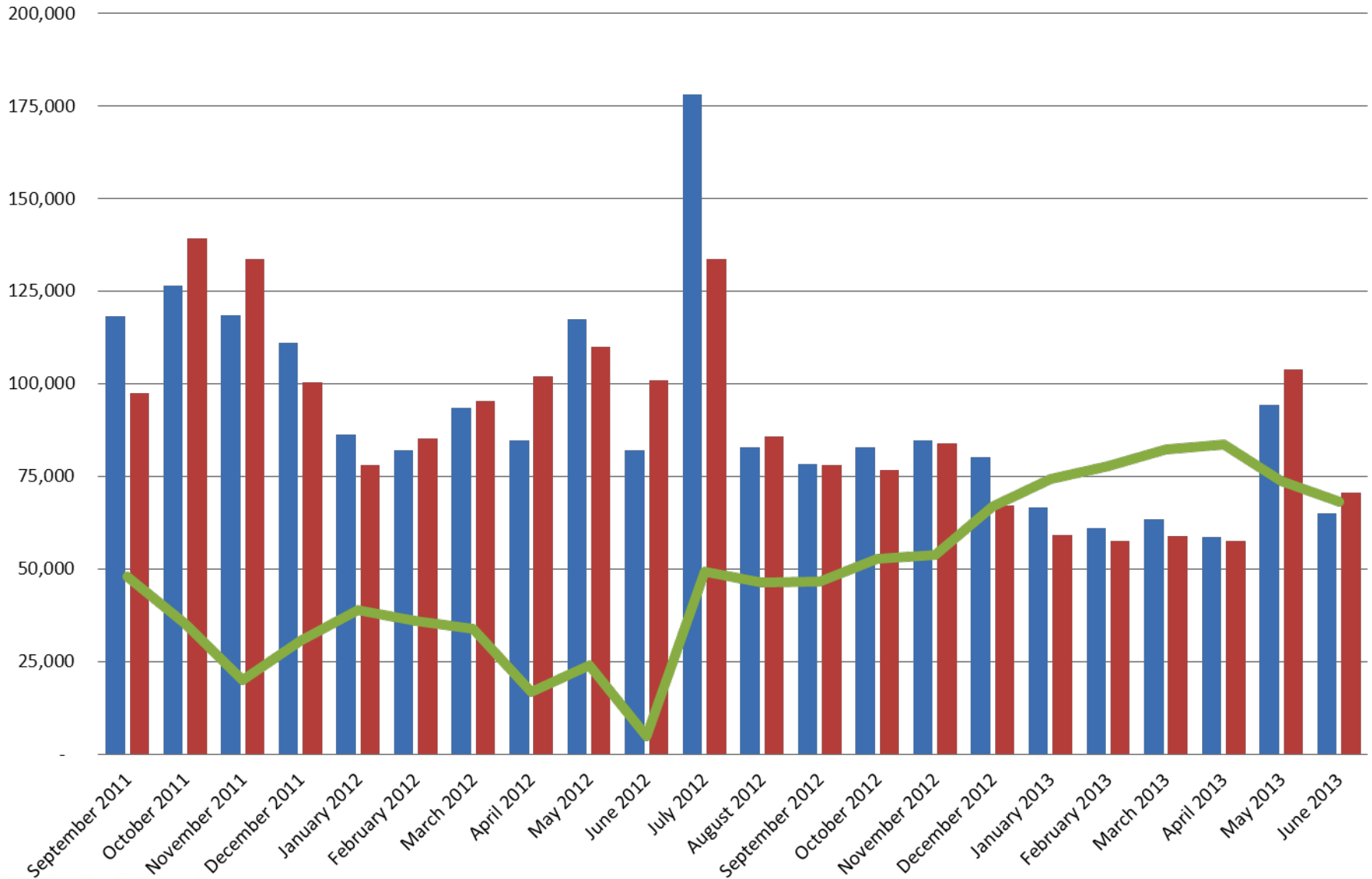


# Professional Services Contracts in Force

Total Active Projects: 265



## SCDOT Projected Cash Receipts, Payments & Balance



■ Projected Receipts    
 ■ Projected Payments    
 — Projected Cash Balance



# Revenue Enhancement Efforts

- Partnering with FHWA to examine additional reimbursable projects
- Soft match on state road non-federal aid reimbursable bridges
  - Estimated \$4M this year
  - Already approved
- Reimbursement Rate for Indirect Expenses (OH/GA)
- Advanced billing of debt payments annually



# Conclusion

- PRAM intended to enhance communication between those managing cash and those managing current and future obligation(s)
- Need:
  - To carefully manage state cash
  - To maintain an average cash balance at a safe level (\$75M)
  - To secure passage of H. 3266

