



## MEMORANDUM

**TO: TRANSPORTATION COMMISSION**  
**FROM: JOSH LAIPPLY, CHIEF ENGINEER**  
**SCOTT RICHRATH, CHIEF FINANCIAL OFFICER**  
**DATE: SEPTEMBER 17, 2014**  
**SUBJECT: PROGRAM MANAGEMENT WORKSHOP**

### Purpose

The Program Management Workshop provides the Transportation Commission with an update on the delivery of programs and significant projects. This month there is a focus on Asset Management.

### Action

The program management items presented here are for Transportation Commission information and comment. As we continue to develop program management reports, input from the commission on which types of reports clearly present program status is valuable.

### Details

#### ***Program Management Update***

A primary performance metric for the integration of Cash Management and Program Management is the cash balance. Included in the Powerpoint is a diagram reporting actual cash balances for all CDOT funds—including Local Agency, Flood, etc.—against our path to target that has been set.

In July's report, the cash plus cash equivalents balance totaled \$1.806 billion. However, please note that the figures used to produce the attached Cash and Federal Equivalents Chart do not include the July state highway funds transfer balances from the Colorado Operating Resource Engine (CORE), the State's updated accounting system. Period One (1) is scheduled to close on September 26, 2014.

As a result, the July cash figure is understated. The July actual cash balance is expected to increase by approximately \$40 million. Including these additional funds, the July cash plus cash equivalents balance would be \$1.846 billion. The July figure will be updated in the August report.

This month's presentation includes a focus on Asset Management. The Transportation Commission receives updates monthly for all programs and receives a rotating focus into individual programs. These updates are included in the attached PowerPoint presentation.

Our focus on Asset Management concentrates specifically on the 2014 and 2015 Programs. An overview of financial and project delivery performance is provided for each program as well as a financial status for each asset category. The SPI show for the 2014 Asset Management program is for the entire program, preconstruction and construction, all other SPI's being reported are for preconstruction only.



The PowerPoint slides showing the status of the 2014 and 2015 Asset Management programs provide a summary of preconstruction and construction performance. The charts to the right are considered a leading indicator; they depict how the program is progressing from “design” (preconstruction) to “construction.” This indicator is seen as a leading indicator because progress on the first half of project delivery (preconstruction) is depicted here. The financial status, shown on the left, is considered a lagging indicator. This is because it shows financial performance in the second half of the project delivery (construction), at a time when CDOT has engaged a construction contractor for a certain schedule and scope of work.

While much of the 2014 Asset Management program is under construction, it is not likely to meet anticipated spending goals. More focus on the leading indicators of getting projects to advertisement will help us meet program goals. The focus going forward will be on the 2015 and subsequent Asset Management programs. As of August over 80% of the 2015 Asset Management projects have been scoped and are design, bid/award or construction.

#### Next Steps

CDOT staff will continue to make regular Program Management updates through workshops on the Commission agenda. These workshops will be jointly developed by the Chief Financial Officer and the Chief Engineer since the agency is adopting project delivery and financing methods that integrate cash management and program management.

#### Attachments

1. Powerpoint Presentation





**COLORADO**

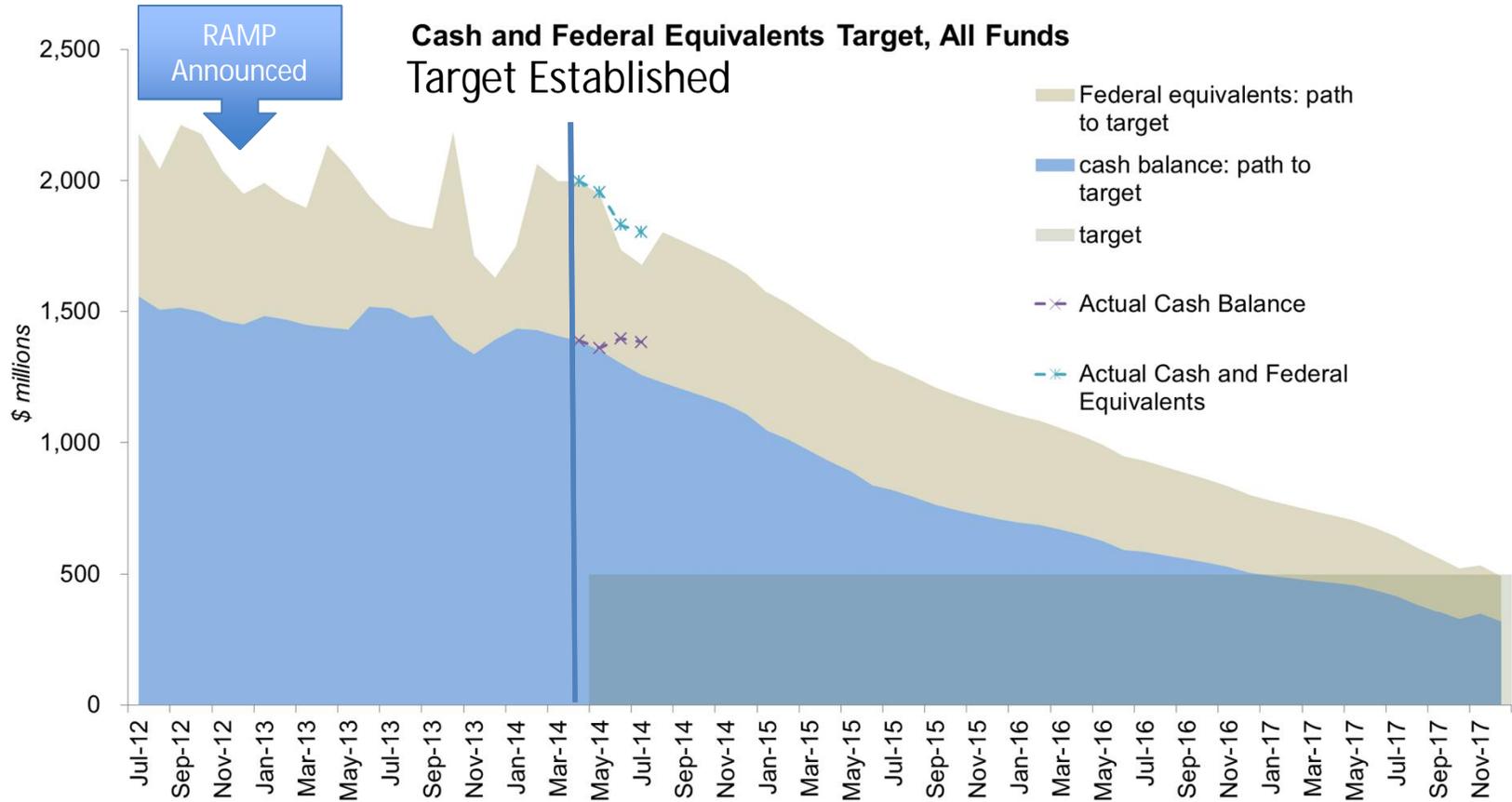
Department of  
Transportation



# Program Management Update September 17, 2014



# Cash & Equivalents Target Balance



As of September 4, 2014



# PMO Reporting Overview by Program

Program	Financial Performance (\$Millions)			Schedule	Quarterly Rotation
	Program Expenditure through 7/18/2014	Program Expenditure through 8/22/2014	\$ Change	SPI	
Flood	\$97.0	\$100.2	\$3.2	0.57	Oct.
RAMP P&O (Local Agency)	\$1.1	\$1.1	\$0.0	0.74	Oct.
RAMP P&O (CDOT)	\$78.3	\$87.3	\$9.0	0.63	Nov.
RAMP P&O (Overall)	\$79.4	\$88.4	\$9.0	0.64	Nov.
Other CDOT Projects	N/A	N/A	N/A	N/A	Nov.
2014/2015 Asset Management	\$318.8	\$387.4	\$68.6	0.71/0.52	Sept.
Safety Projects	N/A	N/A	N/A	N/A	Sept.
<b>Totals</b>	<b>\$495.2</b>	<b>\$576.0</b>			

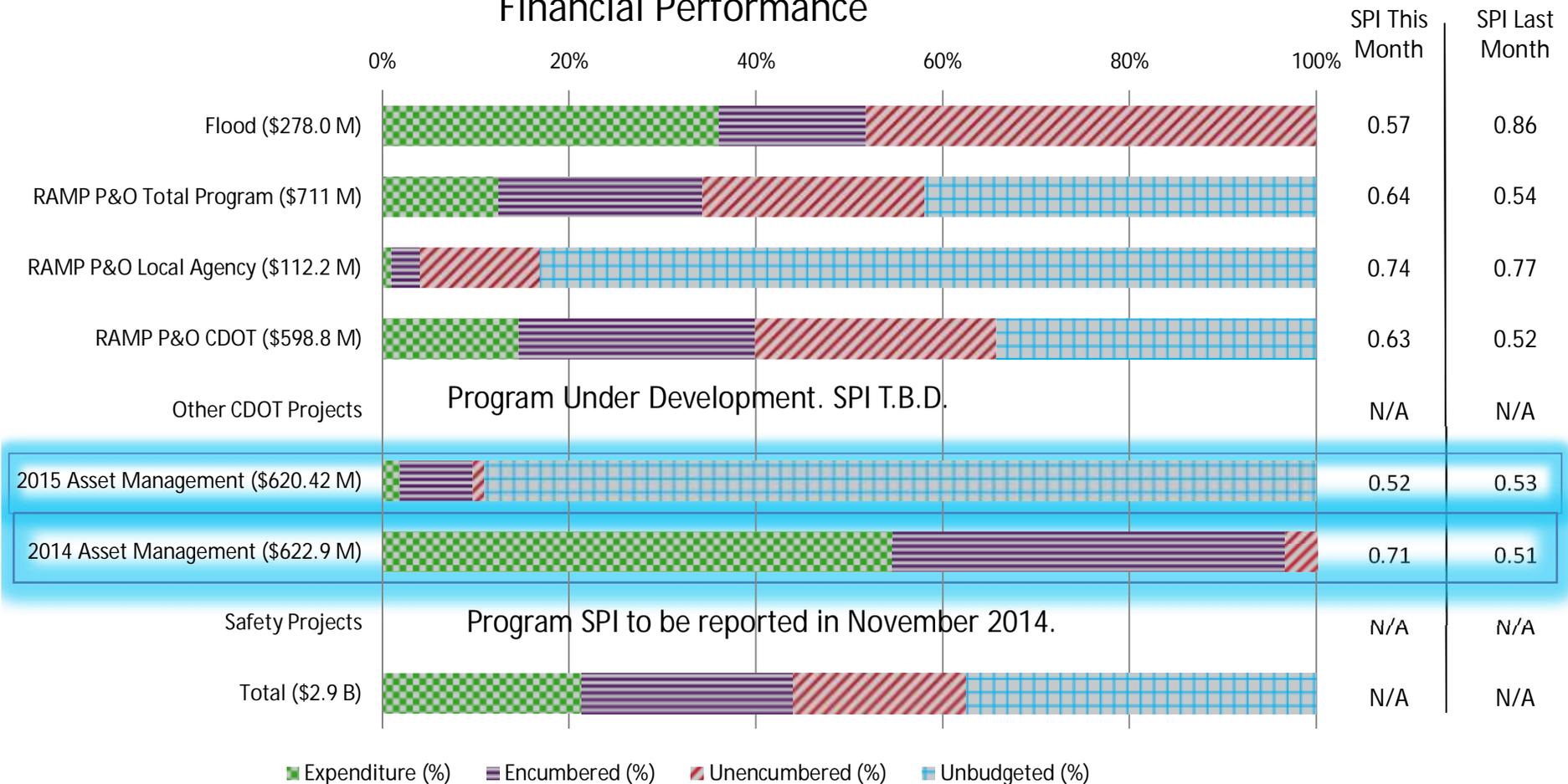
Notes: Asset Management expenditures are a combination of 2014 and 2015. Asset Management expenditures include MLOS and Roadway Equipment while these are excluded in the overall program SPI. N/A - Program in development and data not available at this time.

As of August 22, 2014



# PMO Reporting Overview by Program

## Financial Performance



Total Cumulative Program Amounts are for the duration of the program. Program amounts and duration vary for each program.

N/A - Master Program Schedule still in development, no data available.

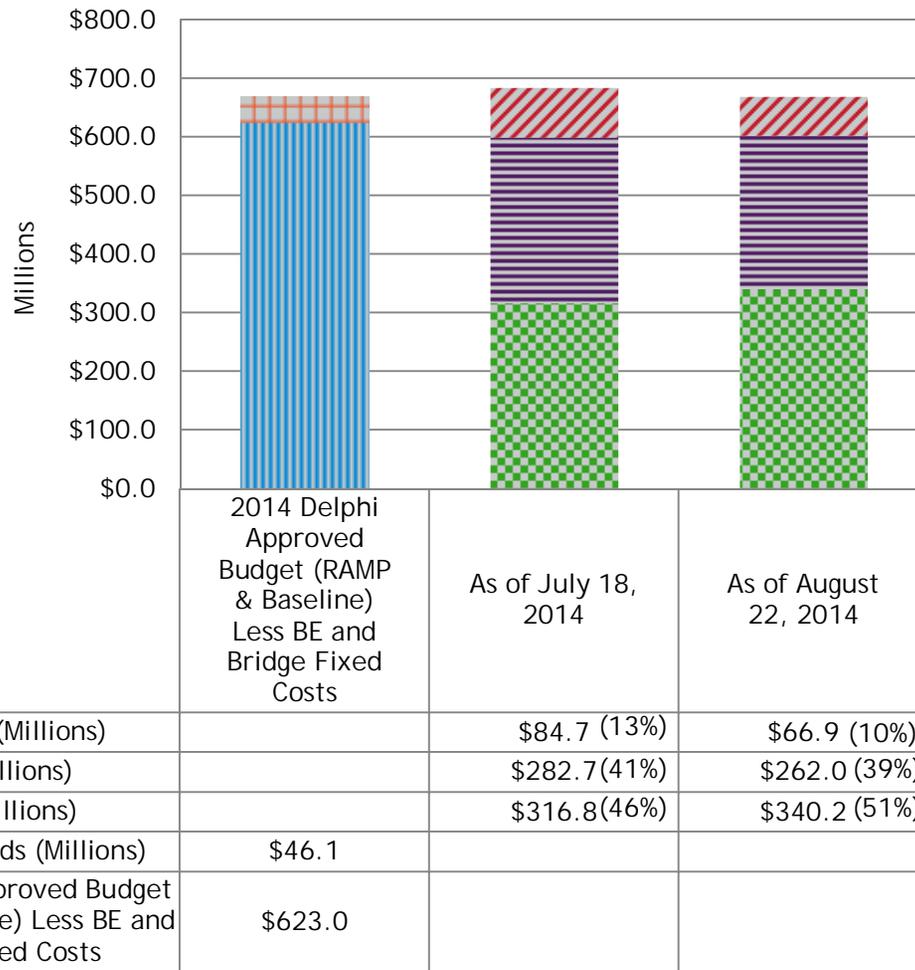
Note: Asset Management expenditures include MLOS and Roadway Equipment while these are excluded in the overall program SPI.

As of August 22, 2014



# Status of 2014 Asset Management

## 2014 Asset Management Financial Status

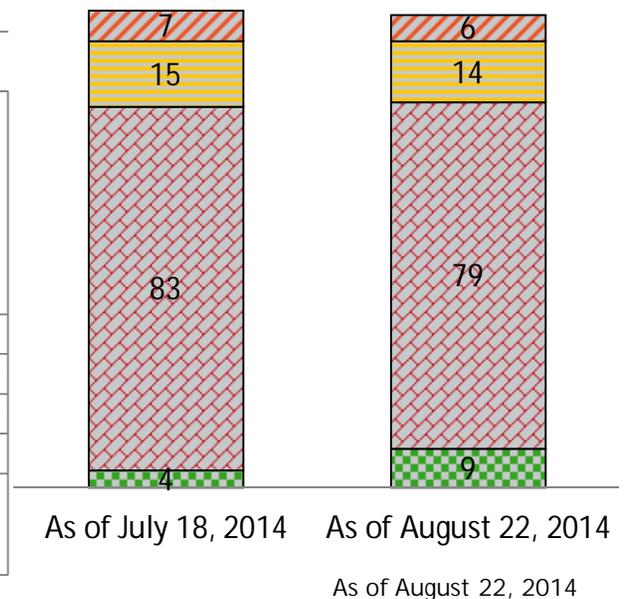


94% of Projects have been Advertised (102 Projects)

90% of budget Expended and Encumbered

### Asset Management Projects (108 Total)

- Complete
- In Construction
- In Bid/Award
- In Design





# Status of 2014 Asset Management

## 2014 Asset Category Overview

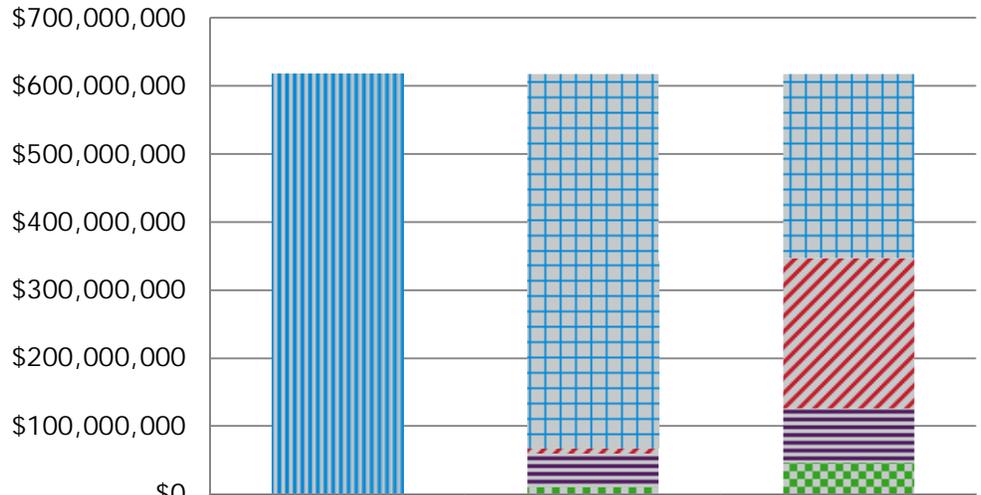


As of August 22, 2014



# Status of 2015 Asset Management

## 2015 Asset Management Financial Status

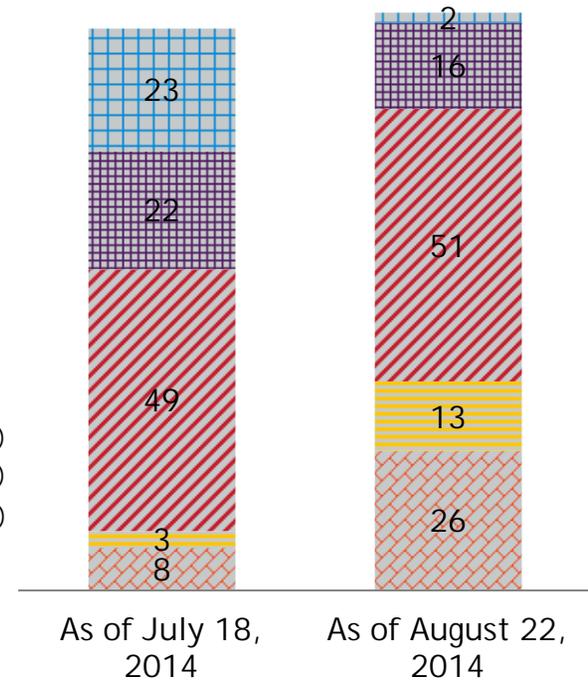


	2015 Delphi Approved Budget (RAMP & Baseline) Less BE and Bridge Fixed Costs	As of July 18, 2014	As of August 22, 2014
Unbudgeted	(89%)	\$550,400,000	\$270,975,000 (44%)
Unencumbered	(1%)	\$7,900,000	\$221,117,000 (36%)
Encumbered	(8%)	\$48,500,000	\$79,100,000 (13%)
Expenditure	(2%)	\$11,500,000	\$47,209,000 (7%)
<b>2015 Delphi Approved Budget (RAMP &amp; Baseline) Less BE and Bridge Fixed Costs</b>	<b>\$618,400,000</b>		

Percentages show are out of 2015 Delphi Approved Budget (Less BE and Bridge Fixed Costs)

## 2015 Asset Management Project Status

- No Subaccount
- No Budget/No Milestones
- In Design
- In Bid/Award
- In Construction

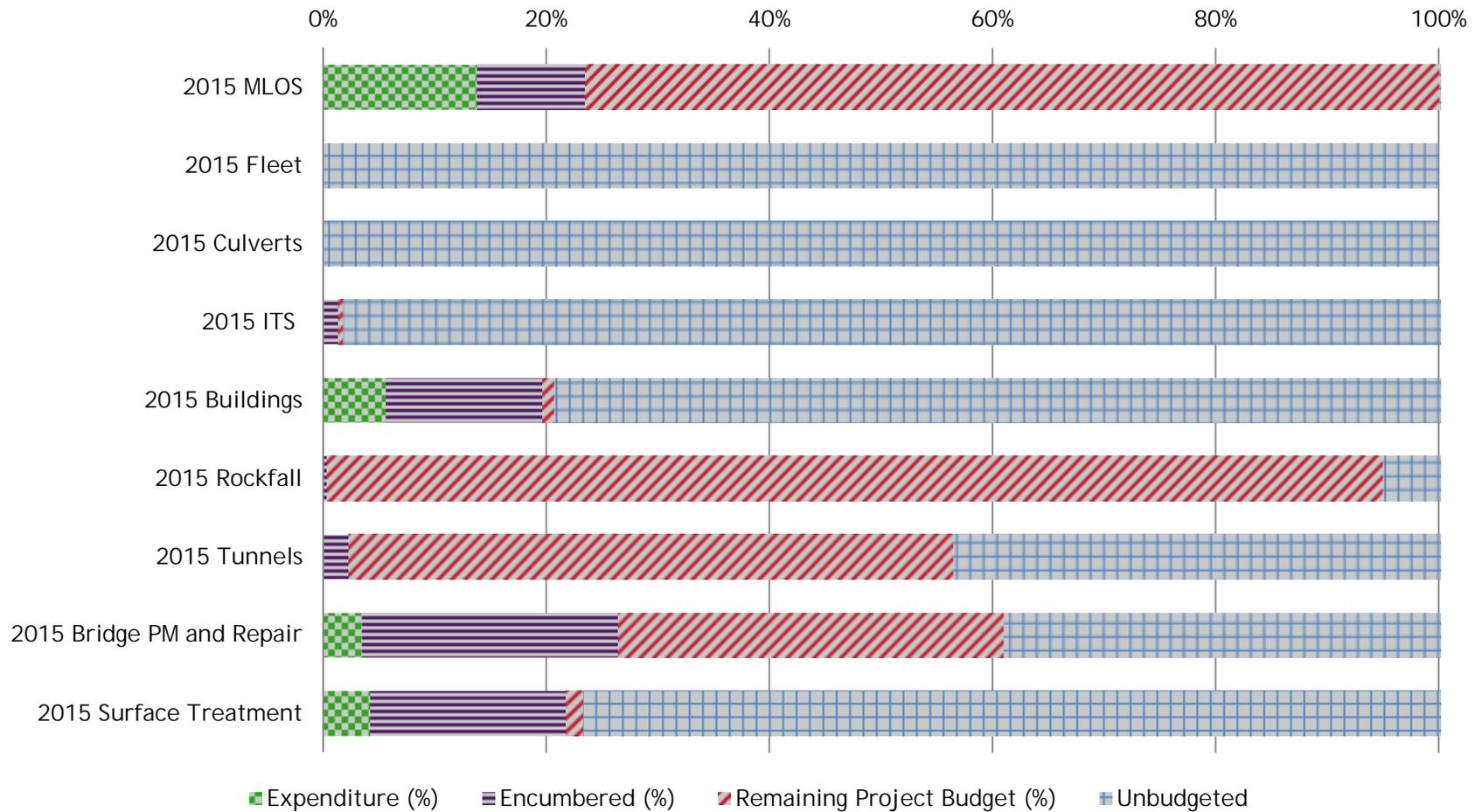


As of August 22, 2014



# Status of 2015 Asset Management

## 2015 Asset Category Overview



As of August 22, 2014



## PMO Coming Attractions

---

- Update of Cash Balance
- Overview of Flood Program
- Overview of RAMP Partnership and Operations (Local Agency Projects)

As of August 22, 2014



**COLORADO**  
**Transportation Commission**

4201 East Arkansas Avenue, Room270  
Denver, CO 80222-3406

DATE: September 17, 2014  
TO: Transportation Commission  
FROM: Joshua Laipply  
SUBJECT: PMO workshop - I-25 Ilex UPRR Design Build Project

Purpose

To provide the Commission an update on the non-responsive submittals by the 3 short-listed design/build teams and the impacts to the project scope and schedule.

Action

For information only

Background

On August 21st CDOT conducted a public bid opening of the I-25 Ilex UPRR Design / Build project in Pueblo. The project consisted of a base project scope, wich is intended to be slightly under the published funding available. Then Additional Requested Elements (AREs), essentially a "wish list" of additional improvements that we are not confident we have enough funding for are added. Typically the successful proposer completes the base project and is able to provide more AREs than his competitors at best and final offer (BAFO) whichh is at or under the funded amount. When the Ilex project opened the BAFO from the three short-listed firms, all 3 firms were over the funded amount. This is deemed non-responsive.

Design/Build contracting is structured to deliver the lowest-cost and best technical solution. When structured as a maximum scope project (like Ilex) the proposers have a fixed dollar amount to deliver the most benefit for CDOT. CDOT has many years of experience with this contracting method and still believes it to be a great tool to deliver cost-effective projects. However, based upon recent CM/GC negotiations and another upcoming D/B project for the Cimarron Interchange, staff felt the best solution was to trim the scope of work back and move forward with a new round of price proposals from the short-listed teams.

Details

Funding

- Bridge Enterprise \$33M
- Other \$23.8M

Short-listed Teams

- Flatiron/HDR
- Kraemer/TSH
- RL Wadsworth/Michael Baker Jr.

Schedule Delay

- Potentially 4 months

Next Steps

CDOT Regional Staff is revising the base project scope to an amount that still maintains the minimal functional and conditional improvements and will have each proposer re-bid the agreed upon scope.

