Transportation Commission
Oct. 14 & 15, 2015
Meeting Schedule & Agenda
4201 East Arkansas Avenue
Denver, Colorado 80222

*Kathy Connell, Chairwoman*
Steamboat Springs, District 6

*Shannon Gifford*
Denver, District 1
*Ed Peterson*
Lakewood, District 2
*Gary M. Reiff, Vice Chair*
Englewood, District 3
*Heather Barry*
District 4
*Kathleen Gilliland*
Livermore, District 5

*Kathy Hall*
District 7
*Sidny Zink*
Durango, District 8
*Nolan Schriner*
District 9
*William Thiebaut*
Pueblo, District 10
*Steven Hofmeister*
Haxtun, District 11

THE CHAIRWOMAN MAY ALTER THE ITEM SEQUENCE OR TIMES

The times indicated for each topic on the Commission agenda are an estimate and subject to change. Generally, upon the completion of each agenda item, the Commission will immediately move to the next item. However, the order of agenda items is tentative and, when necessary to accommodate the public or the Commission's schedules, the order of the agenda items is also subject to change.

Documents are posted at http://www.coloradodot.info/about/transportation-commission/meeting-agenda.html no less than 24 hours prior to the meeting. The documents are considered to be in draft form and for information only until final action is taken by the Commission.

Unless otherwise noted, all meetings are in CDOT HQ Auditorium.

TRANSPORTATION COMMISSION WORKSHOPS

Wednesday, Oct. 14, 2015

12:00 p.m. HPTE Board Meeting [Call to Order in Room 225]

12:55 p.m. HPTE Board Break

1:00 p.m. HPTE Board Meeting [Reconvenes in Auditorium]

2:15 p.m. Commissioner Meetings with RTDs [Various Rooms]

2:45 p.m. Policy Directive 14 Performance Measures and Targets Report.....Tab 01

3:15 p.m. Budget Workshop (Maria Sobota).....Tab 02

3:45 p.m. Program Management Workshop (Richard Zamora, Josh Laipply, Maria Sobota).....Tab 03

4:15 p.m. Ten-Year Development Program (Deb Perkins Smith) ... .....Tab 04

4:45 p.m. HOV Policy on Tolled Express Lanes (Deb Perkins Smith).....Tab 05

5:15 p.m. Adjournment

5:30 p.m. Dinner with DRCOG Board (Hilton Garden Inn, 600 S. Colorado Blvd., Denver, CO)

TRANSPORTATION COMMISSION MEETING

Thursday, Oct. 15, 2015

7:30 a.m. Breakfast Meeting [Room 262]

9:00 a.m. 1. Call to Order, Roll Call

2. Audience Participation; Subject Limit: 10 minutes; Time Limit: 3 minutes

3. Comments of Individual Commissioners

4. Executive Director's Report (Shailen Bhatt)

5. Chief Engineer's Report (Josh Laipply)

6. HPTE Director's Report (David Spector)

7. FHWA Division Administrator Report (John Cater)

8. Act on Consent Agenda..... .....Tab 06

a) Resolution to Approve the Regular Meeting Minutes of Sept. 17, 2015 (Herman Stockinger)

b) Leadville SH 24 Minor Encroachment Disposal (David Eller)

9. Discuss and Act on the 4th Budget Supplement of FY 2016 (Maria Sobota) ..... .....Tab 07

10. Discuss and Act on Amendment to the June 27, 2013 US 36 Concession Project IAA between CDOT and HPTE (Nick Farber) ..... .....Tab 08

11. Discuss and Act on Adoption of HOV Policy (Deb Perkins Smith).....Tab 09

12. Discuss and Act on C-470 HOV Policy (Brett Johnson).....Tab 10

13. Other Matters

14. Acknowledgements

15. Adjournment

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The Bridge Enterprise Board of Directors meeting will begin immediately following the adjournment of the Transportation Commission Meeting. Estimated Start Time: 10:00 a.m.

BRIDGE ENTERPRISE BOARD OF DIRECTORS .....Tab 11

1. Call to Order and Roll Call

2. Audience Participation
   Subject Limit: 10 minutes; Time Limit: 3 minutes

3. Act on Consent Agenda

   a) Resolution to Approve Regular Minutes from Sept. 17, 2015 (Herman Stockinger)

4. FY 2016-17 Draft Budget and FY 2014-15 Revenue Reconciliation Information (Maria Sobota)
5. 3rd Budget Supplement (Maria Sobota)

6. Monthly Progress Report (Scott McDaniel)

7. Adjournment

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Immediately following the adjournment of the Bridge Enterprise Board of Directors. Estimated start time: 10:30 a.m.

ADDITIONAL TRANSPORTATION COMMISSION WORKSHOP..... .....Tab 12

Transit and Intermodal Committee Meeting (Mark Imhoff)

COLORADO
Department of Transportation
Division of Transportation Development

**DATE:** October 7, 2015
**TO:** Transportation Commission
**FROM:** Debra Perkins-Smith, Director, Division of Transportation Development
**SUBJECT:** Policy Directive (PD) 14.0 Performance Measures and Objectives

Purpose
This memo reports on progress in meeting performance objectives in Policy Directive (PD) 14.0 "Policy Guiding Statewide Plan Development", and provides further details on ability to meet performance targets as requested by the Commission during the September PD 14 workshop. Additionally, this memo reiterates the FY17 Asset Management planning budget that was approved by the TC Asset Management Committee in November 2014, and which will be included in the FY17 budget setting process, and highlights the link between performance objectives and funding decisions.

Action
Informational to inform the FY17 budget setting process.

Background
CDOT establishes the transportation planning framework for each planning cycle through review and revision of PD 14.0, which guides the Statewide Transportation Plan development and implementation, and the distribution of resources to meet performance objectives. The current PD 14.0 is consistent with the 2012 federal authorization law, MAP-21 (Moving Ahead for Progress in the 21st Century), 23 U.S.C. 134, 135 and 450, P.L. 112-141. MAP-21, and emphasizes performance measures and targets, or objectives, to support national goals. The current PD 14.0 was developed with extensive input and direction from the Transportation Commission Statewide Plan Committee, Asset Management Committee, and Transit & Intermodal Committee. The Transportation Commission adopted the current PD 14.0 in February, 2015 in advance of the March adoption of the 2040 Statewide Transportation Plan (SWP). PD 14.0 was developed in tandem with the 2040 SWP and the plan reflects PD 14.0 goals and performance objectives.

PD 14.0 outlines goals and performance objectives in the following areas:

- Safety – Moving Colorado toward zero deaths by reducing traffic-related deaths and serious injuries by one-half by 2030.
- Infrastructure Condition – Preserve the transportation infrastructure condition to ensure safety and mobility at a least life cycle cost.
- System Performance – Improve system reliability and reduce congestion, primarily through operational strategies and secondarily through the addition of capacity. Support opportunities for mode choice.
- Maintenance – Annually maintain CDOT's roadways and facilities to minimize the need for replacement and rehabilitation.

PD 14.0 also articulates the intention to add additional measures and objectives in the future in the areas of Economic Vitality, Environmental Sustainability, Bicycle and Pedestrian, Truck Freight, and Freight Rail.

Details
The workshop will include detail on current and forecasted performance. In general, performance results are reported on either a calendar or fiscal year basis with the most current data being for calendar and FY14. These results are compared to the state FY14 budget, and reflect that while it is possible to meet each performance objective individually, CDOT does not currently have sufficient funding to meet all performance objectives simultaneously. Please reference Attachment A for more details.

FY17 Asset Management Planning Budget
Please reference Attachment B. On August 22, 2014 staff met in a budget setting workshop to review forecasted performance and asset need, which was used to develop a proposal for the FY17 asset management planning budget for eleven asset classes. During the November 2014 Asset Management Committee meeting, the FY17 asset management planning budget was approved to assist CDOT staff in planning projects. The planning budget is consistent with Program Distribution for the Statewide Plan (adopted by the TC in spring 2014). The FY17 planning budget includes funds from RAMP and funds typically set aside for TRANs Bond debt service since the bonds are

being retired; the intention was to backfill RAMP funding with these freed up funds since RAMP would partially end in FY17 and fully end in FY18.

Next Steps
Development of FY17 CDOT Budget. Staff will continue to monitor performance and trend to determine if there is a need to change funding allocations in the future. Staff do not recommend any changes to the FY17 planning budget for asset management.

Attachments
Attachment A: PD-14 Report
Attachment B: TAM FY14-19 Planning Budgets

| FY14-FY19 Asset Management Planning Budgets (in millions) | | | | | | |
|---|---|---|---|---|---|---|
| | Actual | | | Proposed | | |
| **Asset Class** | **FY14** | **FY15** | **FY16** | **FY17** | **FY18** | **FY19** |
| Surface Treatment | $238.8 | $235.2 | $235.9 | $242.1 | $231.4 | $225.4 |
| Bridge, BE & Bridge Fixed Costs | $173.9 | $168.2 | $164.1 | $163.2 | $155.4 | $142.5 |
| MLOS | $249.0 | $251.3 | $254.4 | $262.6 | $263.5 | $272.8 |
| Road Equipment | $20.9 | $20.9 | $18.4 | $26.4 | $23.0 | $26.8 |
| ITS | $21.5 | $27.6 | $21.4 | $24.5 | $23.0 | $23.5 |
| Geohazards | $9.0 | $9.1 | $9.2 | $10.0 | $8.5 | $8.4 |
| Buildings | $11.3 | $20.8 | $12.9 | $21.4 | $17.5 | $20.2 |
| Tunnels | $7.4 | $12.4 | $5.2 | $7.6 | $6.4 | $8.4 |
| Culverts | $11.5 | $9.6 | $8.2 | $11.0 | $9.1 | $7.6 |
| Walls | $0.0 | $0.0 | $2.4 | $5.8 | $4.6 | $4.6 |
| Traffic Signals | $0.0 | $0.0 | $5.7 | $16.9 | $12.6 | $14.8 |
| **TOTAL** | **$743.3** | **$755.1** | **$738.0** | **$791.5** | **$755.0** | **$755.0** |

| Attachment A: PD 14.0 Objectives | Annual Objective | 2014 Results | Objective Met? | FY 14 Budget | FY15 Budget | FY16 Budget | FY16 Anticipated Condition | Long-Term Forecasted Condition | Funding Sources/Budget Program Category | Notes |
|---|---|---|---|---|---|---|---|---|---|---|
| **Safety** | | | | | | | | | | |
| **All Highways** | | | | | | | | | | |
| Reduce fatalities by 12 per year from 548 in 2008 to 344 in 2025. | 476 | 488 (2014 data as of 9/1/2015) | | | | | | | | Beginning in FY15, $40 M of FASTER Safety funds was allocated to asset management to fund programs with a clear safety benefit (bridge, geohazards, and surface treatment)<br><br>Through the vision of the SHSP and with continued improvement and application of safety analysis, CDOT is being more strategic in its use of safety funding for safety projects. The SHSP identified eight strategic emphasis areas for CDOT, as well as other safety stakeholder agencies, to focus safety improvement efforts. In CDOT's dedicated safety programs, HQ and Regions are collaborating to use state of the art safety analysis techniques to find the most effective locations for crash reduction, and fund those projects in a strategic four-year plan. |
| Reduce the fatality rate per 100 million VMT by 0.02 per year from 1.03 in 2013 to 0.79 in 2025. | 1.01 | 1.00 (2014 data as of 9/1/2015) | | | | | | | | |
| Reduce serious injuries by 90 per year from 3,200 in 2013 to 2,120 in 2025. | 3,110 | 3,217 (2014 data as of 9/1/2015) | | $123 million | $89.7 million | $98.7 million | see notes | see notes | Highway Safety Improvement Program, FASTER Safety, Safety Education, Hot Spots Program | |
| Reduce the serious injury rate by 0.2 per 100 million VMT per year from 6.86 in 2013 to 4.46 in 2025. | 6.66 | 6.57 (2014 data as of 9/1/2015) | | | | | | | | |
| Reduce the economic impact of crashes annually by 1% over the previous calendar year. | $7.54 billion | $7.79 billion | | | | | | | | |
| **Bike and Pedestrian** | | | | | | | | | | |
| Reduce the number of bicyclist and pedestrian fatalities involving motorized vehicles from 67 in 2013 to 47 in 2025. | 65 | 73 (2014 data as of 9/1/2015) | | N/A | N/A | N/A | see notes | see notes | No dedicated funding source: includes portions of TAP, Safe Routes to School, CMAQ, and Bike Safety Education Programs through SPR | Bike and pedestrian is one of three emphasis areas in the SHSP.<br><br>Recommended next steps - staff will analyze crash data further to identify specific bike/ped crash types and identify appropriate response strategies including targeted bike/ped safety outreach and education |
| Reduce the number of bicyclist and pedestrian serious injuries involving motorized vehicles from 469 in 2013 to 311 in 2025. | 456 | 470 (2014 data as of 9/1/2015) | | | | | | | | |
| **System Performance** | | | | | | | | | | |
| **Highways** | | | | | | | | | | |
| Prevent the spread of congestion by maintaining a Planning Time Index (PTI) of 1.25 or less on 90% or greater of Interstate centerline miles. | 90% | 90% of Interstate centerline miles achieved PTI | | $25.2 million Dedicated Funding + individual project spending | $28.8 million Dedicated Funding + individual project spending | $28.4 million Dedicated Funding + individual project spending | see notes | see notes | Congestion Relief, ITS Investments, and ITS Maintenance Programs | PTI targets were met for Interstate, and Colorado Freight Corridors, but not NHS. The difference in performance is possibly attributable to a greater focus of investments, including in operations, on interstates.<br><br>Recommended next steps - Staff are undertaking analysis to identify the most appropriate strategies, including the deployment of additional operational solutions including Traffic Incident Management (TIM).<br><br>Projections suggest that the overall extent of corridors experiencing congestion above the target (currently 10% of centerline miles) will only experience minor increases by 2025. However, the PTI on the most congested segments is projected to increase significantly. |
| Prevent the spread of congestion by maintaining a PTI of 1.08 or less on 90% or greater of National Highway System (NHS) centerline miles, excluding Interstates. | 90% | 88% of NHS centerline miles achieved PTI | | | | | | | | |
| Prevent the spread of congestion by maintaining a PTI of 1.25 or less on 90% or greater of Colorado Freight Corridor centerline miles. | 90% | 90% of Colorado Freight Corridors achieved PTI | | | | | | | | |
| **Transit** | | | | | | | | | | |
| Increase ridership of small urban and rural transit grantees by at least an average of 1.5% statewide over a five-year period beginning in 2012. | 0.30% | 2.25% (CY13 Data) | | $29 million | $29 million | $29 million | no data | no data | FTA Programs and FASTER Transit funding for rural and small urban areas | |
| Maintain or increase the total number of revenue service miles of regional, inter-regional, and inter-city passenger service over that recorded for 2012. | TBD | TBD | | TBD | | | no data | no data | | |
| **Infrastructure Condition** | | | | | | | | | | |
| **Highways** | | | | | | | | | | |
| Achieve 80% High/Moderate Drivability Life for Interstates based on condition standards and treatments set for traffic volume categories. | 80% | 89% | | $238.8 million | $235.2 million | $235.9 million | | | Surface Treatment Program (including FASTER Safety) | In FY15 pavement is expected to achieve 91% high/moderate DL on Interstates, 84% high/moderate DL for NHS, and 79% high/moderate DL for all state highways.<br><br>Preliminary review of the newest forecast data indicates that we will achieve 79% high/moderate DL for all state highways in 2016. The primary reason for an uptick in condition is a change to the equation that calculates our IRI Index, specifically for non-Interstate asphalt highways (which is a majority of our facilities). It should be noted that the forecast shows that these levels of DL are not maintainable over time.<br><br>Recommended next steps – staff will work to improve/tighten the link between pavement maintenance and pavement model recommendations, and evaluate the effect of pavement preventive maintenance on drivability life to identify strategies. |
| Achieve 80% High/Moderate Drivability Life for NHS, excluding Interstates, based on condition standards and treatments set for traffic volume categories. | 80% | 78% | | | | | | | | |
| Achieve 80% High/Moderate Drivability Life for the state highway system based on condition standards and treatments set for traffic volume categories. | 80% | 73% | | | | | 79% | 78% in 2026 | | |
| **Bridges** | | | | | | | | | | |
| Maintain the percent of NHS total bridge deck area that is not structurally deficient at or above 90%. | 90% or greater | 95% | | $185 million | $168.2 million | $164.1 million | 95% | 95% in 2026 | On-System Bridge Program (including FASTER Safety), Off-System Bridge Program, and Colorado Bridge Enterprise | Currently exceeding target and will continue to exceed target through 2036 (the last year analyzed); however, the bridge program has 7 metrics geared towards mitigation of risk (below), and four of those are not achieving their target.<br><br>Recommended next steps - for the four risk mitigation metrics not achieving their target, staff are undertaking analysis to identify additional strategies. Current strategies include identifying bridges that can easily be repaired or remedied with the most cost-effective treatment. |
| Maintain the percent of state highway total bridge deck area that is not structurally deficient at or above 90%. | 90% or greater | 94% | | | | | | | | A structurally deficient bridge is typically one where corrosion or deterioration has resulted in a portion of the bridge being in poor condition; for example, where water leaking through an expansion joint has caused the end of a steel girder to rust. |
| Percentage of CDOT-owned bridges over waterways that are scour critical | 5% | 7% | | | | | | | | Scour critical bridges are at risk of failure during a storm event of sufficient size. Estimated $49 M total to achieve target. |
| Percentage of bridge crossings over Interstates, U.S. routes and Colorado state highways with a vertical clearance less than the statutory maximum vehicle height of 14 feet-6 inches | 0.4% | 0.4% | | | | | | | | A bridge with a vertical clearance less than 14'-6" statutory maximum vehicle height has a high risk of being hit by a tall load or legal load. Estimated $36 M total to achieve target. |
| Percentage of bridge crossings over Interstates, U.S. Routes and Colorado state highways with a vertical clearance less than the minimum design requirement of 16 feet-6 inches | 4.8% | 4.8% | | | | | | | | 16'-6" is the minimum clearance used when designing new bridges over a roadway. A bridge with a vertical clearance less than 16'-6" but greater than or equal to 14'-6" has a medium to high risk of being hit by a tall load. Estimated $265 M total to achieve target. |
| Percentage of CDOT-owned bridges posted for load | 0% | 0.1% | | | | | | | | Legal Loads: Vehicles meeting the legal load limits (as defined in C.R.S. 42-4-502 - 42-4-504) can travel on Colorado Interstates, US and State Highways without an approved permit. Our older bridges may need to be posted since some of these bridges were not designed for legal loads. Load posted Structures do impact mobility by restricting both legal and permitted loads. Estimated $5 M total to achieve target. |
| Percentage of CDOT-owned bridges with a load restriction | 3% | 3% | | | | | | | | Permit Vehicles: Permit loads (as defined in the Colorado Bridge Weight Limit Map/CDOT Bridge Rating Manual) are typically heavier and longer than the legal loads and require an approved permit in order to travel on Colorado Hwys. Our older bridges may need to be restricted for passage since some of these bridges were not designed for permit loads. Permitted loads have a certain combination of axle weight and spacing of that distributes the load in an acceptable combination for crossing over structures. Estimated $99 M to achieve target. |
| Percentage of leaking expansion joint by length on CDOT-owned bridges | 15% | 19% | | | | | | | | Leaking expansion joints allow water and deicing chemicals onto superstructure and substructure elements which can accelerate corrosion and lead to early onset of a structural deficiency. Keeping expansion joints sealed slows the rate of bridges dropping into structurally deficient. |
| Percentage of CDOT-owned bridge deck area that is unsealed or otherwise unprotected | 30% | 31% | | | | | | | | Unsealed bridge decks deteriorate faster than sealed bridge decks. |

| *Attachment A: PD 14.0 Objectives* | *Annual Objective* | *2014 Results* | *Objective Met?* | *FY 14 Budget* | *FY15 Budget* | *FY16 Budget* | *FY16 Anticipated Condition* | *Long-Term Forecasted Condition* | *Funding Sources/Budget Program Category* | *Notes* |
|---|---|---|---|---|---|---|---|---|---|---|
| **Buildings** | | | | | | | | | | |
| Statewide Letter Grade | 90%; C or Better | 86%; C or Better | | $11.3 million | $20.8 million | $12.9 million | 78% C or Better | 81% C or Better in 2026 | Property Capital Expenditure Program | Given the current planning budgets, buildings will not achieve its target between now and 2036, the last year of the analysis. In 2036 the expected performance is 79%. Estimated $29 M annually needed to achieve target.<br><br>Recommended next steps – staff will improve awareness of preventive maintenance as a priority, and determine level of funding needed for building preventive maintenance. |
| **ITS** | | | | | | | | | | |
| Average Percent Useful Life | 90% or less | 126% | | $21.5 million | $27.6 million | $21.4 million | 154% | 89% in 2026 | ITS Maintenance | Given the current device count ITS is anticipated to reach its target in 2026 and then hover around it through 2033, when performance will decline again through 2036. However, by 2026 the number of devices will likely double, which will have an impact on performance.<br><br>Recommended next steps – staff will investigate the benefits of preventive maintenance for select devices, and track asset service life and compare to manufacturer estimates. |
| **Fleet** | | | | | | | | | | |
| Average Percent Useful Life | 70% or less | 97% | | $20.9 million | $20.9 million | $18.4 million | 107% | 134% in 2026 | Road Equipment Capital Expenditure Program | Given the current planning budgets, fleet will not reach its target of 70% or less between now and 2036, the last year of the analysis. Estimated $42 M annually to achieve target.<br><br>Recommended next steps – staff will communicate the importance of fleet planning and develop Regional fleet optimization recommendations, develop a fleet performance measure that reflects cost effectiveness rather than asset life, and monitor implementation of fleet preventive maintenance work orders. |
| **Culverts** | | | | | | | | | | |
| Percentage Critical Culverts | 5% or less | 3% | | $11.5 million | $9.6 million | $8.2 million | 5% | 5% in 2026 | Bridge On-System and Off-System Programs (Separate Culverts Program funding began in FY 15) | The FY19 analysis looked at culverts in terms of % culverts structurally deficient (with a target of 5%). Given that metric, culverts exceeds the target today, and will continue to exceed for most years of the analysis, except for a drop to 6%-8% between 2022-2027. |
| **Geohazards** | | | | | | | | | | |
| Number of Sites with letter grade C or better | 60% | 47% | | $9.0 million (rockfall) | $9.1 million | $9.2 million | 47% Sites C or Better | 40% Sites C or Better in 2026 | Rockfall Mitigation Program (including FASTER Safety) (Geohazards Program as of FY15) | Given the current planning budgets, geohazards is not expected to meet its target between now and 2036, the last year of the analysis.<br><br>Recommended next steps – staff are undertaking analysis to identify strategies. |
| **Tunnels** | | | | | | | | | | |
| Key components of fire/life safety must not exceed 100% of useful life, based on manufacturer's specification, the condition inspections, and maintenance history | 100% | TBD | | $7.4 million | $12.4 million | $5.2 million | N/A | N/A | Tunnel Activities Maintenance Program Area | This metric is being refined, as are the tunnels inspections. The initial AIMS results will be available in January 2016.<br><br>Recommended next steps – staff are undertaking analysis to identify strategies. |
| **Traffic Signals** | | | | | | | | | | |
| Percent intersections with at least one component beyond 100% Useful Life | 15% | 52% | | Program initially funded in FY 16 | $0 million | $5.7 million | 60% | 42% in 2026 | Traffic Signals Program | Given the current planning budgets, signals will not reach its target of 15% between now and 2036, the last year of the analysis. Estimate $34 M annually is needed to achieve target.<br><br>Recommended next steps – staff are undertaking analysis to identify strategies. |
| **Walls** | | | | | | | | | | |
| Percentage of CDOT-owned walls, by square foot, that are in condition state 3 or 4 (poor or severe). | 1% | 1% | | Program initially funded in FY 15 | $0 million | $2.4 million | N/A | N/A | Bridge On-System and Off-System Programs (Separate Walls Program funding began in FY 15) | The walls inspections are in progress and the initial results will be in AIMS in January 2016.<br><br>Recommended next steps – staff are undertaking analysis to identify strategies. |
| **Maintenance** | | | | | | | | | | |
| Maintain a LOS B grade for snow and ice removal. | B | B | | $59.7 million Final Budget: $72.5 million | $74.3 million | $77.7 million | B | B in 2026 | Snow & Ice Program and Contingency | The MLOS system is undergoing a review by a consultant and will be modified over the next couple of years.<br><br>Recommended next steps – staff will evaluate maintenance design options based on life-cycle cost considerations and update standards, develop a preventive maintenance tool kit, and establish a funding program for preventive maintenance activities. |
| Maintain an overall MLOS B minus grade for the state highway system. | B - | B- | | $249 million Final Budget: $262 million | $261.3 million | $264.4 million | C | C- 2026 | CDOT Maintenance Program and Contingency | |

COLORADO
Department of Transportation
Division of Accounting and Finance

4201 East Arkansas Avenue, Room 262
Denver, CO 80222

**MEMORANDUM**

**TO:** TRANSPORTATION COMMISSION
**FROM:** MARIA SOBOTA, CHIEF FINANCIAL OFFICER (CFO)
**DATE:** OCTOBER 14, 2015
**SUBJECT:** FY 2014-15 REVENUE RECONCILIATION AND FY 2015-16 TRANSPORTATION COMMISSION CONTINGENCY RESERVE FUND (TCCRF) RECONCILIATION

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**Purpose**

This memorandum summarizes the final Fiscal Year (FY) 2014-15 unaudited revenue reconciliation and Transportation Commission Contingency Reserve Fund (TCCRF) surplus balance reconciliation.

**Action**

The Division of Accounting and Finance (DAF) is asking the Transportation Commission (TC) to review surplus fund balances from FY 2014-15. Funding considerations that are reviewed will be vetted through the normal monthly supplement process.

**Background & Details**

At the close of each fiscal year, the Office of Financial Management and Budget (OFMB) within DAF compares the forecasted revenues to the actual revenues and recommends a course of action to the TC for any surpluses or deficits.

***FY 2014-15 Unaudited Revenue Reconciliation***

The final FY 2014-15 revenue reconciliation was drafted using supplemental documents provided by the Colorado Department of Revenue (DOR) and the Federal Highway Administration (FHWA). Given that the federal fiscal year ended September 30, 2015, FY 2014-15 reconciling amounts have changed since they were first presented at the September TC Budget Workshop. CDOT is eligible to receive an increase in the annual allocation known as Federal Redistribution. The amount available to states varies each year. For FY 2013-14, CDOT received $31.8 million. In FY 2014-15, CDOT has been notified that the amount is $27.8 million. This surplus allows the Department to increase its budget authority in the current fiscal year.

Currently, FY 2014-15 reconciliation reports for CDOT and the Enterprises reveal the following (see also Attachment A):

- CDOT had previously estimated revenues for the FY 2014-15 budget of $1.217 billion, while actual FY 2014-15 revenues totaled $1.354 billion, creating a surplus of $137.0 million. This includes the additional federal obligation authority (FY 2014-15 redistribution). The FY 2014-15 surplus is primarily due to higher than forecasted State Highway User Tax Fund revenues ($27.3 million), as well as CDOT receiving more Permanent Recovery funds than anticipated ($85.0 million), although these funds are inflexible.

- The Colorado High Performance Transportation Enterprise (HPTE) estimated revenues for FY 2014-15 of $31.6 million, and received actual revenue in the amount of $5.6 million, leaving a deficit of $26.0 million. The FY 2014-15 budget was prepared in December 2013 and at that time, HPTE expected $30.0 million in revenue for a portion of RTD's contribution to the US-36 Phase I Project. The projected revenue was based on an estimated completion date in FY 2014-15. However, Phase I of the project was completed in FY 2015-16. This reconciliation item is a timing issue.

- The Colorado Statewide Bridge Enterprise estimated revenues for the FY 2014-15 of $114.9 million, and received actual in the amount of $122.0 million, creating a surplus of $7.1 million. This surplus is primarily due to higher than forecasted FASTER Safety Bridge Surcharge revenues.

Due to the closing of the FY 2014-15 cycle occurring later (October 2, 2015) than in previous years, final FY 2014-15 revenue may change after the October 2015 TC meeting. Any changes will be noted, if necessary, during the November 2015 TC meeting.

***Transportation Commission Contingency Reserve Fund (TCCRF) Surplus Fund Reconciliation***

Last month, OFMB provided a preliminary FY 2014-15 Surplus Fund Reconciliation using revenue estimates during the budget workshop. The following reconciliation has been updated from September to reflect the final FY 2014-15 Highway User Tax Fund (HUTF) year-end revenue distribution from the State Department of the Treasury.

Including adjustments and pending September Budget Supplement items, the FY2015-16 estimated TCCRF final balance is $36.4 million. Department staff is currently compiling funding scenarios by evaluating multiple projects, permanent flood recovery Departments costs, and various known liabilities. During FY 2015-16, as part of the monthly supplement process, Department staff will provide the TC with a recommendation of one-time FY 2015-16 funding priorities from among a broad list of requests. Staff will use criteria including: 1) readiness to spend; 2) spending track record; 3) leverage of other funds, and other criteria in making a recommendation.

Table 1: Cost Center & Revenue Reconciliation

| FY2014-15 Cost Center & Revenue Reconciliation | | |
|---|---|---|
| **FY2014-15 Roll Forwards to TC Contingency:** | | |
| Remaining Cost Center Fund Balances | | $ 30,842,867 |
| Automatic Roll Forwards (State Highway Fund) | | $ (20,691,635) |
| Total Approved Roll Forward Requests: | | $ (7,414,721) |
| · Roll Forward Requests Approved by TC - August | $ (3,640,000) | |
| · Roll Forward Requests Approved by Executive Management Team - August | $ (3,085,119) | |
| · Roll Forward Requests Approved by Executive Management Team - September | $ (689,602) | |
| Remaining Balance after Roll Forwards | | $ 2,737,193 |
| Estimated Flexible Fund Revenue and Federal Obligation Actuals over the FY2014-15 budget (Refer to Attachment A) | | $ 53,265,193 |
| Damage Recovery (Applied Directly to Cost Centers Facilitating Highway Repairs) | | $ (5,112,628) |
| **Estimated Roll Forwards to TC Contingency** | | **$ 50,889,758** |
| **FY2015-16 TCCRF Reconciliation** | | |
| FY2014-15 October Additional Estimated Roll Forwards to TC Contingency | | $ 50,889,758 |
| FY2014-15 October TCCRF Balance | | $ 49,504,528 |
| FY2015-16 October Pending Supplement Items: | | $ (14,092,336) |
| · Savings from Region 2 SH67 ER Project | $ 3,134 | |
| · Savings from Region 5 US550 ER Project | $ 15,995 | |
| · Return Savings from R2 SH139 Douglas Pass | $ 111,082 | |
| · Payback of On the Job Training and Disadvantage Business Advancement | $ 319,068 | |
| · Add Pavement to Greeley West Yard Facility | $ (79,540) | |
| · US-50 Near Parkdale Embankment Repair | $ (125,000) | |
| · State Match for Emergency Repair and Permanent Repair Projects | $ (354,294) | |
| · Add Pavement to Platteville Yard Facility | $ (466,781) | |
| · Tolled Express Lanes Operations and Maintenance | $ (2,085,000) | |
| · Baptist Road | $ (11,431,000) | |
| FY2015-16 October Estimated TCCRF Balance | | $ 86,301,950 |
| FY2015-16 TCCRF Funding Considerations: | | |
| · Return of Unused FASTER Transition Funds (Proposed to Shift to RoadX) | | $ 4,870,643 |
| · FY2015-16 HPTE Payback | | $ 750,852 |
| · FY2015-16 TCCRF Supplement Items - Next 8 months (estimated at $2M per month) | | $ (16,000,000) |
| · FY2015-16 State Match for 2013 Flood Related Permanent Repair (Mid level risk) | | $ (15,000,000) |
| · Union Pacific Railroad Right of Way Resolution | | $ (12,500,000) |
| · Transfer to the SB228 Corridor to Backfill for Southwest Chief Decision | | $ (1,000,000) |
| · Proposal to Partially Fund RoadX (Seed $$) | | $ (10,000,000) |
| · Various Negotiations | | $ (1,000,000) |
| Projected Contingency Balance - June, 2016 | | $ 36,423,445 |

Note: Refer to Attachment A. OFMB's second quarter revenue forecast indicates a possible surplus of $20.4 million, replenishing the Contingency balance above the $40.0 million target. OFMB will continue to monitor the projected surplus throughout FY 2015-16.

**Key Benefits**

Due to the FY 2014-15 reconciliation, an increase in final expected revenue will allow the TC to allocate additional resources to important priorities in FY2015-16 and beyond.

**Options and Recommendations**

N/A

**Next Steps**

During FY 2015-16, DAF will provide a list of FY 2015-16 funding requests recommended by Department staff for TC review and approval through the monthly Budget Supplement process.

**Attachments**

Attachment A – FY 2014-15 Final Revenue Reconciliation & FY 2016-17 Final Revenue Forecast

**Attachment A**

## Colorado Department of Transportation
## Actual/Forecasted Revenue & Federal Obligation Comparison

| | REVENUE SOURCE | FY 2014 | | FY 2015* | | | FY 2016 | Revenue Projections | Comparison |
|---|---|---|---|---|---|---|---|---|---|
| | | Budget | Actual | Budget | Actual | Difference | Budget | FY 2017** | FY17-FY16 |
| 1 | **STATE FUNDS** | | | | | | | | |
| 2 | HUTF Revenue to CDOT | 407,000,000 | 412,573,599 | 408,700,000 | 435,991,884 | 27,291,884 | 410,477,300 | 414,230,302 | 3,753,002 |
| 3 | CDOT Miscellaneous Revenue | 28,800,000 | 25,341,003 | 29,500,000 | 36,517,069 | 7,017,069 | 19,200,000 | 37,277,382 | 18,077,382 |
| 4 | General Fund Revenue to CDOT | 0 | 0 | 500,000 | 500,000 | 0 | 205,600,000 | 0 | (205,600,000) |
| 5 | State Infrastructure Bank | 500,000 | 608,466 | 700,000 | 405,582 | (294,418) | 500,000 | 420,804 | (79,196) |
| 6 | State Safety Education Funds | 2,620,000 | 3,234,868 | 2,950,000 | 2,940,593 | (9,407) | 3,000,000 | 3,774,859 | 774,859 |
| 7 | Aeronautics Funds | 42,800,000 | 36,882,264 | 42,800,000 | 31,347,752 | (11,452,248) | 30,000,000 | 25,041,181 | (4,958,819) |
| 8 | **TOTAL STATE FUNDS** | **481,720,000** | **478,640,200** | **485,150,000** | **507,702,879** | **22,552,879** | **668,777,300** | **480,744,528** | **(188,032,772)** |
| 9 | **FASTER FUNDS** | | | | | | | | |
| 10 | FASTER Safety - State Share to CDOT | 96,900,000 | 101,186,683 | 97,900,000 | 104,120,969 | 6,220,969 | 106,300,000 | 107,853,157 | 1,553,157 |
| 11 | FASTER Safety - Local Share for Rail and Transit | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 0 | 5,000,000 | 5,000,000 | 0 |
| 12 | **TOTAL FASTER FUNDS** | **101,900,000** | **106,186,683** | **102,900,000** | **109,120,969** | **6,220,969** | **111,300,000** | **112,853,157** | **1,553,157** |
| 13 | **FEDERAL FUNDS** | | | | | | | | |
| 14 | Federal Highway Administration - Flexible | 325,333,736 | 372,418,972 | 373,930,900 | 365,100,998 | (8,829,902) | 364,737,932 | 382,241,051 | 17,503,119 |
| 15 | Federal Highway Administration - Inflexible | 146,109,263 | 102,067,864 | 102,528,934 | 100,436,839 | (2,092,095) | 101,448,051 | 105,587,028 | 4,138,977 |
| 16 | Federal Transit Administration | 16,030,718 | 16,047,788 | 16,030,718 | 20,399,662 | 4,368,944 | 20,645,277 | 20,191,802 | (453,475) |
| 17 | National Highway Traffic Safety Administration | 1,700,000 | 1,700,000 | 6,534,778 | 7,974,839 | 1,440,061 | 7,640,000 | 8,339,629 | 699,629 |
| 18 | Federal Aviation Administration | 300,000 | 88,757 | 300,000 | 245,660 | (54,340) | 0 | 0 | 0 |
| 19 | **TOTAL NON- EMERGENCY FEDERAL FUNDS** | **489,473,717** | **492,323,381** | **499,325,330** | **494,157,998** | **(5,167,332)** | **494,471,260** | **516,359,510** | **21,888,250** |
| 20 | **LOCAL MATCHING FUNDS** | | | | | | | | |
| 21 | Local Match for FHWA Funding | 19,867,343 | 20,200,664 | 20,069,966 | 19,797,643 | (272,323) | 19,876,092 | 20,654,720 | 778,628 |
| 22 | Local Match for FTA Funding | 9,002,152 | 9,124,187 | 9,314,653 | 10,319,210 | 1,004,557 | 10,791,003 | 11,691,580 | 900,577 |
| 23 | **TOTAL LOCAL MATCHING FUNDS** | **28,869,495** | **29,324,851** | **29,384,619** | **30,116,853** | **732,234** | **30,667,095** | **32,346,300** | **1,679,205** |
| 24 | **Total Colorado Department of Transportation Revenue*** | **1,101,963,212** | **1,106,475,115** | **1,116,759,949** | **1,141,098,699** | **24,338,750** | **1,305,215,655** | **1,142,303,495** | **(162,912,160)** |
| | **ADDITIONAL FEDERAL OBLIGATION AUTHORITY - PERMANENT RECOVERY & REDISTRIBUTION** | | | | | | | | |
| 25 | Federal Highway Administration - Permanent Recovery | | 132,000,000 | 100,000,000 | 185,000,000 | 85,000,000 | 174,500,000 | 127,400,000 | (47,100,000) |
| 26 | Federal Highway Administration - Redistribution | | 31,769,903 | 0 | 27,786,142 | 27,786,142 | | | |
| 27 | **TOTAL ADDITIONAL FEDERAL OBLIGATION AUTHORITY** | **0** | **163,769,903** | **100,000,000** | **212,786,142** | **112,786,142** | **174,500,000** | **127,400,000** | **(47,100,000)** |
| 28 | **Total Colorado Department of Transportation Revenue & Obligation Authority** | **1,101,963,212** | **1,106,475,115** | **1,216,759,949** | **1,353,884,841** | **137,124,892** | **1,479,715,655** | **1,269,703,495** | **(210,012,160)** |

**Notes:**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *Total CDOT Flexible Revenue & Federal Obligation* | *761,133,736* | *842,103,477* | *812,630,900* | *865,896,093* | *53,265,193* | *1,000,015,232* | *833,748,735* | (166,266,497) |
| *Total CDOT Inflexible Revenue & Federal Obligation* | *340,829,476* | *264,371,638* | *404,129,049* | *487,988,749* | *83,859,700* | *479,700,423* | *435,954,760* | (43,745,663) |

**Final FY 2015 Revenues are unaudited*

***FY 2017 Projections are subject to change as forecast is finalized*

## Colorado High Performance Transportation Enterprise
## Actual/Forecasted Revenue & Federal Obligation Comparison

| | REVENUE SOURCE | FY 2014 | | FY 2015* | | | Revenue Projections | | Comparison |
|---|---|---|---|---|---|---|---|---|---|
| | | Budget | Actual | Budget | Actual | Difference | FY 2016 | FY 2017** | FY17-FY16 |
| 29 | **STATE FUNDS** | | | | | | | | |
| 30 | Tolling Fee Revenue (Enterprise) | 2,500,000 | 4,012,883 | 375,000 | 0 | (375,000) | 375,000 | 4,741,702 | 4,366,702 |
| 31 | Tolling Violations | 0 | 24,845 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 | Interest Income - Exempt | 0 | 280,404 | 200,000 | 616,513 | 416,513 | 200,000 | 200,000 | 0 |
| 33 | Consulting Fees | | | | | | 2,000,000 | 2,080,000 | 80,000 |
| 34 | Transfer From CDOT | | | 1,000,000 | 1,000,000 | 0 | | | 0 |
| 35 | **TOTAL STATE FUNDS** | **2,500,000** | **4,318,132** | **1,575,000** | **1,616,513** | **41,513** | **2,575,000** | **7,021,702** | **4,446,702** |
| 36 | **LOCAL CONTRIBUTIONS** | | | | | | | | |
| 37 | Managed Lanes Revenue | 30,000,000 | 3,281,651 | 30,000,000 | 3,998,863 | (26,001,137) | 0 | 695,000 | 695,000 |
| 38 | **TOTAL LOCAL CONTRIBUTIONS** | **30,000,000** | **3,281,651** | **30,000,000** | **3,998,863** | **(26,001,137)** | **0** | **695,000** | **695,000** |
| 39 | **High Performance Transportation Enterprise Revenue*** | **32,500,000** | **8,611,000** | **31,575,000** | **5,615,376** | **(25,959,624)** | **2,575,000** | **7,716,702** | **5,141,702** |

## Colorado Statewide Bridge Enterprise
## Actual/Forecasted Revenue & Federal Obligation Comparison

| | REVENUE SOURCE | FY 2014 | | FY 2015* | | | Revenue Projections | | Comparison |
|---|---|---|---|---|---|---|---|---|---|
| | | Budget | Actual | Budget | Actual | Difference | FY 2016 | FY 2017** | FY17-FY16 |
| 40 | **STATE FUNDS** | | | | | | | | |
| 41 | Other Enterprise Charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 42 | Interest Income - Exempt | 2,500,000 | 3,023,910 | 2,400,000 | 3,079,025 | 679,025 | 3,000,000 | 3,500,000 | 500,000 |
| 43 | Cost Recovery | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 44 | **TOTAL STATE FUNDS** | **2,500,000** | **3,023,910** | **2,400,000** | **3,079,025** | **679,025** | **3,000,000** | **3,500,000** | **500,000** |
| 45 | **FASTER FUNDS** | | | | | | | | |
| 46 | FASTER - Bridge Surcharge | 91,600,000 | 95,700,102 | 91,100,000 | 98,026,565 | 6,926,565 | 100,100,000 | 102,100,000 | 2,000,000 |
| 47 | **TOTAL FASTER FUNDS** | **91,600,000** | **95,700,102** | **91,100,000** | **98,026,565** | **6,926,565** | **100,100,000** | **102,100,000** | **2,000,000** |
| 48 | **FEDERAL FUNDS** | | | | | | | | |
| 49 | Buy America Bonds Credit | 6,381,900 | 5,922,403 | 6,381,900 | 5,918,642 | (463,258) | 6,000,000 | 6,000,000 | 0 |
| 50 | Re-distributed FHWA for BE Projects | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | 0 | 15,000,000 | 15,000,000 | 0 |
| 51 | **TOTAL FEDERAL FUNDS** | **21,381,900** | **5,922,403** | **6,381,900** | **5,918,642** | **(463,258)** | **6,000,000** | **6,000,000** | **0** |
| 52 | **Statewide Bridge Enterprise Revenue*** | **115,481,900** | **119,646,415** | **114,881,900** | **122,024,232** | **7,142,332** | **124,100,000** | **126,600,000** | **2,500,000** |
| 53 | **Total Transportation Revenue & Federal Obligation** | **1,249,945,112** | **1,234,732,530** | **1,363,216,849** | **1,481,524,449** | **118,307,600** | **1,606,390,655** | **1,401,940,197** | **(204,450,458)** |

**Notes:**

Total FY 17 Revenue is $2.08M less than sum of CDOT, HPTE, & CBE revenue due to Fee for Service from CDOT to HPTE

**Final FY 2015 Revenues are unaudited*

***FY 2017 Projections are subject to change as forecast is finalized*

COLORADO
Department of Transportation
Division of Accounting and Finance

4201 East Arkansas Avenue, Room 262
Denver, CO 80222

**MEMORANDUM**

**TO:** TRANSPORTATION COMMISSION
**FROM:** MARIA SOBOTA, CHIEF FINANCIAL OFFICER (CFO)
**DATE:** OCTOBER 14, 2015
**SUBJECT:** FY 2016-17 ANNUAL BUDGET

---

**Purpose**

This memorandum summarizes information to be discussed during the October TC budget workshop and Transportation Commission meeting, including the following FY 2016-17 budget topics:

- FY 2016-17 Revenue Estimates
- FY 2016-17 Decision Items
- FY 2016-17 Annual Draft Budget Allocation
- FY 2016-17 Budget Narrative

**Action**

This month, the TC is asked to approve two Decision items. The TC is also being asked to review FY 2016-17 revenue estimates, the FY 2016-17 Program Budget, and the draft FY 2016-17 Budget Narrative, and to provide feedback to the Department in preparation for the adoption of the FY 2016-17 Budget in November 2015 (TC will be asked to adopt final budget after revenue forecasts are updated in March 2016).

**Background & Details**

***FY 2016-17 Revenue Estimates***

The FY 2016-17 Annual Draft Budget Allocation is based on updated FY 2016-17 revenue estimates (see Attachment A). The significant adjustment in the current revenue estimate from September's estimate is based on an expected increase in Federal Highway Administration Permanent Recovery.

Estimated FY 2016-17 revenue from all transportation funding sources are $204.5 million lower than current FY 2015-16 projections. The minor growth in gas tax revenue and FASTER funds is offset by SB09-228 forecasts and lower projected flood recovery allocations.

- CDOT's FY 2016-17 estimated revenues for next fiscal year's Draft Budget are $1.270 billion, which is a decrease of $210.0 million, or 14.2%, from current FY 2015-16 revenue estimates. The majority of the decrease is driven by the prediction that CDOT will not receive any SB09-228 revenue in FY 2016-17, compared to the currently budgeted $200.2 million in FY 2015-16.

The Office of State Planning and Budget (OSPB) and Legislative Council Services (LCS) have both updated their economic forecasts and are now projecting divergent SB 09-228 General Fund transfers in FY 2015-16 and FY 2016-17. OSPB is projecting a 50% transfer ($101.8 million) in FY 2015-16 and no transfer in FY 2016-17, while LCS is still projecting a full transfer ($200.2 million) in FY 2015-16 and a 50% transfer ($106.2 million) in FY 2016-17. Both OSPB and LCS forecast that General Fund transfers will be eliminated in FY 2017-18.

- Colorado's High Performance Transportation Enterprise (HPTE) FY 2016-17 estimated revenues for next fiscal year's Draft Budget are $7.7 million, which is an increase over FY 2015-16. This is due to an increase in tolling revenue on the I-25 North and I-70 mountain corridors. There will be an increase in the Fee-for-Service charge of 4% for FY 2016-17.

- Colorado's Statewide Bridge Enterprise (CBE) FY 2016-17 estimated revenues for next fiscal year's Draft Budget are $126.6 million, which is an increase of $2.5 million, or 2.0%, over FY 2015-16 revenue. The majority of the increase is driven by the forecasted increase in FASTER Safety Bridge Surcharge revenues, the primary funding source for CBE.

***FY 2016-17 Decision Items***

The TC, as directed by Policy Directive 703.0, is being asked to approve two Decision Items in excess of $1.0 million each (see below, and Attachment B):

1. Properties requests a Hazardous Materials (Hazmat) increase from $2.2 million to $3.2 million in FY 2016-17. A $1.0 million increase would be the first baseline adjustment for the program in 10 years. This increase would help CDOT maintain compliance standards and is requested in order to support Hazmat's investigative, remedial, evaluation, clean up, and abatement efforts. The TC has previously approved a $1.0 million increase for FY2015-16 in the first budget supplement.
2. The Division of Transportation Development requests a funding increase to $2.5 million in FY 2016-17 for the Safe Routes to Schools (SRTS) program, a request summarized in the August 2015 TC packet under "Informational Items". SRTS promotes safe practices and places to walk or bicycle for K-8 students in Colorado. Please refer to SRTS in the Consent Agenda.

***FY 2016-17 Draft Program Allocation Budget***

The FY 2016-17 Annual Draft Program Allocation (One Sheet) Budget is balanced. CDOT, Bridge Enterprise (BE), and the High Performance Transportation Enterprise (HPTE) budgets are developed separately. Enterprise budgets are further detailed in the fall by the respective Enterprise boards. Supporting documents attached to the memorandum include the Department's Public Friendly FY 2016-17 Draft One Sheet Budget (see Attachment D) and the accompanying Proposed Budget Allocation Plan Narrative (see Attachment E). This narrative will not be returned to the TC for approval unless the TC requests substantial changes.

Budget amounts for the FY 2016-17 Annual One Sheet Budget are initially based on CDOT's revenue model and asset management plan. Unlike TC-directed programs, programs that receive dedicated revenues (the revenues obtained for a particular program) must be allocated to that

program and are based on the current FY 2016-17 revenue estimates. The following criteria will be used to allocate program funds for the Department's FY 2016-17 Proposed One Sheet Budget:

- All revenue specific to a program (i.e. MAP-21 and State programs such as Safety Education and Aeronautics) will automatically be adjusted based on the FY 2016-17 revenue estimate.

- All other programs are initially based on the FY2015-16 budget amounts as approved by the TC in March 2015.

The FY 2016-17 Draft One Sheet Budget reflects several changes from the FY 2015-16 Final Budget. Changes include:

- The total Transportation Department's budget is $1.402 billion, representing a net decrease from current FY 2015-16 revenue projections of $204.5 million, or 12.7%. The decrease can be attributed to SB09-228 forecasts.
- Maintaining current infrastructure is one of CDOT's primary missions. The FY 2016-17 total Asset Management budget, including Maintenance Levels of Service, equals $578.8 million. In FY 2016-17 $39.0 million of Trans Bond funding was re-allocated to Asset Management as directed by the TC in Program Distribution dated February 2014.
- Permanent Recovery funding from FHWA is expected to decrease in FY 2016-17 by $47.1 million from FY 2015-16.
- The Safe Routes to Schools program is featured in the budget at a level of $2.5 million for FY 2016-17.
- An HPTE "Fee-for-Service" charge of $2.08 million was budgeted for CDOT in FY 2016-17.
- The Department has targeted a $40.0 million TCCRF level for FY 2015-16, as directed by the TC. Total flexible state revenue has increased by $53.2 million for FY 2015-16. $25.0 million of this total has been allocated to the TCCRF. The remaining funds have been added to staff recommended programs for later consideration.

***FY 2016-17 Proposed Budget Allocation Plan Narrative***

The attached Proposed Budget Allocation Plan contains current program description and funding detail supporting the Draft Budget. Program fact sheets for SB09-228 and Flood Recovery are included in the FY 2016-17 narrative. New sections include Safe Routes to Schools and Permanent Water Quality Mitigation. The Draft Budget Narrative will not be included in future TC packets unless there are significant moderations.

**Key Benefits**

The TC is being asked to provide its initial thoughts and recommendations on the FY 2016-17 Draft Program Budget.

**Options and Recommendations**

1. The TC may approve enclosed Decision Item requests as outlined in the memorandum and present the FY2016-17 Final Budget to the TC in November for adoption.
2. The TC may ask the Department for more information on specific Decision Item requests.
3. The TC may reject the enclosed Decision Item requests.

**Next Steps**

In November 2015, DAF will:

- Provide the FY 2016-17 Final Budget, including changes related to topics discussed during October.
- Ask the TC for adoption of the FY 2016-17 Final Budget for submission to the Office of State Planning and Budget on or before December 15, 2015.

Additionally, CDOT staff will conduct a workshop in November to provide comprehensive evaluation and prioritization of safety and mobility projects and services. Similar to the process used to develop budget setting recommendations for Asset Management, this process will help staff evaluate the highest need locations for safety and mobility, evaluate the effectiveness of safety and mobility programs in addressing highest need locations, ensure funds are prioritized to the projects and services that provide the most value within their respective programs, establish consistent criteria for evaluating benefits, and evaluate unfunded projects and services that seek to request additional funds in FY 2016-17. A workshop is targeted for the TC in January to present the staff recommendation and any FY 2016-17 funding requests.

**Attachments**

Attachment A – FY 2014-15 Final Revenue Reconciliation & FY 2016-17 Final Revenue Forecast
Attachment B – FY 2016-17 Decision Items
Attachment C – FY 2016-17 Draft Budget Allocation Sources and Use of Funds Chart
Attachment D – Draft Program Allocation Budget ("One Sheet")
Attachment E – Draft Narrative Budget

**Attachment A**

## Colorado Department of Transportation
## Actual/Forecasted Revenue & Federal Obligation Comparison

| | REVENUE SOURCE | FY 2014 | | FY 2015* | | | FY 2016 | Revenue Projections | Comparison |
|---|---|---|---|---|---|---|---|---|---|
| | | Budget | Actual | Budget | Actual | Difference | Budget | FY 2017** | FY17-FY16 |
| 1 | **STATE FUNDS** | | | | | | | | |
| 2 | HUTF Revenue to CDOT | 407,000,000 | 412,573,599 | 408,700,000 | 435,991,884 | 27,291,884 | 410,477,300 | 414,230,302 | 3,753,002 |
| 3 | CDOT Miscellaneous Revenue | 28,800,000 | 25,341,003 | 29,500,000 | 36,517,069 | 7,017,069 | 19,200,000 | 37,277,382 | 18,077,382 |
| 4 | General Fund Revenue to CDOT | 0 | 0 | 500,000 | 500,000 | 0 | 205,600,000 | 0 | (205,600,000) |
| 5 | State Infrastructure Bank | 500,000 | 608,466 | 700,000 | 405,582 | (294,418) | 500,000 | 420,804 | (79,196) |
| 6 | State Safety Education Funds | 2,620,000 | 3,234,868 | 2,950,000 | 2,940,593 | (9,407) | 3,000,000 | 3,774,859 | 774,859 |
| 7 | Aeronautics Funds | 42,800,000 | 36,882,264 | 42,800,000 | 31,347,752 | (11,452,248) | 30,000,000 | 25,041,181 | (4,958,819) |
| 8 | **TOTAL STATE FUNDS** | **481,720,000** | **478,640,200** | **485,150,000** | **507,702,879** | **22,552,879** | **668,777,300** | **480,744,528** | **(188,032,772)** |
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| 10 | FASTER Safety - State Share to CDOT | 96,900,000 | 101,186,683 | 97,900,000 | 104,120,969 | 6,220,969 | 106,300,000 | 107,853,157 | 1,553,157 |
| 11 | FASTER Safety - Local Share for Rail and Transit | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 0 | 5,000,000 | 5,000,000 | 0 |
| 12 | **TOTAL FASTER FUNDS** | **101,900,000** | **106,186,683** | **102,900,000** | **109,120,969** | **6,220,969** | **111,300,000** | **112,853,157** | **1,553,157** |
| 13 | **FEDERAL FUNDS** | | | | | | | | |
| 14 | Federal Highway Administration - Flexible | 325,333,736 | 372,418,972 | 373,930,900 | 365,100,998 | (8,829,902) | 364,737,932 | 382,241,051 | 17,503,119 |
| 15 | Federal Highway Administration - Inflexible | 146,109,263 | 102,067,864 | 102,528,934 | 100,436,839 | (2,092,095) | 101,448,051 | 105,587,028 | 4,138,977 |
| 16 | Federal Transit Administration | 16,030,718 | 16,047,788 | 16,030,718 | 20,399,662 | 4,368,944 | 20,645,277 | 20,191,802 | (453,475) |
| 17 | National Highway Traffic Safety Administration | 1,700,000 | 1,700,000 | 6,534,778 | 7,974,839 | 1,440,061 | 7,640,000 | 8,339,629 | 699,629 |
| 18 | Federal Aviation Administration | 300,000 | 88,757 | 300,000 | 245,660 | (54,340) | 0 | 0 | 0 |
| 19 | **TOTAL NON- EMERGENCY FEDERAL FUNDS** | **489,473,717** | **492,323,381** | **499,325,330** | **494,157,998** | **(5,167,332)** | **494,471,260** | **516,359,510** | **21,888,250** |
| 20 | **LOCAL MATCHING FUNDS** | | | | | | | | |
| 21 | Local Match for FHWA Funding | 19,867,343 | 20,200,664 | 20,069,966 | 19,797,643 | (272,323) | 19,876,092 | 20,654,720 | 778,628 |
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| 24 | **Total Colorado Department of Transportation Revenue*** | **1,101,963,212** | **1,106,475,115** | **1,116,759,949** | **1,141,098,699** | **24,338,750** | **1,305,215,655** | **1,142,303,495** | **(162,912,160)** |
| | **ADDITIONAL FEDERAL OBLIGATION AUTHORITY - PERMANENT RECOVERY & REDISTRIBUTION** | | | | | | | | |
| 25 | Federal Highway Administration - Permanent Recovery | | 132,000,000 | 100,000,000 | 185,000,000 | 85,000,000 | 174,500,000 | 127,400,000 | (47,100,000) |
| 26 | Federal Highway Administration - Redistribution | | 31,769,903 | 0 | 27,786,142 | 27,786,142 | | | |
| 27 | **TOTAL ADDITIONAL FEDERAL OBLIGATION AUTHORITY** | **0** | **163,769,903** | **100,000,000** | **212,786,142** | **112,786,142** | **174,500,000** | **127,400,000** | **(47,100,000)** |
| 28 | **Total Colorado Department of Transportation Revenue & Obligation Authority** | **1,101,963,212** | **1,106,475,115** | **1,216,759,949** | **1,353,884,841** | **137,124,892** | **1,479,715,655** | **1,269,703,495** | **(210,012,160)** |

**Notes:**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *Total CDOT Flexible Revenue & Federal Obligation* | *761,133,736* | *842,103,477* | *812,630,900* | *865,896,093* | *53,265,193* | *1,000,015,232* | *833,748,735* | (166,266,497) |
| *Total CDOT Inflexible Revenue & Federal Obligation* | *340,829,476* | *264,371,638* | *404,129,049* | *487,988,749* | *83,859,700* | *479,700,423* | *435,954,760* | (43,745,663) |

**Final FY 2015 Revenues are unaudited*

***FY 2017 Projections are subject to change as forecast is finalized*

## Colorado High Performance Transportation Enterprise
## Actual/Forecasted Revenue & Federal Obligation Comparison

| | REVENUE SOURCE | FY 2014 | | FY 2015* | | | Revenue Projections | | Comparison |
|---|---|---|---|---|---|---|---|---|---|
| | | Budget | Actual | Budget | Actual | Difference | FY 2016 | FY 2017** | FY17-FY16 |
| 29 | **STATE FUNDS** | | | | | | | | |
| 30 | Tolling Fee Revenue (Enterprise) | 2,500,000 | 4,012,883 | 375,000 | 0 | (375,000) | 375,000 | 4,741,702 | 4,366,702 |
| 31 | Tolling Violations | 0 | 24,845 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 | Interest Income - Exempt | 0 | 280,404 | 200,000 | 616,513 | 416,513 | 200,000 | 200,000 | 0 |
| 33 | Consulting Fees | | | | | | 2,000,000 | 2,080,000 | 80,000 |
| 34 | Transfer From CDOT | | | 1,000,000 | 1,000,000 | 0 | | | 0 |
| 35 | **TOTAL STATE FUNDS** | **2,500,000** | **4,318,132** | **1,575,000** | **1,616,513** | **41,513** | **2,575,000** | **7,021,702** | **4,446,702** |
| 36 | **LOCAL CONTRIBUTIONS** | | | | | | | | |
| 37 | Managed Lanes Revenue | 30,000,000 | 3,281,651 | 30,000,000 | 3,998,863 | (26,001,137) | 0 | 695,000 | 695,000 |
| 38 | **TOTAL LOCAL CONTRIBUTIONS** | **30,000,000** | **3,281,651** | **30,000,000** | **3,998,863** | **(26,001,137)** | **0** | **695,000** | **695,000** |
| 39 | **High Performance Transportation Enterprise Revenue*** | **32,500,000** | **8,611,000** | **31,575,000** | **5,615,376** | **(25,959,624)** | **2,575,000** | **7,716,702** | **5,141,702** |

## Colorado Statewide Bridge Enterprise
## Actual/Forecasted Revenue & Federal Obligation Comparison

| | REVENUE SOURCE | FY 2014 | | FY 2015* | | | Revenue Projections | | Comparison |
|---|---|---|---|---|---|---|---|---|---|
| | | Budget | Actual | Budget | Actual | Difference | FY 2016 | FY 2017** | FY17-FY16 |
| 40 | **STATE FUNDS** | | | | | | | | |
| 41 | Other Enterprise Charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 42 | Interest Income - Exempt | 2,500,000 | 3,023,910 | 2,400,000 | 3,079,025 | 679,025 | 3,000,000 | 3,500,000 | 500,000 |
| 43 | Cost Recovery | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 44 | **TOTAL STATE FUNDS** | **2,500,000** | **3,023,910** | **2,400,000** | **3,079,025** | **679,025** | **3,000,000** | **3,500,000** | **500,000** |
| 45 | **FASTER FUNDS** | | | | | | | | |
| 46 | FASTER - Bridge Surcharge | 91,600,000 | 95,700,102 | 91,100,000 | 98,026,565 | 6,926,565 | 100,100,000 | 102,100,000 | 2,000,000 |
| 47 | **TOTAL FASTER FUNDS** | **91,600,000** | **95,700,102** | **91,100,000** | **98,026,565** | **6,926,565** | **100,100,000** | **102,100,000** | **2,000,000** |
| 48 | **FEDERAL FUNDS** | | | | | | | | |
| 49 | Buy America Bonds Credit | 6,381,900 | 5,922,403 | 6,381,900 | 5,918,642 | (463,258) | 6,000,000 | 6,000,000 | 0 |
| 50 | Re-distributed FHWA for BE Projects | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | 0 | 15,000,000 | 15,000,000 | 0 |
| 51 | **TOTAL FEDERAL FUNDS** | **21,381,900** | **5,922,403** | **6,381,900** | **5,918,642** | **(463,258)** | **6,000,000** | **6,000,000** | **0** |
| 52 | **Statewide Bridge Enterprise Revenue*** | **115,481,900** | **119,646,415** | **114,881,900** | **122,024,232** | **7,142,332** | **124,100,000** | **126,600,000** | **2,500,000** |
| 53 | **Total Transportation Revenue & Federal Obligation** | **1,249,945,112** | **1,234,732,530** | **1,363,216,849** | **1,481,524,449** | **118,307,600** | **1,606,390,655** | **1,401,940,197** | **(204,450,458)** |

**Notes:**

Total FY 17 Revenue is $2.08M less than sum of CDOT, HPTE, & CBE revenue due to Fee for Service from CDOT to HPTE

**Final FY 2015 Revenues are unaudited*

***FY 2017 Projections are subject to change as forecast is finalized*

# Decision Item Request for Transportation Commission Approval: Environmental Compliance: Hazardous Materials Base Budget Increase
Fiscal Year 2016-2017

Summary of Funding Request:

$1,000,000 increase to base budget, in order to address an increasing scope of work. This permanent increase will be effective beginning in FY2016-17 and all future fiscal years.

| | Base Adjustment |
|---|---|
| Capital | $1,000,000 |
| Total Requested | $1,000,000 |

Justification of Request

- Supports projects funded by the Hazardous Materials (Hazmat) program
- Ensures the ability to maintain compliance
- Aligns baseline funding with scope of work

Summary

In order to maintain compliance, the Hazardous Materials (Hazmat) program requires an adjustment to its baseline funding, which has not been increased in ten years. While the budget remains the same, the scope of work increases annually. On the First Supplement, $1.0 million was approved for the FY 2015-16 budget to support Hazmat's investigative, remedial, evaluation, clean up, and abatement efforts. This same amount is now being sought as a base budget increase for FY 2016-17 and all subsequent fiscal years.

Details

Projects funded by the Hazmat program include investigative and remedial efforts for surface and subsurface hazardous wastes releases. These undertakings include the operations and maintenance of CDOT Headquarters and South Holly facilities, as well as numerous sites across the state, such as highway spills where the responsible party cannot be identified. Additionally, Hazmat provides services to assist with assessment and removal of suspect Methamphetamine Lab waste, and conducts asbestos inspections and abatemetns for all CDOT and right of way properties prior to any disturbance or demolition of structure materials.

Currently, the annual funding for Hazardous Materials is $2.2 million. A base budget increase to $3.2 million per year will address seven main areas within CDOT. Those areas and their approximate yearly costs are:

- Secondary containment structures, $1.2 million
- Installation and maintenance of water treatment systems in vehicle maintenance facilities, $500,000
- Cost to operate the Matarials Testing Lab (MTL), $350,000
- Stormwater management, $250,000
- Remediation of contaminated soils and groundwater on CDOT property, $600,000
- Asbestos inspections and abatement, $300,000

Expected benefits from increasing Hazmat's base budget:

- Funding will align with scope of work increases
- Ability to keep CDOT properties in compliance with Federal and State standards and regulations pertaining to hazardous and solid materials handling,
- Continued Hazmat services including remedial action, technical guidance, liaison services contractual services, and project oversight to ensure mitigation is complete

## Decision Item Request for Transportation Commission Approval:
## Safe Routes to Schools
Fiscal Year 2016-2017

**Summary of Funding Request:**

$2.5 million for a continuation of the Safe Routes To Schools program, based on the current program structure at a funding level of $2.0 million for infrastructure projects and $0.5 million for non-infrastructure projects annually, beginning in FY 2015-16.

| | **Base Adjustment** |
|---|---|
| Safe Routes the Schools | $2,500,000 |
| **Total Requested** | **$2,500,000** |

**Justification of Request**

- SRTS supports the Governor's initiative to be the healthiest state in the nation. In May 2013, Governor Hickenlooper presented a vision for Colorado as the healthiest state that included as one of the cornerstones - promoting prevention and wellness through prevention programs, individual behavior and physical environment. Although Colorado ranks #1 in physical health, our childhood obesity rate is 2nd fastest growing in the nation. Therefore one of the 18 initiatives in this program is to tackle obesity among youth and adults. SRTS contributes to Colorado's quality of life through healthier lifestyles, expanded commuting options, and easier access to schools and neighborhoods.Ensures the ability to maintain compliance
- Colorado K-8 students walk and bike to school more frequently than students in other states. A study of Colorado schools found that schools that have implemented SRTS programs increased the number of students walking and biking from 21% to 25%. In addition, schools with SRTS programs have also demonstrated a drop in the number of children arriving at school by car from 49% to 45% as compared to an increase nationally from 51% to 55%.
- SRTS has been a strong component of CDOT's commitment to multi-modal transportation and equitably supports the diverse transportation needs of Colorado youth of all abilities, income levels, races, and national origins.

Background

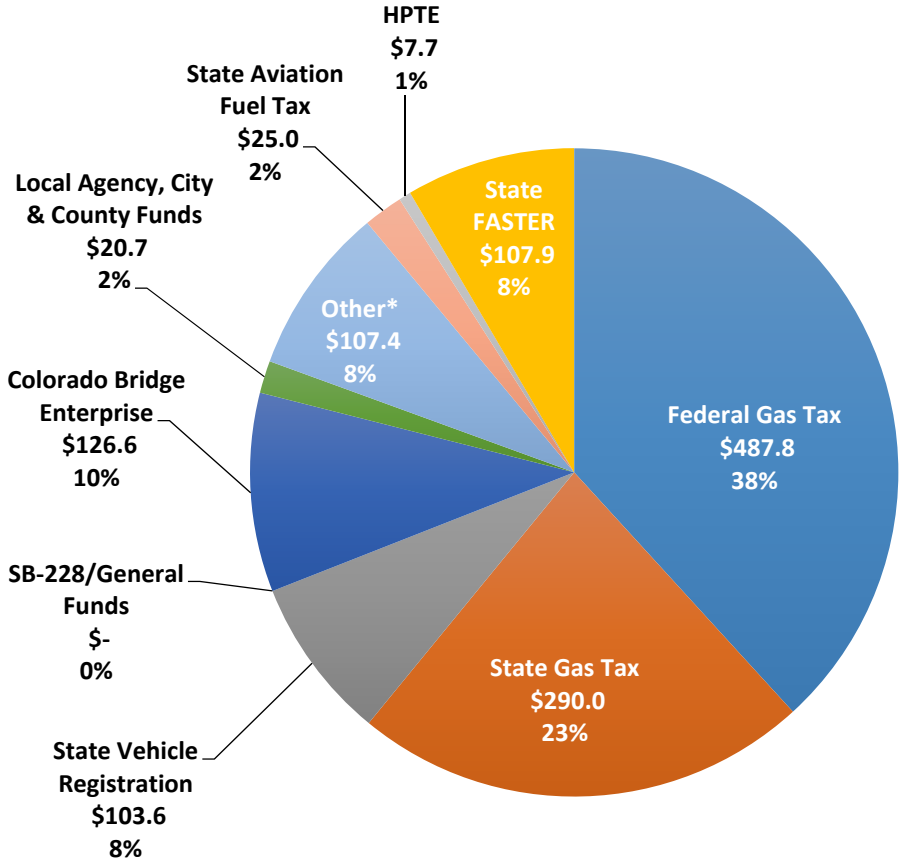
In 2004, the Colorado State Legislature passed a law establishing a SRTS program in Colorado. The program was designed to enable and encourage children ages kindergarten through 8th grade to safely walk and bike to and from school. With the passage of SAFETEA-LU in 2005 (and its dedicated SRTS program), Colorado was the first state in the nation to begin implementing the program with federal dollars, and is still considered a SRTS leader throughout the country. Successful SRTS programs are designed around the 5 Es - engineering, education, encouragement, enforcement, and evaluation - to achieve the greatest gains.

In total, CDOT's SRTS program has distributed $18.2 million through 204 grants to schools, school districts, cities, towns, and counties for 88 infrastructure (capital) and 116 non-infrastructure (education and encouragement) projects throughout all areas of Colorado. In addition, the Colorado SRTS program has developed trainings and curricula that are available statewide. The program has reached more than 790 schools and benefitted more than 300,000 total Colorado students to date. Additionally, parents, teachers, motorists, and other community members also benefit directly or indirectly from SRTS programs.

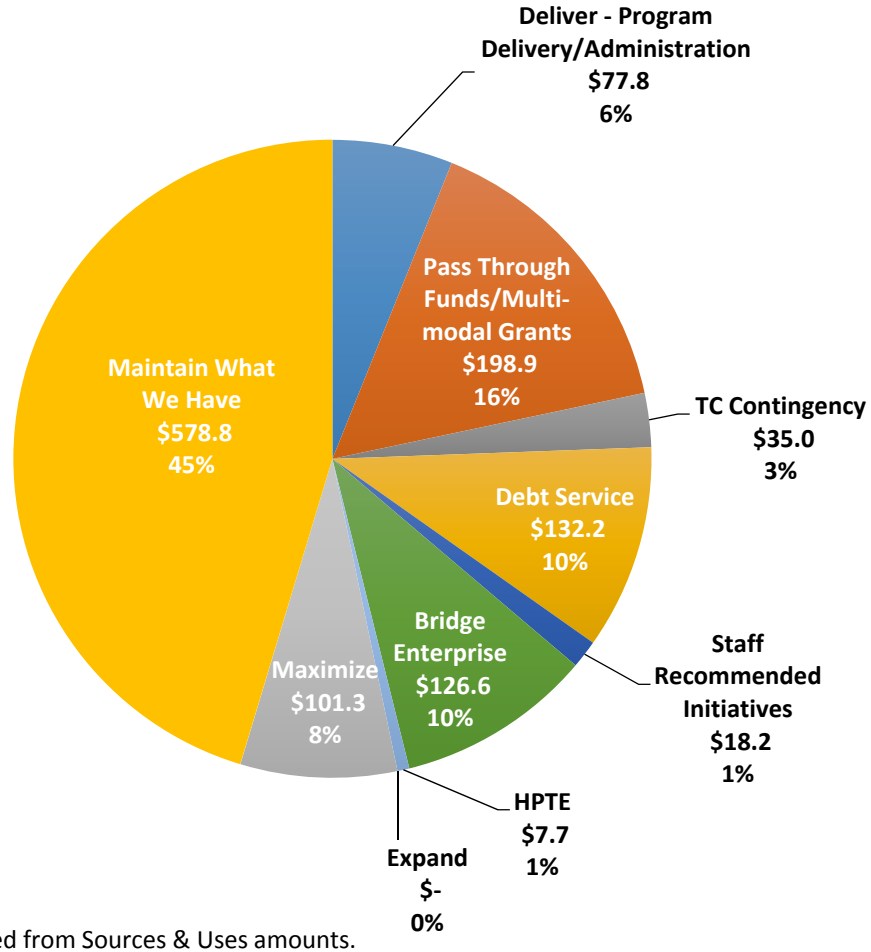
MAP-21 eliminated the dedicated federal funding for SRTS, but did not eliminate the program. Since FY 2013, the Colorado SRTS program has been funded in various ways: flexible funds from the Transportation Commission, savings from SAFETEA-LU projects, and a one-time allocation from the State Legislature. Despite the successes of SRTS, the long-term sustainability of the program has been in jeopardy since the passage of MAP-21. SRTS has been a strong component of CDOT's commitment to multi-modal transportation, yet currently there are no federal, state, or CDOT dollars dedicated to SRTS.

# FY 2016 – 17 Sources & Uses of Funds

## CDOT Sources of Funds
## FY2017 Budget - $1.27 billion*




## CDOT Uses of Funds
## FY2017 Budget - $1.27 billion*




*$127.4M Flood Recovery funds not included. $2.08M for HPTE Fee for Service deducted from Sources & Uses amounts.

**Attachment D**

# Colorado Department of Transportation
## Fiscal Year 2017 Draft Budget Allocations 10-14-15

| | Budget Category | | Program Area | Directed by | TC Approved FY2016 Budget Allocations | FY2017 Draft Allocations | FY2017 Draft Budget | FY2017 Over (Under) FY2016 | Funding Source |
|---|---|---|---|---|---|---|---|---|---|
| 1 | **Maintain - Maintaining What We Have** | | | | A | B | C | A - B | |
| 2 | | **CDOT Performed Work** | | | | | | | |
| 3 | | | Roadway Surface | TC | 39,075,453 | 39,207,301 | 39,207,301 | 131,848 | SH |
| 4 | | | Roadside Facilities | TC | 20,162,777 | 22,031,593 | 22,031,593 | 1,868,816 | SH |
| 5 | | | Roadside Appearance | TC | 7,805,488 | 8,582,670 | 8,582,670 | 777,182 | SH |
| 6 | | | Structure Maintenance | TC | 8,556,025 | 12,206,661 | 12,206,661 | 3,650,636 | SH |
| 7 | | | Tunnel Activities | TC | 6,908,508 | 7,181,237 | 7,181,237 | 272,729 | SH |
| 8 | | | Snow and Ice Control | TC | 73,350,077 | 76,064,129 | 76,064,129 | 2,714,052 | SH |
| 9 | | | Traffic Services | TC | 67,707,695 | 66,254,514 | 66,254,514 | (1,453,181) | SH |
| 10 | | | Planning and Scheduling | TC | 14,870,563 | 15,584,857 | 15,584,857 | 714,294 | SH |
| 11 | | | Material, Equipment and Buildings | TC | 15,963,414 | 15,487,037 | 15,487,037 | (476,377) | SH |
| 12 | | | | | **254,400,000** | **262,600,000** | **262,600,000** | **8,200,000** | |
| 13 | | **Contracted Out Work** | | | | | | | |
| 14 | | | Surface Treatment /1 /2 | TC | 149,500,000 | 145,125,000 | 113,171,645 | (4,375,000) | FHWA/ SH/ |
| 15 | | | Structures On-System Construction /1 /2 | TC | 22,300,000 | 31,268,000 | 24,383,469 | 8,968,000 | FHWA/ SH/ 09-108: $7.6M |
| 16 | | | Structures Inspection and Management /1 /2 | TC | 8,400,000 | 4,532,000 | 3,534,153 | (3,868,000) | SH/09-108: $3.5M |
| 17 | | | Geohazards Mitigation /1 | TC | 5,100,000 | 10,000,000 | 7,798,218 | 4,900,000 | 09-108: $10.0M |
| 18 | | | Highway Safety Investment Program | FR | 29,154,151 | 30,504,717 | 23,788,245 | 1,350,566 | FHWA / SH |
| 19 | | | Railway-Highway Crossings Program | FR | 3,150,245 | 3,282,636 | 2,559,871 | 132,391 | FHWA / SH |
| 20 | | | Hot Spots | TC | 2,167,154 | 2,167,154 | 1,689,994 | - | FHWA / SH |
| 21 | | | Traffic Signals /1 /2 | TC | 1,472,823 | 11,200,000 | 8,734,005 | 9,727,177 | FHWA/ SH/ 09-108: $9.4M |
| 22 | | | FASTER - Safety Projects | TC | 56,300,000 | 57,851,157 | 45,113,596 | 1,551,157 | 09-108 |
| 23 | | | Permanent Water Quality Mitigation | TC | - | 6,500,000 | 5,068,842 | 6,500,000 | FHWA / SH |
| 24 | | | Maintain-Related Indirects/Overhead /2 | | | | 42,270,168 | - | |
| 25 | | | Maintain-Related CDOT Construction Engineering /2 | | | | 24,318,457 | - | |
| 26 | | | | | **277,544,373** | **302,430,664** | **302,430,664** | **24,886,291** | |
| 27 | | **Capital Expenditure** | | | | | | | |
| 28 | | | Road Equipment /1 /2 | TC | 11,500,000 | - | - | (11,500,000) | SH |
| 29 | | | Capitalized Operating Equipment | TC | 3,448,525 | 3,760,247 | 3,760,247 | 311,722 | SH |
| 30 | | | Property /1 /2 | TC | 1,011,722 | 10,000,000 | 10,000,000 | 8,988,278 | SH |
| 31 | | | | | **15,960,247** | **13,760,247** | **13,760,247** | **(2,200,000)** | |
| 32 | | | | **Total:** | **547,904,620** | **578,790,911** | **578,790,911** | **30,886,291** | |
| 33 | **Maximize - Safely Making the Most of What We Have** | | | | | | | | |
| 34 | | **CDOT Performed Work** | | | | | | | |
| 35 | | | TSM&O: Performance Programs and Services | TC | 6,107,619 | 607,619 | 607,619 | (5,500,000) | SH |
| 36 | | | TSM&O Traffic Incident Management | TC | - | 1,089,156 | 1,089,156 | 1,089,156 | SH |
| 37 | | | TSM&O: ITS Maintenance /1 | TC | 14,400,000 | 24,500,000 | 24,500,000 | 10,100,000 | SH / 09-108: $9.5M |
| 38 | | | | | **20,507,619** | **26,196,775** | **26,196,775** | **5,689,156** | |
| 39 | | **Contracted Out Work** | | | | | | | |
| 40 | | | Safety Education | Comb | 11,090,000 | 12,473,628 | 10,558,349 | 1,383,628 | NHTSA / SSE |
| 41 | | | TSM&O: Congestion Relief | TC | 4,000,000 | 4,000,000 | 3,119,287 | - | FHWA / SH |
| 42 | | | Regional Priority Program | TC | 50,000,000 | 48,609,000 | 37,906,360 | (1,391,000) | FHWA / SH |
| 43 | | | Maximize-Related Indirect/Overhead /2 | | | | 8,568,872 | | |
| 44 | | | Maximize-Related CDOT Construction Engineering /2 | | | | 4,929,759 | | |
| 45 | | | | | **65,090,000** | **65,082,628** | **65,082,628** | **(7,372)** | |
| 46 | | **Capital Expenditure** | | | | | | | |
| 47 | | | TSM&O: ITS Investments | TC | 10,000,000 | 10,000,000 | 10,000,000 | - | FHWA / SH |
| 48 | | | | | 10,000,000 | 10,000,000 | 10,000,000 | - | |
| 49 | | | | **Total:** | **95,597,619** | **101,279,403** | **101,279,403** | **5,681,784** | |
| 50 | **Expand - Increasing Capacity** | | | | | | | | |
| 51 | | **CDOT Performed Work** | | | | | | | |
| 52 | | | | | - | - | - | - | |
| 53 | | **Contracted Out Work** | | | | | | | |
| 54 | | | Strategic Projects | SL | 92,340,000 | - | - | (92,340,000) | 09-228 |
| 55 | | | Expand-Related Indirect /2 | | - | - | - | | |
| 56 | | | Expand-Related CDOT Construction Engineering /2 | | - | - | - | | |
| 57 | | | | | **92,340,000** | **-** | **-** | **(92,340,000)** | |
| 58 | | | | **Total:** | **92,340,000** | **-** | **-** | **(92,340,000)** | |
| 59 | **Deliver - Program Delivery/Administration** | | | | | | | | |
| 60 | | | Operations [including maintenance support] | TC | 31,123,151 | 30,623,151 | 30,623,151 | (500,000) | SH |
| 61 | | | Projects Initiatives | TC | 1,855,000 | 1,855,000 | 1,855,000 | - | FHWA / SH |
| 62 | | | DTD Planning and Research - SPR | FR | 12,711,092 | 13,283,014 | 13,283,014 | 571,922 | FHWA / SH |
| 63 | | | Administration (Appropriated) | SL | 29,037,385 | 30,007,435 | 30,007,435 | 970,050 | SH |
| 64 | | | HPTE Fee for Service | TC | | 2,080,000 | 2,080,000 | 2,080,000 | SH |
| 65 | | | FY2016 Common Policy Anticipated Salary Increase | | 2,005,647 | - | - | (2,005,647) | |
| 66 | | | | **Total:** | **76,732,275** | **77,848,600** | **77,848,600** | **1,116,325** | |
| 67 | **Pass-Through Funds/Multi-modal Grants** | | | | | | | | |
| 68 | | **Aeronautics** | | | | | | | |
| 69 | | | Division of Aeronautics to Airports | AB | 29,100,000 | 23,991,181 | 23,991,181 | (5,108,819) | SA |
| 70 | | | Division of Aeronautics Administration | AB | 900,000 | 1,050,000 | 1,050,000 | 150,000 | SA |
| 71 | | | | | **30,000,000** | **25,041,181** | **25,041,181** | **(4,958,819)** | |
| 72 | | **Highway** | | | | | | | |
| 73 | | | Recreational Trails | FR | 1,591,652 | 1,591,652 | 1,591,652 | - | FHWA |
| 74 | | | Safe Routes to School | TC | - | 2,500,000 | 2,500,000 | 2,500,000 | FHWA |
| 75 | | | Transportation Alternatives Program | FR | 12,045,642 | 12,045,395 | 12,045,395 | (247) | FHWA / LOC |
| 76 | | | STP-Metro | FR | 46,972,177 | 49,134,550 | 49,134,550 | 2,162,373 | FHWA / LOC |
| 77 | | | Congestion Mitigation/Air Quality | FR | 45,539,598 | 45,994,306 | 45,994,306 | 454,708 | FHWA / LOC |
| 78 | | | Metropolitan Planning | FR | 7,829,342 | 8,150,505 | 8,150,505 | 321,163 | FHWA / FTA / LOC |
| 79 | | | Bridge Off-System - TC Directed | TC | 3,164,139 | 3,164,139 | 3,164,139 | - | FHWA / SH / LOC |
| 80 | | | Bridge Off-System - Federal Program | FR | 6,285,272 | 6,285,161 | 6,285,161 | (111) | FHWA / SH / LOC |
| 81 | | | | | **123,427,822** | **128,865,708** | **128,865,708** | **5,437,886** | |
| 82 | | **Transit** | | | | | | | |
| 83 | | | Federal Transit | FR | 29,236,280 | 29,621,237 | 29,621,237 | 384,957 | FTA / LOC |
| 84 | | | Strategic Projects -Transit | SL | 10,260,000 | - | - | (10,260,000) | 09-228 |
| 85 | | | Transit and Rail Local Grants | SL | 5,000,000 | 5,000,000 | 5,000,000 | - | 09-108 |
| 86 | | | Transit and Rail Statewide Grants | TC | 5,800,000 | 5,800,000 | 5,800,000 | - | 09-108 |
| 87 | | | Bustang | TC | 3,000,000 | 3,000,000 | 3,000,000 | - | 09-108 |
| 88 | | | Transit Administration and Operations | TC | 1,200,000 | 1,200,000 | 1,200,000 | - | FTA / 09-108 |
| 89 | | | | | **54,496,280** | **44,621,237** | **44,621,237** | **(9,875,043)** | |
| 90 | | **Infrastructure Bank** | | | | | | | |
| 91 | | | Infrastructure Bank | TC | **500,000** | **420,804** | **420,804** | **(79,196)** | SIB |
| 92 | | | | **Total:** | **208,424,102** | **198,948,930** | **198,948,930** | **(9,475,172)** | |
| 93 | **Transportation Commission Contingency / Debt Service** | | | | | | | | |
| 94 | | **Permanent Recovery** | | | | | | | |
| 95 | | | Permanent Recovery | | 174,500,000 | 127,400,000 | 99,349,303 | (47,100,000) | FHWA |
| 96 | | | Recovery-Related Indirect/Overhead /2 | | | | 17,806,460 | | |
| 97 | | | Recovery-Related CDOT Construction Engineering /2 | | | | 10,244,237 | | |
| 98 | | | | | **174,500,000** | **127,400,000** | **127,400,000** | **(47,100,000)** | |
| 99 | | | | | | | | | |
| 100 | | **Contingency** | | | | | | | |
| 101 | | | TC Contingency | TC | 1,972,914 | 25,000,000 | 25,000,000 | 23,027,086 | FHWA / SH |
| 102 | | | Snow & Ice Reserve | TC | 10,000,000 | 10,000,000 | 10,000,000 | - | SH |
| 103 | | | Staff Recommended Programs | TC | - | 18,208,012 | 18,208,012 | 18,208,012 | FHWA / SH |
| 104 | | | | | **11,972,914** | **53,208,012** | **53,208,012** | **41,235,098** | |
| 105 | | **Debt Service** | | | | | | | |
| 106 | | | Strategic Projects - Debt Service | DS | 167,840,075 | 128,869,125 | 128,869,125 | (38,970,950) | FHWA / SH |
| 107 | | | Certificates of Participation-Property | DS | 2,362,200 | 2,364,664 | 2,364,664 | 2,464 | SH |
| 108 | | | Certificates of Participation-Energy | DS | 1,041,850 | 993,850 | 993,850 | (48,000) | SH |
| 109 | | | | | **171,244,125** | **132,227,639** | **132,227,639** | **(39,016,486)** | |
| 110 | | | | **Total:** | **357,717,039** | **312,835,651** | **312,835,651** | **(44,881,388)** | |
| | | | | | **1,378,715,655** | **1,269,703,495** | **1,269,703,495** | **(109,012,160)** | |
| | | | | Revenue | **1,378,715,655** | **1,269,703,495** | **1,269,703,495** | **(109,012,160)** | |

**/1 FASTER Safety funds ($40.0M) were substituted for flexible funds in appropriate Asset Management Programs. Resulting available flexible funds were then added to Regional Priority Program.**
**/2 Budget excludes RAMP projects; CE and indirects are calculated based on total programs as shown.**
**Flexible Funds**

**Key to acronyms:**

| | | | | |
|---|---|---|---|---|
| LOC=Local Matching Funds | DS= Debt Service Covenants | SH=State Highway funding | SL=State Legislation | 09-228=Funds from HB 09-228 |
| SIB=St. Infrastructure Bank Interest | AB=Aeronautics Board | FHWA=Federal Highway Administration | Comb=Combination | 09-108=Funds from HB 09-108 (FASTER) |
| TC=Transportation Commission | FR=Federal Requirements | FTA=Federal Transit Administration | SSE=State Safety Education | NHTSA=Nat. Hwy. Traffic Safety Administration |

## State Bridge Enterprise
## Fiscal Year 2017 Draft Budget Allocations 10-14-15

| | Budget Category | | Program Area | Directed by | FY2016 Budget Allocations | FY2017 Draft Allocations | FY2017 Draft Budget | FY2017 Over (Under) FY2016 | Funding Source |
|---|---|---|---|---|---|---|---|---|---|
| 1 | **Maintain - Maintaining What We Have** | | | | **A** | **B** | **C** | **A - B** | |
| 2 | | **CDOT Performed Work** | | | | | | | |
| 3 | | | Maintenance | BEB | 250,000 | 250,000 | 250,000 | - | 09-108 |
| 4 | | | Scoping Pools | BEB | 750,000 | 300,000 | 300,000 | (450,000) | 09-108 |
| 5 | | | | | **1,000,000** | **550,000** | **550,000** | **(450,000)** | |
| 6 | | **Contracted Out Work** | | | | | | | |
| 7 | | | Bridge Enterprise Projects | BEB | 102,954,096 | 105,904,096 | 82,586,328 | 2,950,000 | 09-108 |
| 8 | | | Maintain-Related Indirects/Overhead /1 | | | | 14,802,017 | | |
| 9 | | | Maintain-Related CDOT Construction Engineering /1 | | | | 8,515,751 | | |
| 10 | | | | | **102,954,096** | **105,904,096** | **105,904,096** | **2,950,000** | |
| 11 | | | | **Total** | **103,954,096** | **106,454,096** | **106,454,096** | **2,500,000** | |
| 12 | **Maximize - Safely Making the Most of What We Have** | | | | | | | | |
| 13 | | **CDOT Performed Work** | | | | | | | |
| 14 | | **Contracted Out Work** | | | | | | | |
| 15 | | | | **Total** | **-** | **-** | **-** | **-** | |
| 16 | **Expand - Increasing Capacity** | | | | | | | | |
| 17 | | **CDOT Performed Work** | | | | | | | |
| 18 | | **Contracted Out Work** | | | | | | | |
| 19 | | | | **Total** | **-** | **-** | **-** | **-** | |
| 20 | **Deliver - Program Delivery/Administration** | | | | | | | | |
| 21 | | | Administration and Legal Fees | | 1,911,904 | 1,911,904 | 1,911,904 | - | 09-108 |
| 22 | | | | **Total:** | **1,911,904** | **1,911,904** | **1,911,904** | **-** | |
| 23 | **Pass-Through Funds/Multi-modal Grants** | | | | | | | | |
| 24 | | **Highway** | | | | | | | |
| 25 | | | | **Total:** | **-** | **-** | **-** | **-** | |
| 26 | **Transportation Commission Contingency / Debt Service** | | | | | | | | |
| 27 | | **Contingency** | | | | | | | |
| 28 | | | Bridge Enterprise - Contingency | BEB | - | - | - | - | 09-108 |
| 29 | | | | | - | - | - | - | |
| 30 | | **Debt Service** | | | | | | | |
| 31 | | | Bridge Enterprise - Debt Service | DS | 18,234,000 | 18,234,000 | 18,234,000 | - | FHWA / SH |
| 32 | | | | | 18,234,000 | 18,234,000 | 18,234,000 | - | |
| 33 | | | | **Total:** | **18,234,000** | **18,234,000** | **18,234,000** | **-** | |
| | | | | | **124,100,000** | **126,600,000** | **126,600,000** | **2,500,000** | |
| | **/1 Budget excludes RAMP projects; CE and indirects are calculated based on total programs as shown.** | | | Revenue | **124,100,000** | **126,600,000** | **126,600,000** | **2,500,000** | |

**Key to acronyms:**
BEB= Bridge Enterprise Board
DS= Debt Service Covenants

## High Performance Transportation Enterprise
## Fiscal Year 2017 Draft Budget Allocations 10-14-15

| | Budget Category | | Program Area | Directed by | FY2016 Budget Allocations | FY2017 Draft Allocations | FY2017 Draft Budget | FY2017 Over (Under) FY2016 | Funding Source |
|---|---|---|---|---|---|---|---|---|---|
| 1 | **Maintain - Maintaining What We Have** | | | | **A** | **B** | **C** | **A - B** | |
| 2 | | **CDOT Performed Work** | | | | | | | |
| 3 | | **Contracted Out Work** | | | | | | | |
| 4 | | | | **Total** | **-** | **-** | **-** | **-** | |
| 5 | **Maximize - Safely Making the Most of What We Have** | | | | | | | | |
| 6 | | **CDOT Performed Work** | | | | | | | |
| 7 | | **Contracted Out Work** | | | | | | | |
| 8 | | | | **Total** | **-** | **-** | **-** | **-** | |
| 9 | **Expand - Increasing Capacity** | | | | | | | | |
| 10 | | **CDOT Performed Work** | | | | | | | |
| 11 | | | High Performance Transportation Enterprise--Maintenance | HPTEB | - | - | - | - | Tolls/Managed Lanes Revenue |
| 12 | | | | | - | - | - | - | Tolls/Managed Lanes Revenue |
| 13 | | **Contracted Out Work** | | | | | | | |
| 14 | | | High Performance Transportation Enterprise--Projects | HPTEB | 575,000 | 5,636,702 | 4,395,623 | 5,061,702 | Tolls/Managed Lanes |
| 15 | | | Expand-Related Indirect /1 | | | | 787,831 | | |
| 16 | | | Expand-Related CDOT Construction Engineering /1 | | | | 453,247 | | |
| 17 | | | | | **575,000** | **5,636,702** | **5,636,702** | **5,061,702** | Tolls/Managed Lanes Revenue |
| 18 | | | | **Total** | **575,000** | **5,636,702** | **5,636,702** | **5,061,702** | |
| 19 | **Deliver - Program Delivery/Administration** | | | | | | | | |
| 20 | | | High Performance Transportation Enterprise--Administration and Legal Fees | | 1,249,148 | 1,178,649 | 1,178,649 | (70,499) | Fee for Service |
| 21 | | | | **Total:** | **1,249,148** | **1,178,649** | **1,178,649** | **(70,499)** | |
| 22 | **Pass-Through Funds/Multi-modal Grants** | | | | | | | | |
| 23 | | **Highway** | | | | | | | |
| 24 | | | | **Total:** | **-** | **-** | **-** | **-** | |
| 25 | **Transportation Commission Contingency / Debt Service** | | | | | | | | |
| 26 | | **Contingency** | | | | | | | |
| 27 | | **Debt Service** | | | 750,852 | 901,351 | 901,351 | 150,499 | Fee for Service |
| 28 | | | | **Total:** | **750,852** | **901,351** | **901,351** | **150,499** | |
| | | | | | **2,575,000** | **7,716,702** | **7,716,702** | **5,141,702** | |
| | **/1 Budget excludes RAMP projects; CE and indirects are calculated based on total programs as shown.** | | | Revenue | **2,575,000** | **7,716,702** | **7,716,702** | **5,141,702** | |

**Key to acronyms:**
HPTEB=High Performance Transportation Enterprise Board

| | | | | |
|---|---|---|---|---|
| **HPTE Fee For Service Revenue & Allocation Adjustment** | | **(2,080,000)** | **(2,080,000)** | |
| **Total Consolidated Allocations** | **1,505,390,655** | **1,401,940,197** | **1,401,940,197** | **(103,450,458)** |
| **Total Consolidated Revenue** | **1,505,390,655** | **1,401,940,197** | **1,401,940,197** | **(103,450,458)** |

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# Colorado Department of Transportation

# Proposed Budget Allocation Plan

*for*

# Fiscal Year 2016-17

## Governor John Hickenlooper

## October 15, 2015

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# COLORADO DEPARTMENT OF TRANSPORTATION

## Proposed Budget Allocation Plan for Fiscal Year 2016-17

John Hickenlooper, Governor

Shailen Bhatt, Executive Director

## Transportation Commission

Kathy Connell, Chairwoman, Steamboat Springs, District 6

Gary Reiff, Vice Chairman, Englewood, District 3

Shannon Gifford, Denver, District 1

Ed Peterson, Lakewood, District 2

Heather Barry, Westminster, District 4

Kathleen Gilliland, Livermore, District 5

Kathryn Hall, Grand Junction, District 7

Sidny Zink, Durango, District 8

Nolan Schriner, Colorado Springs, District 9

William Thiebaut, Pueblo, District 10

Steven Hofmeister, Haxtun, District 11

Herman Stockinger, Secretary

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# Introduction

## About the Department

The Colorado Department of Transportation (CDOT) is a 1.5 billion dollar per year, 3,348 employee organization dedicated to providing the best multi-modal transportation system for Colorado that most effectively and safely moves people, goods, and information.

The Department operates under the authority of the Colorado Transportation Commission, which has been in continuous operation since 1909. The Department enhances the quality of life and the environment of the citizens of Colorado by creating an integrated transportation system that focuses on safely moving people and goods by offering convenient linkages among modal choices.

The Department is responsible for a highway system that encompasses more than 9,100 center-line miles (about 23,000 total lane miles) and includes 3,439 bridges. This system each year handles more than 28 billion vehicle miles of travel. Although the Interstate system accounts for only about 10 percent, or 952, of the center-line miles on the state system, about 40 percent of state-highway travel within Colorado takes place on Interstate highways.

CDOT's highway construction program attracts private contractors and typically the low bidder is awarded the project and in turn is responsible for construction of that project. This partnership between government and business works well to maintain and improve Colorado's transportation system.

CDOT maintenance forces take care of the highway system, plowing snow and repairing pavement. Last winter, these men and women plowed 6.2 million miles of highway. They also repaired road damage and potholes, using more than 233,720 tons of asphalt and 1.7 million gallons of liquid asphalt in preservation activities.

CDOT is more than roads and bridges. The Division of Aeronautics supports aviation interests statewide, including grants to help improve local airports. CDOT's Division of Transit and Rail operates Bustang, CDOT's interregional Express Bus service, and provides assistance to numerous transit systems in the state. The Division of Transportation Systems, Management and Operations addresses the state's traffic and congestion issues through the development of intelligent transportation systems.

## Revenue Overview

CDOT is financed by a variety of taxes and fees paid by all users of the state and national transportation systems. CDOT receives revenue from five sources: state revenues, federal revenues, grants, miscellaneous sources (including sale of property, permits, and fines), and Enterprise revenue.

The largest source of revenue for CDOT is the Highway Users Tax Fund (HUTF). HUTF is a constitutionally dedicated revenue source comprised of a combination of motor fuel taxes, motor vehicle registration fees, and other revenues. Federal-aid highway funding constitutes the second largest category of revenues for the state transportation system. These funds are authorized by Congress from the Highway Trust Fund (HTF) to assist states in providing for construction, reconstruction, and improvement of



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# Introduction (continued)

highways and bridges on eligible federal-aid highway routes and for other special purpose programs and projects. Tax revenues directed to the HTF are derived from excise taxes on motor fuel, alternative fuels taxes, and truck-related taxes on truck tires, sales of trucks and trailers, and heavy vehicle use.

The major sources of revenue for HUTF and HTF are the state and federal motor fuel taxes, which are based on the volume of gallons sold, rather than on the price per gallon. Thus, growth in gas tax receipts only come from increases in the amount of fuel sold and not from increases in the price per gallon. This poses a challenge for revenue collection as vehicles become increasingly fuel efficient, and thus the declining consumption of gasoline does not match increasing total road usage. In the state of Colorado, the current tax rate on gasoline is 22 cents per gallon and the current rate on diesel fuel is 20.5 cents per gallon. The excise tax rate was last adjusted by the General Assembly in 1992 and any future increases in the rate are subject to voter approval. Congress last adjusted the federal gasoline tax in 1993 to its current 18.4 cents per gallon rate.

## Spotlight on New and Innovative Projects

In order to deliver a high level of service despite stagnant revenues, CDOT is taking innovative approaches to provide Coloradans much needed services. Two projects that exemplify CDOT's creativity are the recently launched Bustang—CDOT's first-ever state operated interregional Express Bus service, and the newly constructed US 36 Express Lanes. Each of these projects are fresh services from CDOT, designed to maximize existing capacity and to give transportation alternatives along major corridors during peak commute hours.

Bustang was created with the purposes of alleviating congestion and offering more travel choices by serving commuters along the 1-25 Front Range and I-70 Mountain Corridors. By linking major local transit systems together, the Bustang service responds to demand from the traveling public to have a reliable transit alternative along the highest traveled corridors in the state. No entity, except CDOT, has the jurisdiction and authority to provide interregional transit service, nor a stable funding source to pay for multi-jurisdiction transit services. Bustang carries commuters to and from Denver, Colorado Springs, Fort Collins, Glenwood Springs and more on its three major service routes.

Each of the service's 13 purple buses offers the latest in commuter amenities, including wireless internet, restrooms, bike racks, outlets and charging stations, reclining high-back seats, and Bustang is handicapped equipped. Bustang launched operations in July, 2015.

The US 36 Express Lanes Project is a multi-modal project led by CDOT's High Performance Transportation Enterprise (HPTE) and the Regional Transportation District (RTD) to reconstruct US 36 from Federal Boulevard to 88th Street in Louisville/Superior. This project includes a new express lane for Bus Rapid Transit as well as carpool vehicles and tolled vehicles, the reconstruction of existing general purpose lanes, and the rebuilding of many aging bridges and a bikeway. Phase 1 of the project opened in summer of 2015, and Phase 2 is anticipated to be open early 2016.



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# Introduction (continued)

This project was made possible by CDOT's first public-private partnership (P3). HPTE announced in March, 2015 that the State Auditor's report on the US 36 P3 has overall provided the best value for taxpayers. The audit also included recommendations to improve the process of using P3's as a new project delivery mechanism.

## Responsible Acceleration of Maintenance and Partnerships (RAMP)

The Colorado Department of Transportation (CDOT) unrolled a new way of budgeting and expending funds for transportation projects in the Fiscal Year 2015-16 budget. Using Program, Asset and Cash Management, this effort, known as Responsible Acceleration of Maintenance and Partnerships (RAMP), will better coordinate expenditures and available funding.

- Prior to RAMP: CDOT did not advertise a project until all of the money was "in the bank," which meant the department was saving money for projects over multiple years before construction could begin. Since some projects take several years to construct, money would sit unspent when it could be utilized much sooner. This method of construction spending led to the $1.5 billion cash balance that the Department is now reducing by moving more work to this state's transportation system.
- New Practice: Under the RAMP program, CDOT funds multi-year projects based on year of expenditure, rather than saving for the full amount of a project before construction begins.

**Program Management**

The Office of Program Management was established in FY 2013-14 under the Chief Engineer to oversee project prioritization and scheduling. Program Management coordinates transportation project scheduling, available cash balances, and asset management in order to maximize the use of available funding for those projects that meet current needs and are phase-ready. This office works with Asset Management and Cash Management to best match prioritized projects with available cash to optimize the Department's annual construction program. Every CDOT Engineering Region has its own Program Management Representative, who works in conjunction with the Office of Program Management in Denver to best communicate and coordinate programming efforts on a statewide basis.

**Asset Management**

The Colorado Department of Transportation began transitioning to Asset Management in FY 2011-12. Federal legislation requires that each State DOT develop and implement risk-based, performance-based asset management plan for preserving and improving the condition of the National Highway System pavements and bridges. The Department completed its asset management plan ahead of schedule, and is in the process of formalizing how its asset management practices inform both budget setting and project selection. Asset Managers use Transportation Commission established performance goals, targets, and state-of-the-art analysis technologies to determine long-term performance forecasts that are presented to senior management and the Transportation Commission for budgetary decisions. Once program allocations are determined, staff works with regions and other assets to select optimal, cost-effective projects that improve the performance (life) of the asset.



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# Introduction (continued)

**Cash Management**

The Office of Cash Management was formed within the Department's Division of Accounting and Finance to effectively and efficiently manage the Department's cash resources. This office is implementing known best practices to also manage the reduction of the Department's cash balance. This office works with the Office of Program Management to match available funding to projects that are phase-ready. Initiated in FY 2013-14 and implemented in FY 2014-15, the office developed department-wide guidance for requesting and validating funding for construction projects. Overall, these practices have helped maximize the ability to advance more dollars to construction projects.

The office is also implementing the use of incremental encumbrances in order to commit only those dollars expected to be expended within a fiscal year; developing a cash based STIP (Statewide Transportation Improvement Program) for planning the construction program; and developing and improving reports to provide information on cash forecasts, spending, and cash management recommendations to Department management and the public.

## Budget Layout

This document is divided into three sections: the first section contains the main CDOT budget, the second is the Colorado Bridge Enterprise and the third is High Performance Transportation Enterprise. Each of these sections is in turn divided into a revenue section with fact sheets for each revenue source and a program allocation section with fact sheets for each program. Information on statutory authorization, governance and program website links are provided at the top of each program fact sheet.

Upon adoption by the Transportation Commission, this budget allocation plan is available for viewing by December 1, 2015 at https://www.codot.gov/business/budget/cdot-budget.

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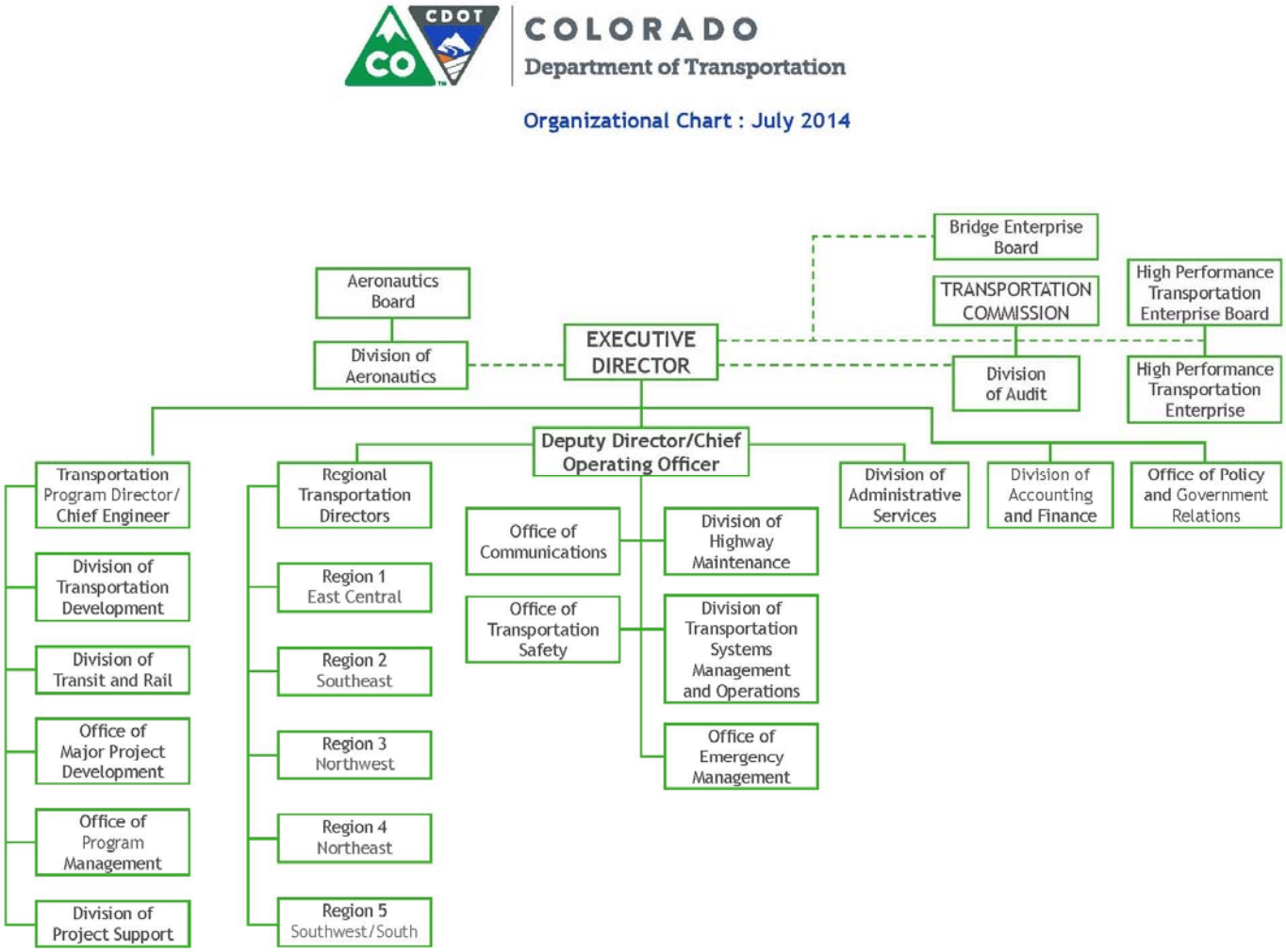
# Introduction (continued)

## Organizational Chart

The Department of Transportation is organized according to state statutes and the policy directives of the Colorado Transportation Commission.



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# Colorado Department of Transportation

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# CDOT Boards & Commissions

## The Colorado Transportation Commission

The Colorado Transportation Commission provides oversight, policy direction, and resource allocation decisions to the Department of Transportation. The powers and duties of the Commission are set forth in Section 43-1-106, C.R.S. (2015). The Commission consists of eleven appointees of the Governor, each representing a specific geographic portion of the state and each appointed to a four-year term on a staggered schedule. The appointees are subject to confirmation by the Colorado Senate.

The members of the Transportation Commission are:

**District One: Ms. Shannon Gifford;** Commissioner.Gifford@state.co.us
*(Denver County; appointed July 2013, term expiring July 2017).*

**District Two: Mr. Edward J. Peterson;** Commissioner.Peterson@state.co.us
*(Jefferson County and a portion of Broomfield County, appointed October 2011, term expiring July 2019).*

**District Three: Mr. Gary M. Reiff;** Commissioner.Reiff@state.co.us
*(Arapahoe and Douglas counties, appointed August 2009, term expiring July 2017).*

**District Four: Ms. Heather Barry;** Commissioner.Barry@state.co.us
*(Adams and Boulder counties and a portion of Broomfield County; appointed July 2007, term expiring July 2017).*

**District Five: Ms. Kathy Gilliland;** Commissioner.Gilliland@state.co.us
*(Larimer, Morgan, and Weld counties and a portion of Broomfield County; appointed July 2011, term expiring July 2019).*

**District Six: Ms. Kathy Connell;** Commissioner.Connell@state.co.us
*(Clear Creek, Gilpin, Grand, Jackson, Moffat, Rio Blanco, and Routt counties; appointed July 2011, term expiring July 2019).*

**District Seven: Ms Kathryn Hall;** Commissioner.Hall@state.co.us
*(Chaffee, Delta, Eagle, Garfield, Gunnison, Lake, Mesa, Montrose, Ouray, Pitkin, and Summit counties; appointed September 2015, term expiring July 2019).*

**District Eight: Ms. Sidny Zink;** Commissioner.Zink@state.co.us
*(Alamosa, Archuleta, Conejos, Costilla, Dolores, Hinsdale, La Plata, Mineral, Montezuma, Rio Grande, Saguache, San Juan, and San Miguel counties; appointed July 2013 term expiring July 2017).*

**District Nine: Mr. Nolan Schriner;** Commissioner.Nolan@state.co.us
*(El Paso, Fremont, Park, and Teller counties; appointed September 2015, term expiring July 2019).*

**District Ten: Mr. William Thiebaut;** Commissioner.Thiebaut@state.co.us
*(Baca, Bent, Crowley, Custer, Huerfano, Kiowa, Las Animas, Otero, Prowers, and Pueblo counties; appointed April 2009, term expiring July 2017).*

**District Eleven: Mr. Steven Hofmeister;** Commissioner.Hofmeister@state.co.us
*(Cheyenne, Elbert, Kit Carson, Lincoln, Logan, Phillips, Sedgwick, Washington, and Yuma counties; appointed May 2012, term expiring July 2019).*

Ms. Kathy Connell is the Chairwoman of the Transportation Commission and Mr. Gary M. Reiff is the Vice Chairman. Mr. Herman Stockinger, Director of the CDOT Office of Policy and Government Relations serves as the Secretary of the Transportation Commission. (Please see the following page for a map of the Transportation Commission Districts.)

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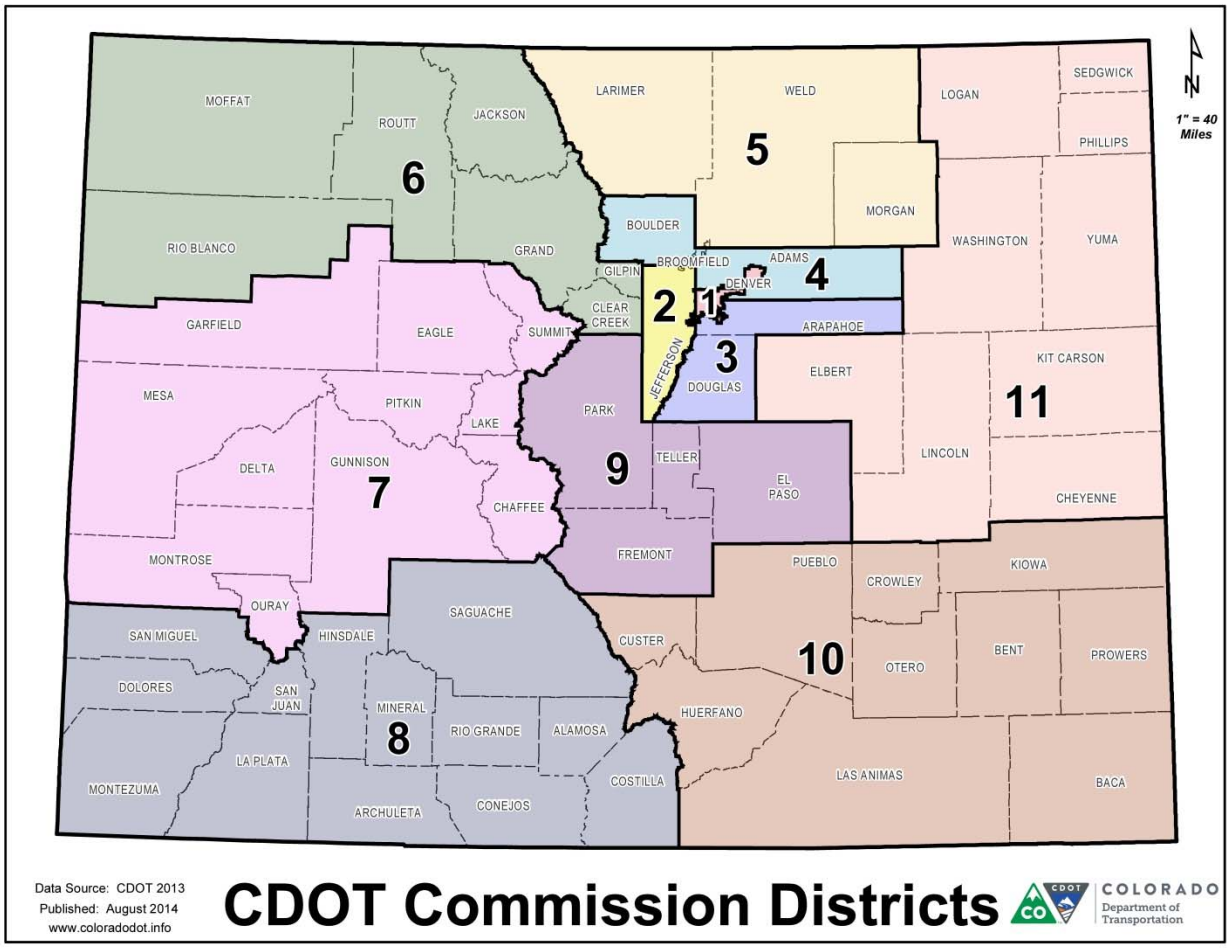
# CDOT Boards & Commissions (continued)

**Transportation Commission District Map**



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# Boards & Commissions (continued)

## The Colorado Aeronautical Board

Per Section 43-10-104, C.R.S. (2015), the seven-member Colorado Aeronautical Board provides oversight, policy direction, and resource allocation decisions for the CDOT Division of Aeronautics. The members of the board are Governor appointees and are chosen as follows:

- Four members, two from the eastern slope and two from the western slope of the state, representing local governments which operate airports, which members shall be selected by the governor from a list of nominees supplied by local governments.
- One member representing a statewide association of airport managers.
- One member representing a statewide association of pilots.
- One member familiar with and supportive of the state's aviation issues, interests, and concerns.

Appointments shall be made so as to insure a balance broadly representative of the activity level of airports throughout the state. The members serve three year terms and are subject to confirmation by the Colorado Senate.

The members of the Colorado Aeronautical Board are:

- **Mr. William "T" Thompson** William.T.Thompson@state.co.us
  *(Eastern Slope Governments; appointed March 2002, term expiring December 2015)*
- **Mr. Ray Beck** Ray.Beck@state.co.us
  *(Western Slope Governments; appointed December 2004, term expiring December 2016)*
- **Ms. Ann Beardall** ann.beardall@state.co.us
  *(Pilot Organizations; appointed December 2014, term expiring December 2017)*
- **Mr. John Reams** John.Reams@state.co.us
  *(Western Slope Representative; appointed December 2006 for a term expiring December 2015)*
- **Mr. Joe Rice** joe.rice@state.co.us
  *(Aviation Interests-at-Large; appointed December 2014, term expiring December 2017)*
- **Mr. Jeffery Forrest** Jeff.Forrest@state.co.us
  *(Eastern Plains Governments; appointed March 2008, term expiring December 2015)*
- **Mr. Robert Olislagers** robert.olislagers@state.co.us
  *(Airport Management Representative; appointed December 2014, term expiring December 2017)*

Mr. Ray Beck is the Chairman of the Aeronautical Board, Ms. Ann Beardall is the Vice Chair and Mr. David Ulane is the Director of the Division of Aeronautics.

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# CDOT Revenue Fact Sheets

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# CDOT Revenue Overview

***Background***

The Colorado Department of Transportation is financed by a variety of fees and taxes paid by the users of the state and national transportation systems.

***Motor Fuel Taxes***

- The State of Colorado levies excise taxes on gasoline, diesel fuel, and all special fuels used to propel motor vehicles and aircraft making use of public highways and airport facilities.
- The federal government levies excise taxes on gasoline, diesel fuel, and all special fuels used to propel motor vehicles on public highways.

***Registration Fees***

- The State of Colorado levies a variety of fees and surcharges on motor vehicles registered to use public highways; however, one tax, the specific ownership tax, is credited to local property taxing subdivisions of state government rather than to a directly transportation-related use.
- The federal government charges annual weight-based taxes on heavy vehicles registered for interstate commerce.

***Other Taxes***

- The State of Colorado levies a sales tax on the value of aviation fuel sold in Colorado.
- The federal government levies a tax on the value of heavy commercial vehicle sales.
- The federal government levies a weight-based excise tax on tires exceeding forty pounds.

***Other User Fees***

- The Department of Transportation generates revenue by selling oversize/overweight permits, access permits, bid plans, property, and excess right-of-way.

***General Fund Revenue***

- Senate Bill 09-228 allows for a series of five years of conditional transfers of up to 2.0 percent of gross General Fund revenues to the Department; those transfers are dependent upon a number of triggers being met, and are projected to occur in FY2016-17.

***Revenue to the Enterprises***

- Each year $15 million in eligible federal funds apportioned to the Colorado Bridge Enterprise (BE) for costs related to designated bridge projects and $2 million in the Highway Users Tax Fund (HUTF) funds are paid to the High Performance Transportation Enterprise (HPTE) as a fee for services provided.

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# CDOT Revenue Overview (continued)

| Summary of CDOT Revenue Estimate | |
|---|---|
| ***Funding Category*** | **FY 2016-17** |
| Highway User Tax Fund (HUTF) Revenue | 522,083,459 |
| Miscellaneous State Highway Fund | 37,277,382 |
| Safety Education Funding | 12,114,488 |
| Capital Construction Fund Appropriations | 0 |
| Senate Bill 09-228 - General Fund transfer | 0 |
| Transit Revenue | 34,621,237 |
| Aeronautics Revenue | 30,333,280 |
| State Infrastructure Bank Interest Income | 420,804 |
| Federal Highway Revenue - The Highway Trust Fund (Highway Account) | 635,882,799 |
| Colorado Department of Transportation - Total Revenue | 1,272,733,449 |

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**CDOT - Revenue Source Fact Sheet**

# Highway Users Tax Fund (HUTF) Revenue

Statutory Authorization: Section 43-4-201, C.R.S. (2015)
Funding Type(s): Fuel taxes, registration fees, judicial fines

### *Background*

The Highway Users Tax Fund is the principal fund in which state-levied fees and taxes associated with the operation of motor vehicles are deposited. The General Assembly annually appropriates HUTF moneys to the Departments of Revenue and Public Safety for motor vehicle-related programs, and the State Treasurer distributes the remaining HUTF proceeds among the Department of Transportation and county and municipal governments in Colorado according to statutory formulas.

### *Specific Funding Sources*

| **Total HUTF Revenue Estimate (in $millions)** | |
|---|---|
| ***Funding Source*** | **FY 2016-17** |
| Motor Fuel Tax | 562.1 |
| Motor Vehicle Registration | 214.5 |
| Other Miscellaneous HUTF | 37.5 |
| SB 09-108 Road Safety Surcharges | 129.6 |
| SB 09-108 Late Registration Fees | 18.6 |
| SB 09-108 Daily Vehicle Rental Fees | 30.3 |
| SB 09-108 Oversize/Overweight Vehicle Surcharges | 1.4 |
| **TOTAL** | **994.0** |

### *Appropriation/Distribution Methodology*

The General Assembly funds the Colorado State Patrol and portions of the Department of Revenue's Motor Vehicles Division through annual appropriations from the HUTF. Section 43-4-201 (3)(a)(I), C.R.S. (2015) restricts annual HUTF appropriations to grow by no more than 6.0 percent per year and may grow to the level of 23.0 percent of the fund's total income from the previous fiscal year.

| **Total HUTF Revenue Distribution (in $millions)** | |
|---|---|
| ***Entity Type*** | **FY 2016-17** |
| Off the Top Deductions to Colorada State Patrol and Department of Revenue | 125.9 |
| CDOT | 522.1 |
| Counties | 194.1 |
| Municipalities | 132.8 |
| Distributed for Other Purposes | 13.9 |
| **TOTAL** | **988.8** |

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**CDOT - Revenue Source Fact Sheet**

## Highway Users Tax Fund (HUTF) Revenue (continued)

Remaining HUTF revenues are statutorily divided into three separate funding streams. Principal first stream revenues are distributed 65% to CDOT, 26% to counties, 9% to municipalities and include:

- Proceeds of the first seven cents of the gasoline, diesel, and special fuel taxes
- Vehicle license plate, identification plate, and placard fees
- Driver's license, motor vehicle title and registration, and motorist insurance identification fees
- Proceeds of the passenger-mile tax levied on operators of commercial bus services
- Interest earnings

Second stream revenues include motor fuel taxes in excess of the first seven cents per gallon of gasoline, diesel, and special fuels and are distributed 60% to CDOT, 22% to counties, and 18% to municipalities.

Third stream revenues include all fees, surcharges, and fine revenues authorized by S.B. 09-108. Apart from a provision in S.B. 09-108 that redirects $5.0 million from the county and municipal shares to the State Transit and Rail Fund, the third stream revenues are distributed in the same proportions as the second stream revenues. This $5.0 million is then granted by CDOT to local government transit and rail projects.

***Revenue History and Projection***

| HUTF Revenue to CDOT (in $millions) | | | | |
|---|---|---|---|---|
| *Funding Source* | Actual FY 2013-14 | Actual FY 2014-15 | Estimate FY 2015-16 | Estimate FY 2016-17 |
| Motor Fuel Tax | 288.8 | 304.5 | 287.3 | 292.2 |
| Motor Vehicle Registrations | 103.1 | 108.7 | 102.6 | 104.4 |
| Other HUTF Revenue | 20.6 | 21.7 | 20.5 | 20.9 |
| SB 09-108 Revenue Collections | 101.2 | 104.1 | 106.3 | 107.8 |
| **TOTAL** | **513.7** | **539.0** | **516.7** | **525.3** |

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## CDOT - Revenue Source Fact Sheet

# Miscellaneous State Highway Fund Revenue

Funding Types: Sales, Fees, Interest Earnings

***Background***

The main source of revenue to the State Highway Fund is distributions from the Highway Users Tax Fund. However, there are several other sources of revenue to the State Highway Fund including:

- Interest on the fund's cash balance
- Sales of overweight and oversize permits.
- Sales of bid plans and specifications.
- Sales of excess right-of-way and other property
- Reimbursements for damage caused to CDOT property by motorists

***Revenue History and Projection***

| Miscellaneous State Highway Fund Revenue (in $millions) | | | | |
|---|---|---|---|---|
| ***Funding Source*** | Actual FY 2013-14 | Actual FY 2014-15 | Estimate FY 2015-16 | Estimate FY 2016-17 |
| Permits | 8.1 | 4.7 | 8.5 | 7.6 |
| Service Charges | 0.0 | 0.0 | 0.0 | 9.3 |
| Sales (bid plans & specs.) | 1.1 | 0.1 | 0.1 | 1.4 |
| Damage Awards | 2.4 | 0.2 | 0.2 | 5.3 |
| Interest Earned | 12.7 | 24.5 | 10.4 | 12.5 |
| Property (sales & rentals) | 1.1 | 0.0 | 0.0 | 1.2 |
| **TOTAL** | **25.4** | **29.5** | **19.2** | **37.3** |

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**CDOT - Revenue Source Fact Sheet**

# Safety Education Funding

| | |
|---|---|
| Statutory Authorization: | Law Enforcement Assistance Fund – Section 43-4-401, C.R.S. (2015)<br>First Time Drunk Driving Offenders Account – Section 42-2-132, C.R.S. (2015)<br>Motorcycle Operator Safety Training Fund – Section 43-5-504, C.R.S. (2015)<br>Marijuana Tax Cash Fund: Section 39-28.8-501(1), C.R.S. (2015)<br>National Highway Transportation Safety Administration – 49 U.S.C. § 105 |
| Funding Type(s): | Fees, fines |

***Background***

Although there is a safety component in all field work performed by CDOT and its private sector partners, certain revenue sources are dedicated in statute for specific safety education programs.

***Law Enforcement Assistance Fund for the Prevention of Drunken Driving (LEAF)***

Every person who is convicted of, or pleads guilty to, driving under the influence (DUI) pays a fine of $75, of which $60 is credited to the LEAF. Money is appropriated from this fund to other Departments for administration and other designated activities. The remainder is appropriated to CDOT to fund increased law enforcement presence on public highways during periods of the year known to have higher incidences of impaired driving.

***First Time Drunk Driving Offenders Account***

Any person whose license or other privilege to operate a motor vehicle in this state has been suspended, cancelled, or revoked must pay a restoration fee of $95 prior to the issuance of a new or restored license to operate a motor vehicle. $35 of this fee is credited to the First Time Drunk Driving Offenders Account, which supports a legislative mandate of twelve enhanced drunk driving enforcement periods per year.

***Motorcycle Operator Safety Training (MOST) Fund***

Every driver's license or provisional driver's license that is issued with a motorcycle endorsement incurs a $2 surcharge credited to the MOST fund to subsidize motorcycle operator safety training courses.

***Marijuana Tax Cash Fund***

Retail marijuana taxes are transferred to this fund pursuant to Sections 39-28.8-305(1)(b) and 39-28.8-203(1)(b) and, thereafter, appropriated by the General Assembly for numerous purposes, including to develop and implement marijuana education and prevention campaigns.

***National Highway Transportation Safety Administration (NHTSA) Funding***

Federal highway funds support programs for state and community highway safety, traffic safety information systems, alcohol-impaired driving countermeasures, and motorcyclist safety.

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**CDOT - Revenue Source Fact Sheet**

## Safety Education Funding (continued)

***Revenue History and Projection***

| Safety Education Funding (in $millions) | | | | |
|---|---|---|---|---|
| ***Funding Source*** | Actual FY 2013-14 | Actual FY 2014-15 | Estimate FY 2015-16 | Estimate FY 2016-17 |
| NHTSA | 1.7 | 8.0 | 7.6 | 8.3 |
| Motorcycle Operator Safety Training Fund | 0.8 | 0.8 | 0.8 | 0.9 |
| First Time Drunk Driving Fund | 1.5 | 1.5 | 1.5 | 1.5 |
| Law Enforcement Assistance Fund | 0.9 | 0.7 | 0.7 | 1.0 |
| Transfer from Dept. of Public Safety | 0.0 | 0.0 | 0.0 | 0.5 |
| **TOTAL** | **4.9** | **11.0** | **10.6** | **12.2** |

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**CDOT - Revenue Source Fact Sheet**

# Capital Construction Fund Appropriations

Statutory Authorization: Section 43-1-113 (2.5), C.R.S. (2015)
Funding Type(s): State General Funds

***Background***

In 1995 the General Assembly enacted House Bill 95-1174, which:

- Amended the statutory definition of "capital construction" to include the construction and maintenance of state highways
- Requires the Transportation Commission to present a prioritized budget request to the Capital Development Committee for spending authority from the Capital Construction Fund for state highway reconstruction, repair, and maintenance on or before October 1, annually
- Requires the Capital Development Committee to study the funding request and associated prioritized list of projects and make a recommendation to the Joint Budget Committee as to the amount of funds transferred into the Capital Construction Fund for state highway purposes

***Specific Funding Sources***

The Capital Construction Fund derives its revenue from statutory transfers of General Fund revenue. The General Fund is comprised mainly of the proceeds of general purpose taxation such as:

- Income taxes
- Sales and Use taxes
- Insurance premium taxes
- Cigarette taxes
- Liquor taxes
- Gaming taxes

***Revenue History and Projection***

| Capital Construction Fund Appropriations (in $millions) | | | | |
|---|---|---|---|---|
| ***Funding Source*** | Actual FY 2013-14 | Actual FY 2014-15 | Estimate FY 2015-16 | Estimate FY 2016-17 |
| Transfers/Appropriations | 0.0 | 0.5 | 0.0 | 0.0 |
| **TOTAL** | **0.0** | **0.5** | **0.0** | **0.0** |

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## CDOT - Revenue Source Fact Sheet

# Senate Bill 09-228 (Strategic Projects)

Web Page: http://bit.ly/ColoradoSenateBill09-228
Statutory Authorization: Section 24-75-219, et seq., C.R.S. (2015)
Funding Type(s): General Purpose Revenue

### *Background*

In 2009 the General Assembly enacted Senate Bill 09-228, which:

- Repealed a statutory limit on the annual growth of certain appropriations from the General Fund
- Repealed S.B. 97-001, a conditional transfer of General Fund revenue of up to 10.35% of state sales and use tax receipts to the State Highway Fund
- Repealed H.B. 02-1310, a conditional transfer of excess general revenue above the General Fund appropriations limit to the State Highway Fund and the Capital Construction Fund
- Increased the statutory General Fund reserve contingent upon economic and fiscal conditions
- Authorized a five-year sequence of General Fund transfers to the State Highway Fund and the Capital Construction Fund contingent upon economic and fiscal conditions

### *Contingent General Fund Transfers to Transportation*

The bill authorized a five-year sequence of General Fund transfers to the State Highway Fund of up to 2.0% of gross General Fund revenues, with the following conditions:

- Transfers do not begin until the first fiscal year after the first calendar year in which statewide personal income grows by at least 5.0%, as measured by the U.S. Bureau of Labor Statistics.
- In the event of a tax refund pursuant to Article X, Section 20 of the Colorado Constitution.

### *Revenue History and Projection*

The Governor's Office of State Planning & Budgeting presently projects the following S.B. 09-228 transfers:

| Senate Bill 09-228 - General Fund transfer (in $millions) | | | | |
|---|---|---|---|---|
| *Funding Source* | Actual FY 2013-14 | Actual FY 2014-15 | Estimate FY 2015-16 | Estimate FY 2016-17 |
| Projected Transfer | 0.0 | 0.0 | 205.6 | 0.0 |
| **TOTAL** | **0.0** | **0.0** | **205.6** | **0.0** |

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**CDOT - Revenue Source Fact Sheet**

# Transit Revenue

Web Page: https://www.codot.gov/programs/transitandrail
Statutory Authorization: The Mass Transit Account of the Highway Trust Fund – 26 U.S.C. § 9503 (e)
State Funding for Local Transit Grants Section – 43-4-811, C.R.S. (2015)
Funding Type(s): Taxes, Fees

### *Background*

The 1982 Surface Transportation Assistance Act increased federal motor fuel taxes from eight to nine cents per gallon and dedicated the revenue from the incremental tax to a new Mass Transit Account in the Highway Trust Fund. The current rates for taxes supporting the Mass Transit Account are noted in the tax table below. Funds in the Mass Transit Account are apportioned to states and transit providers by formula.

### *User Taxes*

The table below provides revenue sources for the Mass Transit Account. State-levied sources of revenue for transit include local funds to match Federal Transit Administration (FTA) apportionments as well as a statutory set-aside of $5.0 million of Senate Bill 09-108 revenues from what would otherwise be distributed to local governments through the regular HUTF distribution.

**Excise Taxes Supporting the Mass Transit Account**

| Tax Type | Tax Rate |
|---|---|
| Gasoline | 2.86 cents per gallon |
| Diesel | 2.86 cents per gallon |
| Gasohol (10% ethanol) | 2.86 cents per gallon |
| Special Fuels: | |
| General rate | 2.86 cents per gallon |
| Liquefied petroleum gas | 2.13 cents per gallon |
| Liquefied natural gas | 1.86 cents per gallon |
| M85 (from natural gas) | 1.43 cents per gallon |
| Compressed natural gas | 9.71 cents per thousand cubic feet |

**Source**: The Federal Transit Administration

### *Revenue History and Projection*

Under the current authorization, the Moving Ahead for Progress in the 21st Century (MAP-21), Colorado receives less than 5.0 percent of all transit apportionments to the states. Of Colorado's roughly $93.0 million apportionment, CDOT administers roughly $14.6 million or 15.0 percent; the majority is distributed directly to transit providers in Colorado.

In addition to the sources listed here, $10 million of HUTF revenue is allocated to Statewide FASTER Transit per S.B. 09-108 and ten percent of S.B. 09-228 revenue is set aside for Strategic Transit projects. Also, approximately $1 million of FTA funds are allocated to Metropolitan Planning.

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## CDOT - Revenue Source Fact Sheet

# Transit Revenue (continued)

| Transit Revenue (in $millions) | | | | |
|---|---|---|---|---|
| ***Funding Source*** | **Actual FY 2013-14** | **Actual FY 2014-15** | **Estimate FY 2015-16** | **Estimate FY 2016-17** |
| Federal Transit Administration Funding | 16.0 | 18.8 | 20.6 | 20.2 |
| Federal Transit Administration Local Match | 9.1 | 10.0 | 10.8 | 11.7 |
| Rail and Transit - State Highways | 5.0 | 5.0 | 5.0 | 5.0 |
| **TOTAL** | **30.1** | **33.8** | **36.4** | **36.9** |

Note: $2.3 million of FTA funds are allocated to Metropolitan Planning

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**CDOT - Revenue Source Fact Sheet**

# Aeronautics Revenue

Web Page: https://www.codot.gov/programs/aeronautics
Statutory Authorization: Aviation Fuel Excise Taxes – Section 39-27-102 (1) (a) (IV) (A), C.R.S (2015)
Aviation Fuel Sales Tax – Section 39-26-106, C.R.S. (2015)
Funding Type: Taxes

### *Background*

The maintenance and operation of aeronautical facilities in Colorado is supported by several fuel taxes which act as user fees.

### *Gasoline Excise Taxes*

Pursuant to Section 39-27-102 (1) (a) (IV) (A), C.R.S (2015), the state collects a tax of $0.06 per gallon of gasoline used to propel non-turbo-propeller and non-jet aircraft and a tax of $0.04 per gallon of gasoline used to propel turbo-propeller and jet aircraft.

### *Aviation Fuel Sales Tax*

Pursuant to Section 39-26-106, C.R.S. (2015), the state assesses a sales tax of 2.9 percent of the value of all aviation fuel sold in Colorado.

### *Revenue History and Projection*

Pursuant to Section 43-10-110, C.R.S. (2015), airports are disbursed an amount equal to 4.0 cents for each taxable gallon of gasoline sold at each airport and an amount equal to 65.0 percent of the sales and use taxes generated at each airport by sales of aviation fuel used by turbo-propeller or jet-engine aircraft. These formula allocations are made monthly by the CDOT Division of Aeronautics; remaining funds support a discretionary grant program for airport improvements.

| Aeronautics Revenue (in $millions) | | | | |
|---|---|---|---|---|
| *Funding Source* | Actual FY 2013-14 | Actual FY 2014-15 | Estimate FY 2015-16 | Estimate FY 2016-17 |
| State Aviation Funding | 36.0 | 31.6 | 30.0 | 25.0 |
| Federal Aviation Administration Funding | 0.1 | 1.0 | 0.0 | 0.0 |
| **TOTAL** | **36.1** | **32.6** | **30.0** | **25.0** |

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**CDOT - Revenue Source Fact Sheet**

# State Infrastructure Bank Interest Income

Statutory Authorization: Transportation Infrastructure Revolving Fund – Section 43-1-113.5, C.R.S. (2015)
Funding Type: Interest Income

***Background***

The Colorado State Infrastructure Bank (SIB) is a revolving fund created by the State Legislature that is authorized to make loans to public and private entities to facilitate the financing of public transportation projects within the state. The fund contains the following four accounts specified in the enabling legislation:

- A highway account
- A transit account (currently inactive)
- An aviation account
- A rail account (currently inactive)

The highway account is capitalized through the Transportation Commission's transfer of funds derived from highway user fees and taxes in the State Highway Fund. The aviation account is capitalized through the Transportation Commission's transfer of funds derived from aviation fuel and sales taxes in the State Aviation Fund.

***Funding Sources***

The fund's principal sources of income are:

- Interest income from the fund's loan portfolio
- Interest income from the fund's cash balance

***Revenue History and Projection***

| State Infrastructure Bank Interest Income (in $millions) | | | | |
|---|---|---|---|---|
| *Funding Source* | Actual FY 2013-14 | Actual FY 2014-15 | Estimate FY 2015-16 | Estimate FY 2016-17 |
| SIB Interest | 0.6 | 0.7 | 0.5 | 0.4 |
| **TOTAL** | **0.6** | **0.7** | **0.5** | **0.4** |

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**CDOT - Revenue Source Fact Sheet**

# Federal Highway Revenue – The Highway Trust Fund (Highway Account)

Web Page: http://www.fhwa.dot.gov/map21/factsheets/htf.cfm
Statutory Authorization: 26 U.S.C. § 9503
Funding Type(s): Taxes, Fees

***Background***

The Highway Trust Fund (HTF) was established in 1956 at the time that congressional authorizations for interstate highway construction began to increase in magnitude. The Federal-Aid Highway Act of 1956, coupled with the Highway Revenue Act of that same year, increased authorizations for the Federal-aid Primary and Secondary Systems, authorized significant funding of the Interstate System, and established the HTF as a mechanism for financing the accelerated highway program. To finance the increased authorizations, the Revenue Act increased some of the existing highway-related taxes, established new ones, and provided that most of the revenues from these taxes should be credited to the HTF. Revenues accruing to the HTF were dedicated to the financing of Federal-aid highways.

The following user taxes fund the Highway Account of the Highway Trust Fund:

**Excise and Sales Taxes Supporting the Federal Aid Highway Program**

| Tax Type | Gross Tax Rate | Net to the Highway Account |
|---|---|---|
| *Fuel Taxes (Proceeds to Highway and Mass Transit Accounts)* | | |
| Gasoline | 18.4 cents per gallon | 15.44 cents per gallon |
| Diesel | 24.4 cents per gallon | 21.44 cents per gallon |
| Gasohol (10% ethanol) | 18.4 cents per gallon | 10.14 cents per gallon |
| Special Fuels: | | |
| General rate | 18.4 cents per gallon | 15.44 cents per gallon |
| Liquefied petroleum gas | 18.3 cents per gallon | 16.2 cents per gallon |
| Liquefied natural gas | 24.3 cents per gallon | 22.44 cents per gallon |
| M85 (from natural gas) | 9.25 cents per gallon | 7.72 cents per gallon |
| Compressed natural gas | 48.54 cents per thousand cubic feet | 38.83 cents per thousand cubic feet |
| *Non-fuel Taxes (All proceeds to the Highway Account)* | | |
| Tires: | | |
| 0-40 pounds | No Tax | |
| Over 40 pounds to 70 pounds | 15¢ per pound in excess of 40 pounds | |
| Over 70 pounds to 90 pounds | $4.50 plus 30¢ per pound in excess of 70 pounds | |
| Over 90 pounds | $10.50 plus 50¢ per pound in excess of 90 pounds | |
| Truck and Trailer Sales | 12.0 percent of retailer's sales price for tractors and trucks over 33,000 lbs. gross vehicle weight (GVW) and trailers over 26,000 lbs. GVW | |
| Heavy Vehicle Use | Annual tax: Trucks 55,000 lbs. and over GVW, $100 plus $22 for each 1,000 lbs. (or fraction thereof) in excess of 55,000 lbs. (maximum tax of $550) | |

**Source:** The Federal Highway Administration

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## CDOT - Revenue Source Fact Sheet

# Federal Highway Revenue – The Highway Trust Fund (continued)

***Revenue History and Projection****

On July 6, 2012 the Moving Ahead for Progress in the 21st Century Act (MAP-21) was signed by President Obama. This is the first long-term highway authorization enacted since 2005. MAP-21 provides funding for fiscal years 2012-13 and 2013-14 and guarantees that 95% of contributions to the Highway Trust Fund are returned to the States. In addition to the two years of federal authorization, MAP-21 extended the HTF and tax collections through FY 2015-16. Currently, FHWA is acting under a continuing resolution, providing funding through October of 2015.

| Federal Highway Administration Revenue (in $millions) | | | | |
|---|---|---|---|---|
| *Funding Source* | Actual FY 2013-14 | Actual FY 2014-15 | Estimate FY 2015-16 | Estimate FY 2016-17 |
| Federal Highway Administration Funding | 638.3 | 678.3 | 640.7 | 615.2 |
| Federal Highway Administration Local Match | 20.2 | 19.8 | 19.9 | 20.7 |
| **TOTAL** | **658.5** | **698.1** | **660.6** | **635.9** |

*Recent budget actions by the U.S. Congress have led to additional uncertainty in federal apportionments by state departments of transportation. The Highway Trust Fund apportionments to states remain exempt; however, federal general fund revenues that backfills to the HTF may result in future reductions in CDOT's federal funding. CDOT continually monitors sequestration policy and congressional actions for potential budget implications.

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# CDOT Program Allocation Fact Sheets

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# CDOT Program Summary

***Background***

The Department of Transportation administers a variety of highway, aviation, transit, and rail programs pursuant to state laws, federal laws, and the policies of the Colorado Transportation Commission. To increase accountability and explain to transportation stakeholders and the public how the Department is organized and funded, the Department uses the following six logical categorical groupings:

**1. Maintain – Maintaining What We Have:** Includes projects that take care of our existing system such as resurfacing and reconstruction of existing pavement and bridges, and maintenance activities such as roadway and structure maintenance and snow removal.

**2. Maximize – Making the Most of What We Have:** Includes operational upgrades and improvements like traveler information, electronic signs, projects that add safety upgrades like turn lanes and traffic safety education programs to increase seatbelt use or reduce impaired driving.

**3. Expand – Increasing Capacity:** Includes projects that add to our existing system such as adding new lanes to highways. Currently, limited funding is available for this category of construction. However, the High Performance Transportation Enterprise, which is dedicated to increasing highway capacity through innovative finance, is expected to play a role in filling the gap in this category in the future.

**4. Deliver – Program Delivery / Administration:** Includes costs to manage and deliver projects such as research, planning and contracting.

**5. Pass-through Funds / Multimodal Grants:** Includes grant funding and funds mandated to go to specific programs or projects. CDOT may administer these funds for compliance of federal rules or requirements but the actual work is performed by an entity outside of CDOT such as a nonprofit group, transit agency or local government.

**6. TC Contingency / Debt Service:** Includes funds the Transportation Commission (TC) utilizes for various emergencies and pays debt service on outstanding bonds or similar debt programs.

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**CDOT- Program Fact Sheet**

# Maintenance

| | |
|---|---|
| Statutory Authorization: | Section 43-1-106 (8) (h), C.R.S. (2015) |
| Governance: | Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015) |
| Primary Funding Source: | State Highway Fund, Section 43-10-109, C.R.S. (2015) |
| Budget Category: | Maintain – Maintaining What We Have |

***Background***

CDOT's maintenance patrols serve a system that includes 23,000 total lane miles of highway. In addition, the Department owns about 3,439 bridges with almost 33 million square feet of deck area. CDOT is responsible for managing a total of 21 tunnel bores throughout the State.

CDOT owns a large number of safety and traffic-related devices that the Department must maintain. In the past CDOT had completed annual inventories of these items. Due to budget constraints, this annual inventory has not been completed in several years. CDOT's Roadway Asset inventory is as follows:

- 192,726 signs
- 511,000 delineators
- 1,156,402 linear feet of cable guardrail
- 7,300,476 linear feet of metal guardrail
- 2,568,675 linear feet of concrete guardrail
- 50,779 miles of striping
- 29,890 roadway lights
- 2,000 traffic signals
- 936 attenuators

The assets above are not a comprehensive list of assets served by CDOT's maintenance forces, but provide a sense of the scope of work performed by the maintenance program. In addition to roadway assets, the Division of Highway Maintenance performs many accomplishment based programs, such as; Snow and Ice Removal, Traffic Services, Vegetation Management, Debris Removal, etc.

In an effort to provide statewide consistency in service, CDOT uses a performance based budgeting system for the maintenance program. The Maintenance Levels of Service (MLOS) system includes an annual physical rating and/or survey to observe results or conditions for approximately 101 activities or system items. There are fifteen service levels established for each MPA, with calculations translated to a scale of A+ through F-, with A+ being the highest service level and F- being the lowest. The measured items are then categorized into nine Maintenance Program Areas (MPAs), which are:

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## Maintenance (continued)

- Planning and Scheduling
- Roadway Surface
- Roadside Facilities
- Roadside Appearance
- Traffic Services
- Structure Maintenance
- Snow and Ice Control
- Material, Equipment & Buildings
- Tunnel Activities

There are fifteen service levels established for each MPA, with calculations translated to a scale of A+ through F-, with A+ being the highest service level and F- being the lowest.

***Funding***

The main source of funding to the CDOT Maintenance program is the State Highway Fund.

| Maintenance Program Budget Allocations (in $millions) | | | | |
|---|---|---|---|---|
| ***Allocations*** | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| Maintenance Level of Service | 249.0 | 251.3 | 254.4 | 262.6 |
| **TOTAL** | **249.0** | **251.3** | **254.4** | **262.6** |

**Source:** CDOT Office of Financial Management & Budget

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**CDOT- Program Fact Sheet**

# Surface Treatment

Web Page: http://www.fhwa.dot.gov/map21/factsheets/stp.cfm
Statutory Authorization: Section 43-1-106 (8) (h), C.R.S. (2015)
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Sources: State Highway Fund, Section 43-10-109, C.R.S. (2015)
The Highway Trust Fund, 26 U.S.C. § 9503
Budget Category: Maintain – Maintaining What We Have

### *Background*

The objective of the Department's surface treatment program is to maintain the quality of the pavement on state highways at the highest level possible by allocating limited resources in a scientifically rigorous manner. Also, a small amount of program funds are allowed to mitigate safety issues discovered during the project development process. It is financially efficient for these safety issues to be addressed as part of a current resurfacing project rather than to create a standalone safety project.

Department staff utilizes pavement management software and exhaustive annual data collection to make recommendations as to which segments of the state highway system should be prioritized for rehabilitation.

### *Funding*

The main sources of revenue to the surface treatment program are:

- The State Highway Fund
- Federal reimbursement for eligible expenditures

**Surface Treatment Program Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Surface Treatment Allocation | 120.5 | 119.8 | 125.8 | 113.1 |
| Indirect Cost Allocation | 20.0 | 18.3 | 14.6 | 20.3 |
| Construction Engineering Allocation | 10.2 | 11.4 | 9.1 | 11.7 |
| **TOTAL** | **150.7** | **149.5** | **149.5** | **145.1** |

**Source:** CDOT Office of Financial Management & Budget

**Note**: Beginning in FY 2013, certain program figures specify indirect and construction engineering cost allocations. See Appendix B.

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**CDOT- Program Fact Sheet**

# Structures On-System

| | |
|---|---|
| Web Page: | https://www.codot.gov/library/bridge |
| Statutory Authorization: | Section 43-1-106 (8) (h), C.R.S. (2015) |
| Governance: | Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015) |
| Primary Funding Sources: | State Highway Fund, Section 43-10-109, C.R.S. (2015);<br>The Highway Trust Fund, 26 U.S.C. § 9503 |
| Budget Category: | Maintain – Maintaining What We Have |

### *Background*

The Structures Program provides:

- Bridge and culvert preventative maintenance program.
- Essential bridge repairs.
- Essential culvert repairs.
- Essential wall repairs.
- Essential tunnel repairs and major projects program.
- Overhead sign, signal, and high-mast-light inspection and inventory.
- Bridge and culvert inspection, inventory, and asset management.
- Wall inspection, inventory and asset management.
- Tunnel inspection, inventory and asset management.
- Local agency bridge and culvert inspection and inventory.

### *Funding*

CDOT conducts inspections of all state, city, and county bridges in accordance with the National Bridge Inspection Standards (NBIS) and reports the conditions of the bridges annually to the Federal Highway Administration (FHWA). MAP-21 legislation requires reporting percent structurally deficient and will set specific targets. As a result, CDOT is modifying Policy Directive 14 to move from the old practice of reporting good/fair/poor and structurally deficient or functional obsolescence to only structural deficiency with metrics included in CDOT's asset management plan.

The main sources of funding for the Structures program are:

- The State Highway Fund
- Federal reimbursement for eligible expenditures

**Structures On-System Program Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Structures On-System Construction Allocation | 16.2 | 17.9 | 18.8 | 24.4 |
| Structures Inspection and Management Allocation | 8.5 | 6.7 | 7.1 | 3.5 |
| Indirect Cost Allocation | 4.1 | 3.8 | 3.0 | 5.0 |
| Construction Engineering Allocation | 2.1 | 2.3 | 1.9 | 2.9 |
| **TOTAL** | **30.9** | **30.7** | **30.8** | **35.8** |

**Source:** CDOT Office of Financial Management & Budget

**Note:** The Bridge Inspection and Management Program includes inspection and management of bridges, culverts, tunnels, and walls.



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**CDOT- Program Fact Sheet**

# Geohazards Program

Web Page: https://www.codot.gov/programs/geotech/rockfall
Statutory Authorization: Section 43-1-106 (8) (h), C.R.S. (2015)
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Source: State Highway Fund, Section 43-10-109, C.R.S. (2015)
Budget Category: Maintain – Maintaining What We Have

### *Background*

Mountain and canyon corridors are affected by several geologic hazards such as debris flow, embankment distress, landslides, rockfall, rockslides, and sink holes. The Geohazards Program goal is to reduce the risk these hazards present to the transportation system by focusing on highway segments and corridors using asset management principles. Incorporating an asset management approach to geohazard mitigation allows risk reduction of entire corridors rather than individual sites scattered throughout the state. This approach is believed to be better in reducing overall risk than a "worst first" site selection, where only small segments of a corridor are addressed one at a time.

The Geohazard Program designs mitigation, reviews consultant designs, performs site inspections during construction, and responds to rockfall and other geological hazard related emergencies. Other work includes responding to requests from Maintenance, Engineering and public inquiries when slope issues are observed. The current inventory of recognized geological hazards throughout the state is just under 1,500. The Program is funded between $8M and $10M annually.

For more information about geohazards throughout Colorado, see the Colorado Geological Survey's Rock Talk newsletter: http://coloradogeologicalsurvey.org/publications/rocktalk/

### *Funding*

The main source of revenue to the Geohazards program is the State Highway Fund.

**Geohazards Mitigation Program Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Geohazards Mitigation Allocation | 4.1 | 4.1 | 4.3 | 7.8 |
| Indirect Cost Allocation | 0.7 | 0.6 | 0.5 | 1.4 |
| Construction Engineering Allocation | 0.4 | 0.4 | 0.3 | 0.8 |
| **TOTAL** | **5.2** | **5.1** | **5.1** | **10.0** |

**Source:** CDOT Office of Financial Management & Budget

**Note**: Beginning in FY 2013, certain program figures specify indirect and construction engineering cost allocations.

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**CDOT- Program Fact Sheet**

# Highway Safety Improvement Program

Web Page: http://www.safety.fhwa.dot.gov/hsip
Statutory Authorization: 23 U.S.C. Section 148
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Source: The Highway Trust Fund; 26 U.S.C. § 9503
Budget Category: Maintain – Maintaining What We Have

### *Background*

The primary goal of the Highways Safety Improvement Program (HSIP) is to achieve a significant reduction in fatalities and serious injuries on all publicly maintained roads. This includes public roads not owned by the State and roads on tribal lands. To comply with this program, CDOT is required to:

- Develop a strategic highway safety plan (SHSP) that identifies and analyzes highway safety problems and opportunities.
- Create projects to reduce the identified safety problems.
- Evaluate and update the SHSP on a regular basis.

### *Funding*

The main sources of revenue to the Highway Safety Improvement Program are:

- The State Highway Fund
- Federal reimbursement for eligible expenditures

**Highway Safety Improvement Program (HSIP) Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Highway Safety Improvement Program Allocation | 23.8 | 23.4 | 24.5 | 23.7 |
| Indirect Cost Allocation | 3.9 | 3.6 | 2.8 | 4.3 |
| Construction Engineering Allocation | 2.0 | 2.2 | 1.8 | 2.5 |
| **TOTAL** | **29.7** | **29.2** | **29.1** | **30.5** |

**Source:** CDOT Office of Financial Management & Budget

**Note**: Beginning in FY 2013, certain program figures specify indirect and construction engineering cost allocations.

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**CDOT- Program Fact Sheet**

# Railway-Highway Crossings Program

Web Page: http://safety.fhwa.dot.gov/xings/
Statutory Authorization: 23 U.S.C. Section 130
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Source: The Highway Trust Fund, 26 U.S.C. § 9503
Budget Category: Maintain - Maintaining What We Have

### *Background*

The Railway-Highway Crossings Program is a federally mandated program whose objective is to reduce the number of fatalities and injuries at public highway-rail grade crossings through the elimination of hazards and/or the installation/upgrade of protective devices at crossings.

### *Funding*

The main sources of revenue to the Railway-Highway Crossings Program are:

- Federal highway funds (percentage based on particular activity)
- Local match (percentage based on particular activity)

**Railway-Highway Crossings Program Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Railway-Highway Crossings Allocation | 2.6 | 2.5 | 2.7 | 2.6 |
| Indirect Cost Allocation | 0.4 | 0.4 | 0.3 | 0.4 |
| Construction Engineering Allocation | 0.2 | 0.2 | 0.2 | 0.3 |
| **TOTAL** | **3.2** | **3.1** | **3.2** | **3.3** |

**Source:** CDOT Office of Financial Management & Budget

**Note**: Beginning in FY 2013, certain program figures specify indirect and construction engineering cost allocations

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**CDOT- Program Fact Sheet**

# Hot Spots

Statutory Authorization: Section 43-1-106 (8) (h), C.R.S. (2015)
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Source: State Highway Fund, Section 43-10-109, C.R.S. (2015)
Budget Category: Maintain - Maintaining What We Have

### *Background*

Hot Spots is a CDOT Safety program that is funded in a statewide pool with Region planning estimates. The purpose of the Hot Spots program is:

- To mitigate minor unforeseen safety issues that need immediate attention.
- To add money to an ongoing project to mitigate unforeseen safety issues discovered during the project process.

### *Funding*

The main sources of revenue for the Hot Spots program are:

- The State Highway Fund
- Federal reimbursement for eligible expenditures

**Hot Spots Program Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Hot Spots Allocation | 1.7 | 1.7 | 1.8 | 1.7 |
| Indirect Cost Allocation | 0.3 | 0.3 | 0.2 | 0.3 |
| Construction Engineering Allocation | 0.1 | 0.2 | 0.1 | 0.2 |
| **TOTAL** | **2.1** | **2.2** | **2.1** | **2.2** |

**Source:** CDOT Office of Financial Management & Budget

**Note**: Beginning in FY 2013, certain program figures specify indirect and construction engineering cost allocations (See Appendix B).

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**CDOT- Program Fact Sheet**

# Traffic Signal and Ramp Metering Program

| | |
|---|---|
| Statutory Authorization: | Section 43-1-106 (8) (h), C.R.S. (2015) |
| Governance: | Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015) |
| Primary Funding Source: | State Highway Fund, Section 43-10-109, C.R.S. (2015) |
| Budget Category: | Maintain – Maintaining What We Have |

***Background***

This program was developed as a result of the 2013 Transportation Systems Management & Operations (TSM&O) Reorganization Report. The objective of this program is to develop statewide policies, procedures and guidelines on design, maintenance, life-cycle asset management, integration and operation of traffic signal and ramp meters; manage various statewide funding programs and pools; and facilitate informed decision making on project prioritization. The primary operational responsibility of the program is traffic signal maintenance and corridor operations in Region 1. This program also leads and/or participates in the development and implementation of arterial and freeway management strategies throughout the State. This includes integrating these systems and using them in conjunction with other intelligent transportation system devices to more efficiently manage our transportation system. This program works collaboratively with CDOT Regions, FHWA, metropolitan planning organizations, local agencies, and other stakeholders to develop and implement policies, standards, and operational procedures for traffic signals and ramp meters.

Statewide Traffic Signal Pool (SGN) Program:

CDOT's Traffic Signal Pool Program delivers funding to each Engineering Region on an annual basis. These funds are designated specifically for signal construction or signal system improvements. The Regions rely on these funds to address, on a priority basis, safety, mobility and operational needs at locations with existing signals or where signals are warranted but not yet constructed. In a typical application, these funds are directed to activities such as new traffic signal or ramp meter construction, equipment or system upgrades, signal expansion due to intersection widening, signal interconnect, and operational improvements including minor hardware or software upgrades to facilitate safety and improve corridor traffic operations.

Statewide Traffic Signal Asset Management (SGA) Program:

CDOT owns approximately 1,850 signals statewide. CDOT is responsible for the eventual replacement of these signals. The SGA program delivers capital replacement funding to each Engineering Region on an annual basis to replace the traffic signal infrastructure in poor or severe condition. CDOT Signal Program is leading the effort in collaborating with the Regions by establishing a process to identify, select and prioritize the replacement of statewide traffic signal infrastructure. The Signal program has established interim capital replacement guidelines focused on high-level core criteria that provide a basis for Regions to quickly evaluate, and develop a list of traffic signal capital replacement projects.

Transportation Improvement Program (TIP) - Regional Funding Pool Administration

This program pool was established by DRCOG in the Transportation Improvement Program (TIP) to be funded through the federal Congestion Mitigation Air Quality (CMAQ) program. CDOT Signal Program,

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# Traffic Signal and Ramp Metering Program (continued)

in conjunction with FHWA, The Denver Regional Council of Governments (DRCOG), and local agencies administers two pools under the TIP program - the Traffic Signal System Improvement Program (TSSIP) pool and the Intelligent Transportation Systems (ITS) pool. The TSSIP program delivers a capital improvement program providing equipment and installing communications links to improve system components and a traffic signal timing improvement program providing new traffic signal timing and coordination plans to demonstrate the benefits of the capital improvements. The ITS program awards funds to ITS projects that implement the adopted Denver Regional Intelligent Transportation Systems Strategic Plan and achieve the goals and objectives of the Regional Concept of Transportation Operations.

Current Signal Program Initiatives

- Central traffic signal control system upgrade
- Statewide traffic signal controller upgrade
- Ramp Metering system upgrade
- Development of Statewide Traffic Signal Management Plan (TSMP)
- Development of condition-based asset management guidelines
- Administration of DRCOG TSSIP and TIP funding pools

### *Funding*

The main source of revenue for the Traffic Signals program is the State Highway Fund.

**Traffic Signals Program Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Traffic Signals Allocation | 1.2 | 1.2 | 1.2 | 8.7 |
| Indirect Cost Allocation | 0.2 | 0.2 | 0.1 | 1.6 |
| Construction Engineering Allocation | 0.1 | 0.1 | 0.1 | 0.9 |
| **TOTAL** | **1.5** | **1.5** | **1.4** | **11.2** |

**Source:** CDOT Office of Financial Management & Budget

**Note**: Beginning in FY 2013, certain program figures specify indirect and construction engineering cost allocations (See Appendix B).

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**CDOT- Program Fact Sheet**

# FASTER Safety

Statutory Authorization: Section 43-1-106 (8) (h), C.R.S. (2015)
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Source: State Highway Fund, Section 43-10-109, C.R.S. (2015)
Budget Category: Maintain – Maintaining What We Have

***Background***

In 2009 the General Assembly created new funding sources to aid the Department and local governments in funding road safety projects. Per Section 43-4-803 (21), C.R.S. (2014), a "Road Safety Project" means a construction, reconstruction, or maintenance project that:

- The Transportation Commission determines is needed to enhance the safety of a state highway
- A county determines is needed to enhance the safety of a county road
- A municipality determines is needed to enhance the safety of a city street

FASTER funds flow through the Colorado Highway User Trust Fund (HUTF) and are distributed to CDOT, counties, and municipalities. Counties and municipalities are responsible for administering their allocation of FASTER funds.

In 2014, The Transportation Commission approved new administration of the FASTER Safety program. CDOT FASTER road safety funding is now allocated to two statewide programs administered by HQ: FASTER Safety Asset Management and FASTER Safety Mitigation. HQ coordinates with the Regions to select projects for Region delivery.

***Funding***

FASTER Safety Projects are funded through distributions of revenue generated by S.B. 09-108 and credited to the Highway Users Tax Fund.

**FASTER - Safety Projects Program Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| FASTER - Safety Projects Allocation | 72.9 | 43.4 | 47.4 | 45.1 |
| Indirect Cost Allocation | 12.1 | 6.6 | 5.5 | 8.1 |
| Construction Engineering Allocation | 6.2 | 4.1 | 3.4 | 4.7 |
| **TOTAL** | **91.2** | **54.1** | **56.3** | **57.9** |

**Source:** CDOT Office of Financial Management & Budget

**Note**: Beginning in FY 2013, certain program figures specify indirect and construction engineering cost allocations (See Appendix B).

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**CDOT- Program Fact Sheet**

# Permanent Water Quality Program

Web Page: https://www.codot.gov/programs/environmental/water-quality/permanent-water-quality-call-for-projects
Statutory Authorization: Section 25-8-101, C.R.S. (2015)
Governance: Colorado Department of Public Health, Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Source: State Highway Fund, Section 43-10-109, C.R.S. (2015), The Highway Trust Fund, 26 U.S.C. § 9503
Budget Category: Contracted Out Work

### *Background*

CDOT's Permanent Water Quality Program (PWQ) is both federally and state mandated as part of CDOT's Municipal Separate Storm Sewer System (MS4) permit, which requires CDOT to control pollutants from entering the storm sewer system and state waterways. As part of the MS4 permit CDOT must implement the New Development and Redevelopment (NDRD) program that requires CDOT install PWQ Best Management Practices (BMPs) to treat CDOT's MS4 area. The Colorado Department of Public Health and Environment (CDPHE) has been delegated the authority to implement the permit system through the Environmental Protection Agency. The requirements and authority ultimately derive from the Clean Water Act.

### *Goals*

This innovative new Permanent Water Quality (PWQ) program saves money for CDOT by allowing CDOT to treat water quality on a regional level versus by the project by project method required under previous permits. CDOT achieves compliance by spending the PWQ Pool funds ($6.5 million annually) in treating CDOT MS4 area; this amount was the average amount spent previously in order for our permit to be in compliance so this cost is no longer associated with project costs. Under this program, projects that have a high risk, as defined in the permit, of discharging pollutants to State Waters must still provide onsite water quality (Priority Projects), but significantly fewer projects must treat onsite than in previous programs. Instead, CDOT can spend Pool money on permanent water quality projects that are required on site or as selected based on overall benefit to CDOT (Plus or Watershed Projects).

### *Funding*

The PWQ program is funded by reductions in Surface Treatment, which contributes 75% of the funding and the Regional Priorities Program, which contributes 25%. The main sources of revenue are:

- The State Highway Fund
- Federal reimbursement for eligible expenditures

**Permanent Water Quality Mitigation (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Permanent Water Quality Mitigation | 0.0 | 0.0 | 0.0 | 5.1 |
| Indirect Cost Allocation | 0.0 | 0.0 | 0.0 | 0.9 |
| Construction Engineering Allocation | 0.0 | 0.0 | 0.0 | 0.5 |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **6.5** |

Source: CDOT Office of Financial Management & Budget

**Note**: Beginning in FY 2013, certain program figures specify indirect and construction engineering cost allocations (See Appendix B).

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**CDOT- Program Fact Sheet**

# Capital Expenditures

| | |
|---|---|
| Statutory Authorization: | Section 43-1-106 (8) (h), C.R.S. (2015) |
| Governance: | Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015) |
| Primary Funding Source: | State Highway Fund, Section 43-10-109, C.R.S. (2015) |
| Budget Category: | Maintain – Maintaining What We Have |

***Background***

To maintain the state's single largest capital asset (the state highway system), the Department invests money in mobile and fixed capital equipment such as:

**Road equipment**.

CDOT must maintain the state highway system in a clean condition to minimize air pollution, support the safe operation of motor vehicles and to ensure the safety and mobility of the traveling public. In order to do so, CDOT relies on a wide variety of heavy road equipment. The fleet includes:

- Trucks used to haul asphalt, rocks and earth
- Trucks that plow snow and distribute snow and ice melting materials
- Large mobile sweepers
- Large landscaping mowers
- A hot plant for producing asphaltic concrete pavement

CDOT has researched and developed an expected useful life for all heavy equipment based on age and usage (mileage or hours). Our useful life figures align with those of other state DOT's. CDOT also has a vigorous fleet management system where units whose maintenance costs exceed those of others in their class will rise on the equipment replacement list, allowing CDOT to proactively address the condition of its fleet.

**Property.**

CDOT Property allocates specific budget amounts in order to maintain all structures and has many types of buildings within its 1,222 structure inventory including:

- Vehicle Storage Facilities
- Maintenance Buildings, Sand Sheds, Office Buildings and Lab Facilities as well as a limited number of Employee Housing Facilities and Storage Sheds

In addition to ongoing maintenance and repair, structural conditions are evaluated annually. The Departments' goal is to maintain 90% or more of all buildings at a level "C" or better on an A through F rating scale. Existing buildings are replaced if they ever fall to a level F and/or can no longer function for their intended use. Adequate buildings are required to protect other department assets as well as provide a safe and productive work environment for department employees.



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# Capital Expenditures (Cont.)

## Capitalized Operating Equipment.

Capitalized Operating Equipment refers to smaller capital purchases that fall outside road equipment and fixed property but must be capitalized because they are valued at greater than $5,000. These would include information technology infrastructure, video conference equipment, snow and ice equipment and miscellaneous non-road, non-computer equipment.

### *Funding*

The main sources of revenue for the Department's capital expenditures are:

- The State Highway Fund

**Capital Expenditure Programs Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Road Equipment Program | 14.2 | 14.0 | 11.5 | 0.0 |
| Capitalized Operating Equipment Program | 5.5 | 3.8 | 3.4 | 3.8 |
| Property Allocation Program | 6.9 | 7.2 | 1.0 | 10.0 |
| **TOTAL** | **26.6** | **25.0** | **15.9** | **13.8** |

Source: CDOT Office of Financial Management & Budget

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# Transportation Systems Management & Operations: Performance Programs & Services

Statutory Authorization: Section 43-1-106 (8) (h), C.R.S. (2015)
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Source: State Highway Fund, Section 43-10-109, C.R.S. (2015)
Budget Category: Maximize – Making the Most of What We Have

### *Background*

The Division of Transportation Systems Management & Operations is responsible for the planning, development, and administration of a statewide program designed to reduce congestion and improve the safety, security, mobility, and efficient utilization of Colorado's existing highway system. It is an integrated approach to optimize the performance of a surface transportation system through programs, projects, and services aimed at improving mobility and safety through sustainable high benefit, low cost solutions with superior returns on investment. Programs and services include:

- Active Traffic Management
- Traffic Incident Management
- Innovative Bottleneck Mitigation Studies & Projects
- Traffic Management Centers
- Special Event Management
- Road Weather Management
- Work Zone Management
- Travel Demand Management
- Intelligent Transportation Systems
- Traffic Signal & Ramp Meter Operations
- Operation of Tolled Express Lanes
- Highway Service Patrols
- Operations Planning
- Corridor Operations Planning for Congested Corridors
- Operations Clearance for all CDOT Projects
- Traffic Safety
- Traffic Engineering
- Operations Performance Measures and Reporting

### *Funding*

The main sources of funding for the program are:

- The State Highway Fund
- Federal reimbursement for qualifying expenditures

| TSM&O: Performance Programs and Services (in $millions) | | | | |
|---|---|---|---|---|
| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| TSM&O: Performance Programs and Services | 0.0 | 7.2 | 6.1 | 0.6 |
| **TOTAL** | **0.0** | **7.2** | **6.1** | **0.6** |

Source: CDOT Office of Financial Management & Budget

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# Transportation Systems Management & Operations: Intelligent Transportation Systems

| | |
|---|---|
| Web Page: | http://www.cotrip.org |
| Statutory Authorization: | Section 43-1-106 (8) (h), C.R.S. (2015) |
| Governance: | Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015) |
| Primary Funding Source: | State Highway Fund, Section 43-10-109, C.R.S. (2015) |
| Budget Category: | Maximize – Making the Most of What We Have |

***Background***

The Colorado Department of Transportation uses advanced technology and information systems to manage and maintain safe and free-flowing state highways and to inform motorists in Colorado about traffic and roadway conditions. Travel information is provided to the public by a variety of methods including:

- The COTrip website displaying Closed Circuit Television (CCTV) images, speed maps and travel times, weather conditions, construction information, alerts (including Amber Alerts) and more
- 511 Interactive Voice Response (IVR) system providing up-to-date road and weather conditions, construction, special events, travel times and transfers to bordering states and other transportation providers
- Automated email and text messages using GovDelivery as third party provider
- CDOT App is the official CDOT endorsed Smartphone application that was developed through a public-private partnership
- CCTV is used statewide and by local media outlets
- Variable Message Signs (VMS) providing travel messages including; closures, alternative routes, road condition information, special events and real-time trip travel time information

Information and video is shared with CDOT Regions and partners across the state, including:

- The City and County of Denver
- Various Metro Denver Cities and Counties
- Hanging Lake Tunnels Management Center, Eisenhower Johnson Tunnels Management Center and Colorado Springs Traffic Management Center
- Colorado State Patrol and other law enforcement agencies
- Various statewide emergency responders (fire, police, military)
- Local media partners
- Many private entities

Information is gathered using a variety of sources deployed across the state, including:

- Close-circuit television (CCTV)
- Road Weather Information Systems (RWIS)
- Ramp meters
- Travel time readers (using toll-tag transponders)
- Radar devices
- Fog detection devices

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# Transportation Systems Management & Operations: Intelligent Transportation Systems (continued)

- Wild animal detection devices
- CDOT Maintenance forces, the Colorado State Patrol, and the Ports of Entry
- Media Sources
- Automated Traffic Recorders

In calendar year 2014, the COTrip web site received 54.5 million page views. 54% of the page views were from a mobile device and 34.6% of the page views were new visits. Additionally, the 511 IVR System took 1.65 million calls, a decrease from 2013 attributed to an increase of use of other formats for receiving the information such as the CDOT mobile app, mobile web, and GovDelivery email and text messaging directly to the user. These numbers and attributed increases in delivery formats attest to the demand for information, the format in which it is delivered, and the value that travelers place on it. The Intelligent Transportation Systems (ITS) Branch is committed to providing the most up-to-date, accurate and timely traveler information to improve and enhance traveler's ability to make informed decisions regarding their travel choices and to improve the overall mobility and safety of Colorado's transportation system. For infrastructure allocation purposes, ITS is managed with three program areas: ITS Investments, which is for the purchase and installation of new ITS equipment and initiatives; ITS Maintenance, which is for operating and maintaining existing equipment; and ITS Capital Replacement, which is for replacement of end-of-life or obsolete ITS assets.

### *Funding*

The main sources of funding for Intelligent Transportation Systems are:

- The State Highway Fund
- Federal reimbursement for eligible expenditures

| Intelligent Transportation Systems Maintenance Program Budget Allocations (in $millions) | | | | |
|---|---|---|---|---|
| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| TSM&O ITS Maintenance Allocation | 11.2 | 14.8 | 14.4 | 24.5 |
| **TOTAL** | **11.2** | **14.8** | **14.4** | **24.5** |

Source: CDOT Office of Financial Management & Budget

| Intelligent Transportation Systems Investments Program Budget Allocations (in $millions) | | | | |
|---|---|---|---|---|
| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| TSM&O ITS Investments Program | 5.0 | 10.0 | 10.0 | 10.0 |
| **TOTAL** | **5.0** | **10.0** | **10.0** | **10.0** |

Source: CDOT Office of Financial Management & Budget

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# Highway Safety Education

Web Page: https://www.codot.gov/programs/overview.html/2/2/alcohol-impaired-driving.html
Web Page: https://www.codot.gov/safety/live-to-ride
Statutory Authorization: CDOT Office of Transportation Safety: Section 24-42-101, C.R.S. (2015)
Primary Funding Sources: Law Enforcement Assistance Fund: Section 43-4-401, C.R.S. (2015)
First Time Drunk Driving Offenders Account:Section 42-2-132, C.R.S. (2015)
Motorcycle Operator Safety Training Fund: Section 43-5-504, C.R.S. (2015)
Marijuana Tax Cash Fund: Section 39-28.8-501(1), C.R.S. (2015)
National Highway Transportation Safety Administration: 49 U.S.C. § 105
Budget Category: Maximize – Making the Most of What We Have

### *Background*

The Highway Safety Office (HSO) oversees several state and federally funded programs to reduce the incidence and severity of motor vehicle crashes and associated economic losses.

### *Enhanced Drunk Driving Enforcement*

The HSO's "The Heat is On!" campaign is a collaboration with local law enforcement agencies to increase efforts to enforce impaired driving laws during times of the year and in areas of the state that have been identified, through problem identification, as having high incidences of impaired driving related crashes and fatalities. The HSO reimburses law enforcement agencies for qualifying expenses from the following sources:

- The Law Enforcement Assistance Fund (LEAF)
- The First Time Drunk Driving Offenders Account

Since its inception, law enforcement agencies in Colorado have made 111,603 impaired driving arrests while participating in "The Heat is On" enforcement periods.

### *Motorcycle Operator Safety Training (MOST)*

To promote the safe operation of motorcycles in Colorado, the HSO administers the MOST program. In state fiscal year 2015 - 9,609 people were trained by MOST approved vendors.

### *Marijuana-Impaired Driving Program*

CDOT manages statewide public awareness campaigns to prevent impaired driving in Colorado, paired with heightened enforcement by the Colorado State Patrol and local law enforcement agencies. CDOT works on marijuana impaired driving efforts, including a public education campaign, data collect, Drug Recognition Expert training and DUI enforcement under section 405(d) of the federal transportation authorization bill ("MAP-21").

### *State and Community Highway Safety Programs (23 U.S.C § 402)*

Federal Section 402 funds are used to support State highway safety programs designed to reduce traffic crashes and resulting deaths, injuries and property damage. To receive Section 402 grant funds, the State must have an approved Highway Safety Plan (HSP). Beginning fiscal year 2014 and each fiscal year thereafter, a State must submit, not later than July 1 of the preceding fiscal year, a HSP that meets statutory

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## Highway Safety Education (continued)

and regulatory requirements. A State may use these grant funds to conduct approved highway safety programs.

***Occupant Protection Incentive Grants (23 CFR. § 1200.23)***

The purpose of Federal Section 405 (B) is to encourage States to adopt and implement effective occupant protection programs to reduce highway deaths and injuries resulting from unrestrained or improperly restrained vehicle occupants.

***State Traffic Safety Information System Improvements (23 CFR. § 1200.23)***

The purpose of Federal Section 405 (c) grant funds are provided to CDOT as administrator of the Colorado Traffic Records Program for awarding to grantees conducting traffic records improvement activities. The purpose of the Traffic Records Program is to provide timely, accurate, complete, consistent, integrated, and accessible traffic records data to federal, state, and local safety stakeholders to improve transportation safety in Colorado.

***Impaired Driving Countermeasures (23 U.S.C. § 1200.23)***

The purpose of Federal Section 405 (D) funds is to encourage States to adopt and implement effective programs to reduce driving under the influence of alcohol, drugs or the combination of alcohol and drugs. For FY16 Colorado qualified as a low range State for impaired driving fatalities.

***Motorcyclist Safety Grants (23 CFR § 1200.25)***

Federal Section 405 (F) encourages States to adopt and implement effective programs to reduce the number of single and multi-vehicle crashes involving motorcyclists. A State may use these grants funds for motorcyclist safety training and motorist awareness of motorcyclist programs.

***Funding***

The main sources of revenue to the Department's Highway Safety Education programs are:

- Federal funding from the National Highway Transportation Safety Administration (NHTSA).
- Penalties for DUI convictions and guilty pleas
- Tax revenue from the retail and wholesale sale of marijuana
- Fees for drivers' license reinstatements
- Surcharges on driver's license fees for licenses with motorcycle qualifications

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# Highway Safety Education (continued)

***Funding*** (continued)

| Highway Safety Education Program Budget Allocations (in $millions) | | | | |
|---|---|---|---|---|
| ***Allocations*** | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| Nat Hwy Traffic Safety Admin (NHTSA) | 1.5 | 6.7 | 6.8 | 6.8 |
| Motorcycle Operator Safety Training (MOST) | 0.7 | 0.6 | 0.7 | 0.9 |
| Law Enforcement Assistance Fund (LEAF) | 0.7 | 0.5 | 0.6 | 0.9 |
| First Time Drunk Driver Fund | 1.2 | 1.2 | 1.3 | 1.5 |
| Marijuana Impaired Driving Program | 0.0 | 0.0 | 0.0 | 0.5 |
| Indirect Cost Allocation | 0.7 | 1.4 | 1.1 | 1.2 |
| Construction Engineering Allocation | 0.3 | 0.9 | 0.7 | 0.7 |
| **TOTAL** | **5.1** | **11.3** | **11.2** | **12.5** |

Source: CDOT Office of Financial Management & Budget
Note: This amount includes $450,000 of NHTSA - required State match.

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**CDOT- Program Fact Sheet**

# Transportation Systems Management & Operations: Congestion Relief

| | |
|---|---|
| Statutory Authorization: | Section 43-1-106 (8) (h), C.R.S. (2015) |
| Governance: | Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015) |
| Primary Funding Source: | State Highway Fund, Section 43-10-109, C.R.S. (2015) |
| Budget Category: | Maximize – Making the Most of What We Have |

***Background***

The Division of Transportation Systems Management and Operations (TSM&O) is responsible for the planning, development, and administration of a statewide program designed to reduce congestion and improve the safety, security, mobility, and efficient utilization of Colorado's existing highway system. TSM&O is formed on the belief and commitment that CDOT can do more to operate Colorado's existing surface transportation system so that it performs better to meet customer expectations through activities other than building new capacity. The Mission of TSM&O is to *"Reduce congestion and improve safety through innovative TSM&O strategies that enable the Colorado Department of Transportation to make the best use of available transportation funding."* Five programs within TSM&O are below.

(1) The Intelligent Transportation Systems (ITS) Branch is responsible for implementing smart operational tools, computer software, and electronic equipment such as traffic signals, variable message sign boards, fiber optic network, ramp metering, and technology to support autonomous and connected vehicles.

(2) The Traffic Management Branch oversees the Colorado Transportation Management Centers statewide and provides rapid response, coordination, communication, and management of storms, incidents, events, and emergencies to optimize safety and mobility. This Branch supports the Corridor Management Program, Maintenance Operations, and the CDOT Office of Emergency Management.

(3) Corridor Management Program manages the holistic operations of congested corridors through Traffic Incident Management staff like the CDOT Highway Incident Commanders and programs like the Mile High Courtesy Patrol (up to 18 contracted tow vehicles plus two on US 36) which operates in the Denver metropolitan area during weekdays morning/afternoon rush hours; and the I-70 Mountain Corridor (Vail to C-470) Courtesy Patrol and Heavy Tow Program (up to 6 standard tows and 5 heavy tow vehicles) operates on weekends, special events and holidays. The Corridor Management Program also operates CDOT Toll Lane Corridors, supports the CDOT Office of Emergency Management, and works closely with State and local law enforcement and first responders.

(4) The Staff Traffic and Safety Branch oversees several programs for data analysis and policy development: Safety, Crash Data Analysis, Traffic Engineering, Systems Operations and Policy. It also manages various federal and state funding programs (HSIP, FASTER Safety, Hot Spot/Congestion Relief/Bottleneck Reduction, Traffic Incident Management, and CDOT RAMP Operations), prioritizes projects for funding and tracks project completion.

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# Transportation Systems Management & Operations: Congestion Relief (continued)

(5) The Planning and Performance, Transportation Demand Management Branch contributes to the statewide planning effort, plans the TSMO budget, applies for grants, reports on performance measures, and manages the Transportation Demand Management program to reduce the congestion through programs such as vanpool/carpools, managed lanes (including tolling), improved traveler information, connected vehicle technology, and diversifying transportation mode share.

### *Funding*

The main source of revenue for the Department's congestion relief efforts is the State Highway Fund.

| Congestion Relief Program Budget Allocations (in $millions) | | | | |
|---|---|---|---|---|
| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| TSM&O Congestion Relief | 3.2 | 3.2 | 3.4 | 3.1 |
| Indirect Cost Allocation | 0.5 | 0.5 | 0.4 | 0.6 |
| Construction Engineering Allocation | 0.3 | 0.3 | 0.2 | 0.3 |
| **TOTAL** | **4.0** | **4.0** | **4.0** | **4.0** |

Source: CDOT Office of Financial Management & Budget

| TSM&O Traffic Incident Management (in $millions) | | | | |
|---|---|---|---|---|
| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| TSM&O: Traffic Incident Management | 0.0 | 0.0 | 0.0 | 1.1 |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **1.1** |

Source: CDOT Office of Financial Management & Budget

**Note**: Beginning in FY 2013, certain program figures specify indirect and construction engineering cost allocations (See Appendix B).

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# Regional Priority Program (RPP)

Statutory Authorization: Section 43-1-106 (8) (h), C.R.S. (2015)
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Sources: State Highway Fund, Section 43-10-109, C.R.S. (2015);
The Highway Trust Fund 26 U.S.C. § 9503
Budget Category: Maximize – Making the Most of What We Have

### *Background*

The objective of the Regional Priority Program is to supplement the formula-driven funding allocations to the five CDOT engineering regions with flexible funding for use at the discretion of each Regional Transportation Director in consultation with local elected officials and other stakeholders in each region. This is accomplished through the transportation planning process. RPP funds are distributed to the CDOT Regions according to a formula based on 50% population, 35% state highway system lane miles, and 15% state highway system Truck Vehicle Miles Traveled (VMT).

### *Funding*

The RPP is funded through annual Transportation Commission allocations of state highway funds with federal reimbursement for eligible expenditures.

**Regional Priority Program Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Regional Priority Program Allocation | 8 | 40.1 | 42.1 | 37.9 |
| Indirect Cost Allocation | 1.3 | 6.1 | 4.9 | 6.8 |
| Construction Engineering Allocation | 0.7 | 3.8 | 3.0 | 3.9 |
| **TOTAL** | **10.0** | **50.0** | **50.0** | **48.6** |

Source: CDOT Office of Financial Management & Budget

**Note**: Beginning in FY 2013, certain program figures specify indirect and construction engineering cost allocations (See Appendix B).

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# Strategic Projects

Statutory Authorization: Section 43-1-106 (8) (h), C.R.S. (2015)
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Source: State Highway Fund, Section 43-1-113, C.R.S. (2015)
The Highway Trust Fund 26 U.S.C. § 9503
Budget Category: Expand – Increasing Capacity

### *Background*

On August 15, 1996, the Transportation Commission adopted the Strategic Transportation Project Investment Program. This program identified 28 high priority projects of statewide significance based on the overall visibility, cost and return on investment of the project in addressing on-going needs of safety, mobility and reconstruction for the public. The primary objectives of the Strategic Projects were to expedite the completion of these transportation projects, to establish a minimum annual level of funding for these projects, and provide a process for monitoring and reporting project progress. To date, 22 of the 28 projects have been either completed or funded to the initial Transportation Commission target. Since the repeal of Senate Bill 97-001 in 2009, there has been no source of funding specifically dedicated to the remaining six strategic projects.

### *Funding*

The primary source of revenue for strategic projects was Senate Bill 97-001 until it was repealed and superseded by Senate Bill 09-228 in 2009. The Bill requires five percent growth in personal income before triggering a transfer of General Funds to CDOT. The table below shows the current expected transfers.

**Strategic Transportation Investment Project Program Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Strategic Transportation Investment Project Program Allocation | 0.0 | 0.0 | 155.7 | 0.0 |
| Indirect Cost Allocation | 0.0 | 0.0 | 18.1 | 0.0 |
| Construction Engineering Allocation | 0.0 | 0.0 | 11.3 | 0.0 |
| **TOTAL** | **0.0** | **0.0** | **185.1** | **0.0** |

Source: CDOT Office of Financial Management & Budget

**Note**: Beginning in FY 2013, certain program figures specify indirect and construction engineering cost allocations (See Appendix B).

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# Project Support – Operations, Planning, and Research (SPR)

| | |
|---|---|
| Statutory Authorization: | Section 43-1-106 (8) (h), C.R.S. (2015) |
| Governance: | Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015) |
| Primary Funding Source: | State Highway Fund, Section 43-1-113, C.R.S. (2015)<br>The Highway Trust Fund 26 U.S.C. § 9503 |
| Budget Category: | Deliver – Program Delivery/Administration |

***Background***

Project Support is responsible for providing support and statewide consistency to the CDOT Regions in the development and delivery of highway projects in Colorado pursuant to state and federal law. This involves a multitude of activities in preparation of the design and construction of highway projects. Activities include but are not limited to:

- Development of standards and specification to be used on all CDOT highway projects. Ensuring consistent statewide application of policies and procedures for the acquisition of right-of-ways, utility clearances, structural design, advertisement of construction projects and construction management
- Management of the pavement, bridge, culvert, tunnel, structural walls and other highway assets statewide
- Conducting chemical and physical properties tests and analyses on various pavements and materials used in construction
- Publishing and maintaining policies and procedures necessary for the consistent administration of highway construction contracts
- Conducting training on the development and delivery of highway projects
- Assuring that construction contracts are awarded to the lowest responsible bidder
- Ensuring consistent management of construction activities and providing expert technical resources to Region staff
- Providing engineering estimates for every construction project

State Planning and Research (SPR) funds support statewide planning and research activities. The funds are used to establish a cooperative, continuous, and comprehensive framework for making transportation investment decisions and to carry out transportation research activities throughout the State. Activities include but are not limited to:

- Providing leadership of the transportation planning process, including the development and implementation of plans, programs, and resources to support and deliver an integrated multi-modal transportation system.
- Leading the CDOT asset management program by providing tools to effectively measure, analyze, forecast and communicate the performance of CDOT"s asset programs, processes, and investment decisions.



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## Project Support – Operations, Planning, and Research (continued)

- Information and data dissemination functions that contribute to the development of projects, transportation plans, and state/federal reports including data analysis, integration and dissemination, planning information, GIS applications, mapping services, and database programming and maintenance.
- Supporting project development and other activities by collaboratively developing, managing, and implementing policies, programs, and processes that facilitate environmental compliance, stewardship, and leadership.

Conducting applied research and identifying implementation opportunities in the areas of environmental research, structures, geotechnical, hydraulics, pavement, materials, safety, operations, and planning.

***Funding***

The main sources of revenue to the Department's project support programs are:

- Federal funding for SPR (80%)
- State Highway funds for SPR match (20%)
- The State Highway Fund for Operations
- Federal reimbursement for qualifying expenditures

The increase in funding for the Operations Allocation for FY2015-16 is a result of growing financial obligations due to common policy increases (notably for required OIT payments), and the restoration of $1.4 million transferred to project initiatives and $6.7 million that had been transferred to TSM&O by a decision item for FY2014-2015.

| Operations, Planning and Research Budget Allocations (in $millions) | | | | |
|---|---|---|---|---|
| ***Allocations*** | **Actual FY 2013-14** | **Actual FY 2014-15** | **Budget FY 2015-16** | **Proposed FY 2016-17** |
| Operations Allocation | 20.6 | 13.3 | 23.7 | 23.1 |
| Project Initiatives | 3.5 | 2.9 | 1.9 | 1.9 |
| Maintenance HQ Support | 5.6 | 6.8 | 7.5 | 7.5 |
| State Planning and Research (SPR) Allocation | 12.7 | 12.7 | 12.7 | 13.3 |
| **TOTAL** | **42.4** | **35.7** | **45.8** | **45.8** |

Source: CDOT Office of Financial Management & Budget

| HPTE Fee for Service | | | | |
|---|---|---|---|---|
| ***Allocations*** | **Actual FY 2013-14** | **Actual FY 2014-15** | **Budget FY 2015-16** | **Proposed FY 2016-17** |
| HPTE Fee for Service | 0.0 | 0.0 | 0.0 | 2.1 |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **2.1** |

Source: CDOT Office of Financial Management & Budget

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**CDOT- Program Fact Sheet**

# Administration

Statutory Authorization: Section 43-1-113 (2) (c) (III), C.R.S. (2015)
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Source: State Highway Fund, Section 43-1-113, C.R.S. (2015)
Budget Category: Deliver – Program Delivery/Administration

### *Background*

The Department's Administration is composed of the staff of several CDOT offices meeting criteria set forth in Section 43-1-113 (2) (c) (III), C.R.S. (2015). Unlike the majority of CDOT's budget, funding for Administration is appropriated annually by the Colorado General Assembly and may not exceed 5.0 percent of the Department's total budget. This appropriation of funds is not an increase in funding to CDOT, but rather a ceiling set by the legislature on how much of the funding CDOT receives that can be spent on administering the department. The CDOT Administration includes the following offices, in whole or in part:

- The Transportation Commission
- The Office of the Executive Director
- The Office of the Deputy Executive Director
- The Division of Accounting & Finance
- The Office of Program Management
- The Office of Emergency Management
- The Division of Audit
- The Office of the Chief Highway Engineer
- The Division of Administrative Services
- The Office of Policy and Government Relations
- The Office of Communications
- The Offices of the Regional Transportation Directors
- The Interagency Fleet Vehicle Garage

### *Funding*

The CDOT's Administration is a single line item in the annual Long Appropriations Bill. Its sources of funding are the State Highway Fund and an internal service fund. Administration activities are not supported by General Funds or federal funds. Several statewide common policies are paid in whole or in part from the Administration line item, including legal services, property & liability insurance, workers compensation, and information technology services.

| Appropriated Program Budget Allocation (in $millions) | | | | |
|---|---|---|---|---|
| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| Administration (Appropriated) Allocation | 22.8 | 30.0 | 29.0 | 30.0 |
| **TOTAL** | **22.8** | **30.0** | **29.0** | **30.0** |

Source: CDOT Office of Financial Management & Budget

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**CDOT- Program Fact Sheet**

# Aeronautics

| | |
|---|---|
| Web Page: | https://www.codot.gov/programs/aeronautics |
| Statutory Authorization: | Section 43-10-103, C.R.S. (2015) |
| Governance: | Colorado Aeronautical Board, Section 43-10-104, C.R.S. (2015) |
| Primary Funding Source: | State Aviation Fund, Section 43-10-109, C.R.S. (2015) |
| Budget Category: | Pass-Through Funds /Multimodal Grants |

***Background***

The Division of Aeronautics promotes the safe operation and accessibility of general aviation and intrastate commercial aviation in Colorado. The objectives of the Division are to:

- Set priorities for improving the State's air transportation system
- Provide financial assistance to maintain and enhance Colorado's 74 public use airports
- Enhance aviation safety through education
- Promote economic development through the development, operation and maintenance of the state aviation system
- Mission Statement: "In support of the Colorado Department of Transportation's development of a forward-looking multi-model transportation system in the 21st century, the Colorado Division of Aeronautics shall promote partnering with its public and private constituents to enhance aviation safety, aviation education and the development of an effective air transportation system through the efficient administration of the Aviation Fund."

***Related Goals***

- *Pavement Condition Indexing (PCI):* The Division conducts an inspection and analysis of airport pavements that is required by the Federal Aviation Administration (FAA) for airports to be eligible for federal funds. PCI results are an important planning tool for each airport's pavement maintenance and capital improvement programs. This information is used by the Division and the FAA to determine priority distribution of state and federal pavement maintenance funds. The Division's goal is to maintain Colorado's primary airport pavements at an average PCI score at or above 75/100**.** For more information about pavement condition indexing, please refer to page 8 of the Division's Annual Report: https://www.codot.gov/programs/aeronautics/Periodicals/AnnualReport.

- *Automated Weather Observing Systems (AWOS):* During its 2000 session, the Colorado General Assembly acknowledged the need for improved aviation weather reporting in the mountainous terrain along the Continental Divide. With shared funding from the Legislature and the Colorado Aviation Fund, twelve (12) Automated Weather Observing System (AWOS) sites were installed. These were sited at those critical mountain passes most vulnerable to weather-related aircraft accidents. The AWOS generates real time weather reports every minute, providing continuous, real-time weather reports for pilots, airport operators, weather data collectors, as well as the local community. The AWOS weather reports are made available to pilots via high quality, digitalized voice transmissions using a VHF frequency, are also available by telephone for flight planning and can be sent to the FAA's Weather Network for critical flight planning purposes. For more information about the Division's AWOS systems, please visit: https://www.codot.gov/programs/aeronautics/Periodicals/AnnualReport.

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**CDOT- Program Fact Sheet**

# Aeronautics (continued)

### *Funding*

The Division administers the State Aviation Fund with direction and oversight from the seven-member Governor-appointed Colorado Aeronautical Board. The main sources of revenue to the State Aviation Fund are:

- An excise tax of $0.04 per gallon on wholesale non-commercial jet fuel transactions.
- An excise tax of $0.06 per gallon on aviation fuel sales.
- A sales tax of 2.9 percent on the sale of all aviation fuels.
- Grant funding from the Federal Aviation Administration.

Article X, Section 18 of the Colorado Constitution requires the proceeds of taxes on aviation fuel to be used exclusively for aviation purposes. Section 43-10-109 (3), C.R.S. (2015) continuously appropriates the State Aviation Fund to the Division and restricts administrative expenses to a maximum of 5.0 percent of prior year revenues.

**Division of Aeronautics Budget Allocation (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Division of Aeronautics to Airports | 36.1 | 30.7 | 29.1 | 24.0 |
| Division of Aeronautics Administration | 0.9 | 0.9 | 0.9 | 1.0 |
| **TOTAL** | **37.0** | **31.6** | **30.0** | **25.0** |

Source: CDOT Office of Financial Management & Budget

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**CDOT- Program Fact Sheet**

# Safe Routes to School

Web Page: https://www.codot.gov/programs/bikeped/safe-routes
Statutory Authorization: 23 USC Section 213
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Source: The Highway Trust Fund, 26 U.S.C. Section 9503
Budget Category: Pass-Through Funds/Multimodal Grants

### *Background*

The Safe Routes to School (SRTS) program was established in Colorado in 2004 to distribute federal funds to eligible projects that enable and encourage children in Kindergarten through 8th grade to safely bicycle and walk to and from school. Successful SRTS programs are designed around the 5 "E's" - engineering, education, encouragement, enforcement, and evaluation - to achieve the greatest gains. SRTS equitably supports the diverse transportation needs of Colorado youth at all abilities, income levels, races, and national origins in rural, suburban, and urban communities. The programs contribute to Colorado's quality of life through healthier lifestyles, expanded commuting options, and easier access to schools and neighborhoods.

Eligible activities include but are not limited to:

- Planning, design, and construction of safe school routes for children to walk and bike to and from school
- Planning, design, and construction of facilities for pedestrians and bicyclists to travel to and from school
- Educating children, parents, and communities about safe walking and bicycling practices and the health benefits that result from walking and bicycling to and from school

### *Funding*

Funds are awarded through a statewide competitive process for construction and education projects chosen by an appointed advisory committee. $2.0M is committed to fund infrastructure projects and $0.5M for non-infrastructure projects.

| Safe Routes to Schools (in $millions) | | | | |
|---|---|---|---|---|
| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| | 0.0 | 0.0 | 0.0 | 2.5 |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **2.5** |

Source: CDOT Office of Financial Management & Budget

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**CDOT- Program Fact Sheet**

# Transportation Alternatives

Web Page: http://www.fhwa.dot.gov/map21/factsheets/tap.cfm
Statutory Authorization: 23 USC Section 213
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Source: The Highway Trust Fund, 26 U.S.C. Section 9503
Budget Category: Pass-Through Funds/Multimodal Grants

### *Background*

The Transportation Alternatives Program (TAP) is a program established under Section 1122 of MAP-21. The TAP provides funding for bicycle/pedestrian, historic/scenic, and environmental mitigation transportation projects. The TAP replaces the funding from pre-MAP-21 programs including Transportation Enhancements, Scenic Byways, Safe Routes to School, and Recreational Trails by wrapping some elements of those programs into a single funding source.

Eligible activities include but are not limited to:

- Construction, planning and design of facilities for pedestrians and bicyclists
- Construction of turnouts, overlooks and viewing areas, and preservation of historic transportation facilities
- Some environmental mitigation activities, including vegetation management, and archeological and storm water mitigation related to highway projects
- The recreational trails program

### *Funding*

The main sources of revenue to the Transportation Alternatives program are:

- Federal highway funding (80%).
- Local matching funds (20%).

**Transportation Alternatives Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Recreational Trails Allocation | 1.6 | 1.6 | 1.6 | 1.6 |
| Transportation Alternatives Program Allocation | 12.0 | 11.7 | 12.0 | 12.0 |
| **TOTAL** | **13.6** | **13.3** | **13.6** | **13.6** |

Source: CDOT Office of Financial Management & Budget

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**CDOT- Program Fact Sheet**

# STP-Metro

Web Page: http://www.fhwa.dot.gov/map21/factsheets/stp.cfm
Statutory Authorization: 23 U.S.C. §133 (d) (3)
Governance: Transportation Management Areas (TMAs) in Colorado
Primary Funding Source: The Highway Trust Fund, Highways Account, 23 U.S.C. § 9503
Budget Category: Pass-Through Funds / Multimodal Grants

### *Background*

The Surface Transportation Program (STP) is a federally mandated program. The STP provides flexible funding that may be used by States and localities for projects to preserve and improve the conditions and performance on any Federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals. STP-Metro is a sub-program of STP for urbanized areas with populations greater than 200,000. Project selection for STP-Metro funds is conducted by federally designated regional Transportation Management Areas (TMAs) comprised of local governments. In Colorado, the Denver Regional Council of Governments (DRCOG), the Pikes Peak Area Council of Governments (PPACG), and the North Front Range Metropolitan Planning Organization (NFRMPO) select projects and the member governments that receive funding contribute matching funds. Project finance is administered by CDOT.

### *Funding*

The main sources of revenue to the STP-Metro program are:

- Federal highway funds equal to the estimated net revenue amount of the STP apportionment set-aside for urban areas with populations exceeding 200,000 (82.79%)
- Required local match (17.21%)
- Additional local funds in excess of the required matching amounts

The annual apportionment of federal spending authority for the STP-Metro is available for four fiscal years after expiration of the federal legislation under which they are authorized and are subject to the overall obligation limitation on federal highway funding.

| Surface Transportation Program (STP) -Metro Budget Allocation (in $millions) | | | | |
|---|---|---|---|---|
| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| STP-Metro Program Allocation | 47.8 | 46.9 | 47.0 | 49.1 |
| **TOTAL** | **47.8** | **46.9** | **47.0** | **49.1** |

Source: CDOT Office of Financial Management & Budget

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**CDOT- Program Fact Sheet**

# Congestion Mitigation & Air Quality (CMAQ)

| | |
|---|---|
| Web Page: | http://www.fhwa.dot.gov/map21/factsheets/cmaq.cfm |
| Statutory Authorization: | 23 U.S.C. § 149 |
| Governance: | Metropolitan Planning Organizations (MPOs) in Colorado |
| Primary Funding Source: | The Highway Trust Fund, Highways Account, 23 U.S.C. § 9503 |
| Budget Category: | Pass-Through Funds / Multimodal Grants |

***Background***

CMAQ is a federally mandated program, the objective of which is to improve air quality in nonattainment and maintenance areas for ozone, carbon monoxide, and particulate matter. These include the areas of the North Front Range Metropolitan Planning Organization (NFRMPO), the Denver Regional Council of Governments (DRCOG), the Pikes Peak Area Council of Governments (PPACG), portions of the Upper Front Range Transportation Planning Region (UFR TPR), Aspen, Cañon City, Pagosa Springs, Steamboat Springs, and Telluride. Funds may be used for transportation projects designed to contribute to the attainment or maintenance of a national ambient air quality standards (NAAQS), with a high level of effectiveness in reducing air pollution. Eligible activities include:

- Establishment or operation of a traffic monitoring, management, and control facility, including advanced truck stop electrification systems, if it contributes to attainment of an air quality standard
- Projects that improve traffic flow, including projects to improve signalization, construct HOV lanes, improve intersections, add turning lanes, improve transportation systems management and operations that mitigate congestion and improve air quality, and implement ITS and other CMAQ-eligible projects, including projects to improve incident and emergency response or improve mobility, such as real-time traffic, transit, and multimodal traveler information
- Purchase of integrated, interoperable emergency communications equipment
- Projects that shift traffic demand to nonpeak hours or other transportation modes, increase vehicle occupancy rates, or otherwise reduce demand
- Complete diesel retrofits of fleet vehicles
- Development of alternative fueling infrastructure and assistance in the conversation of public and private fleets to alternative fuel vehicles such as compressed natural gas (CNG), propane, or electric vehicles
- Expanded authority to use funds for transit operations

***Funding***

The main sources of revenue to the CMAQ program are:

- Federal highway funds (82.79%)
- Required local matching funds (17.21%)
- Additional local funds in excess of the matching requirement

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**CDOT- Program Fact Sheet**

# Congestion Mitigation & Air Quality (continued)

### *Funding (continued)*

Federal funds are apportioned according to a formula based on population and severity of pollution in ozone and carbon monoxide areas. These funds remain available for four years after expiration of the federal legislation under which they are authorized and are subject to the overall obligation limitation on federal highway funding.

| Congestion Mitigation & Air Quality (CMAQ) Improvement Program Budget Allocation (in $millions) | | | | |
|---|---|---|---|---|
| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| CMAQ - Program Allocation | 46.3 | 45.4 | 45.5 | 46.0 |
| **TOTAL** | **46.3** | **45.4** | **45.5** | **46.0** |

Source: CDOT Office of Financial Management & Budget

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**CDOT- Program Fact Sheet**

# Metropolitan Planning

Web Page: http://www.fhwa.dot.gov/map21/factsheets/mp.cfm
Statutory Authorization: 23 U.S.C. §134
Governance: Metropolitan Planning Organizations (MPOs) in Colorado
Primary Funding Source: The Highway Trust Fund, Highways Account, 26 U.S.C. § 9503
Budget Category: Pass-Through Funds / Multimodal Grants

### *Background*

The Metropolitan Planning program is a federally mandated program whose purpose is to fund transportation planning processes at federally designated Metropolitan Planning Organizations (MPOs). This planning process establishes a cooperative, continuous and comprehensive framework for making transportation investment decisions in metropolitan areas with populations exceeding 50,000. The MPOS in Colorado are the Denver Regional Council of Governments (DRCOG), the Pikes Peak Area Council of Governments (PPACG), and the North Front Range Metropolitan Planning Organization (NFRMPO), the Pueblo Area Council of Governments and the Grand Valley MPO (GVMPO).

### *Funding*

The main sources of revenue to the Metropolitan Planning program are:

- Federal funds (Federal Highways Administration and Federal Transit Authority) (82.79%)
- Required local matching funds (17.21%)

These funds remain available for four years after expiration of the federal legislation under which they are authorized and are subject to the overall obligation limitation on federal highway funding.

| Metropolitan Planning Program Budget Allocation (in $millions) | | | | |
|---|---|---|---|---|
| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| Metropolitan Planning Program Allocation | 7.9 | 5.6 | 7.8 | 8.2 |
| **TOTAL** | **7.9** | **5.6** | **7.8** | **8.2** |

Source: CDOT Office of Financial Management & Budget

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**CDOT- Program Fact Sheet**

# Bridge Off-System

| | |
|---|---|
| Statutory Authorization: | 23 USC Section 129 |
| Governance: | Transportation Commission and Federal Program |
| Primary Funding Source: | The Highway Trust Fund, 26 U.S.C. Section 133 (g) |
| Budget Category: | Pass-Through Funds/Multimodal Grants |

### *Background*

The Department administers the local agency bridge program. This program provides bridge inspection and inventory services to the cities and counties as well as grants for bridge replacement or bridge rehabilitation projects. The Department maintains a select list, as described above, for local agency bridges to determine eligibility for bridge replacement and major rehabilitation grants. The Special Highway Committee is the group that authorizes the grants.

The Code of Federal Regulations (CFR) stipulates that at least 15 percent of the Federal Bridge Program funds the State receives shall be used for "off-system" bridges located on public roads, other than those on a Federal-aid system; i.e., city and county bridges.

### *Funding*

CDOT Bridge-Off System program is funded partially through a federal program and partially through Transportation Commission-directed funds.

**Bridge Off System Program Budget Allocation (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Bridge Off System Allocation | 9.6 | 9.4 | 9.4 | 9.4 |
| **TOTAL** | **9.6** | **9.4** | **9.4** | **9.4** |

Source: CDOT Office of Financial Management & Budget

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# Transit

| | |
|---|---|
| Web Page: | https://www.codot.gov/programs/transitandrail |
| Statutory Authorization: | Section 43-1-106 (8) (h), C.R.S. (2015) |
| Governance: | Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015) |
| Primary Funding Source: | State Highway Fund, Section 43-1-113, C.R.S. (2015);<br>The Highway Trust Fund Mass Transit Account, 26 U.S.C. § 9503 (e) |
| Budget Category: | Pass-Through Funds/Multimodal Grants |

***Background***

The CDOT Transit and Rail Division was created under Senate Bill 09-094 to plan, develop, finance, operate, and integrate transit and rail services. CDOT's program works in coordination with other transit and rail providers to plan, promote, and implement investments in transit and rail services statewide.

The objectives of the Division include:

- Managing Federal Transit Administration grants for rural and specialized transit operations
- Creating policy and priorities for S.B. 09-108 “FASTER” transit-related funding
- Working with Regional Transportation Authorities (RTAs) and Transportation Planning Regions (TPRs) on transit service development and policy issues
- Operate the Bustang interregional bus service connecting local transit providers along the I-25 and I-70 corridors
- Identifying gaps in services and missing connections
- Coordinating with other human services and veterans service agencies on transportation delivery
- Creating a state rail plan to improve the efficiency of freight and passenger rail networks
- Conducting feasibility studies of potential new services
- Pursuing intercity &/or high-speed rail and transit solutions for Colorado
- Developing state financing mechanisms
- Integrating transit with other modes through bicycle, pedestrian, and park-and-ride facilities
- Collaborating to create high-utilization carpool, transit, and managed-lane highway facilities
- Incorporating transit, passenger rail, and freight rail into the statewide transportation plan

***Funding***

The main sources of revenue to the Division are:

- State Funds: $15.0 million Senate Bill 09-108.
- Federal grants and apportionments
- Local matching funds

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# Transit (continued)

***Funding (continued)***

| Transit Program Budget Allocation (in $millions) | | | | |
|---|---|---|---|---|
| ***Allocations*** | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| Federal Transit | 23.0 | 27.1 | 29.2 | 29.6 |
| Strategic Projects -Transit | 0.0 | 0.0 | 20.6 | 0.0 |
| State Transit (FASTER) | 15.0 | 15.0 | 15.0 | 15.0 |
| **TOTAL** | **38.0** | **42.1** | **64.8** | **44.6** |

Source: CDOT Office of Financial Management & Budget

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**CDOT- Program Fact Sheet**

# State Infrastructure Bank

Web Page: https://www.codot.gov/business/budget/colorado-state-infrastructure-bank-co-sib.html
Statutory Authorization: Section 43-1-113.5 C.R.S. (2015)
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Source: Transportation Infrastructure Revolving Fund, Section 43-1-113.5, C.R.S. (2015)
Budget Category: Pass-Through Funds/Multimodal Grants

### *Background*

House Bill 98-1001 (May / Mutzebaugh) created the Transportation Infrastructure Revolving Fund, otherwise known as the State Infrastructure Bank (SIB).

The SIB makes loans to provide assistance to public and private entities for the acquisition, improvement, or construction of highways, multimodal transportation, and intermodal transportation facilities in the state. Such assistance includes, but is not limited to, the making of loans and other forms of financial assistance for qualified projects.

Federal legislation also supports the existence of the SIB and it initially received some federal funding. While the statutes provide the overall framework for the SIB, the Transportation Commission is authorized to promulgate rules specifying the details regarding the eligibility requirements, disbursement of funds, interest rates, and repayments of loans from the bank.

The overall objective the SIB is to seek loan applications for transportation projects that can both benefit from SIB assistance and meet the terms for loan repayments. While all elements of the state's transportation system have projects that merit assistance, aviation is unique in its capacity to generate steady revenues that meet or exceed the cost of operating its facilities over time and is willing to ultimately pay for the full cost of its infrastructure improvements.

The fund has separate accounts for:

- Aeronautics
- Highways
- Transit
- Rail

### *Funding*

The main source of revenue to the State Infrastructure Bank is interest earnings on loans from, and cash balances of, the Transportation Infrastructure Revolving Fund.

| State Infrastructure Bank (SIB) Allocation (in $millions) | | | | |
|---|---|---|---|---|
| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| SIB Allocation | 0.6 | 0.7 | 0.5 | 0.4 |
| **TOTAL** | **0.6** | **0.7** | **0.5** | **0.4** |

Source: CDOT Office of Financial Management & Budget



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**CDOT- Program Fact Sheet**

# Permanent Recovery

| | |
|---|---|
| Statutory Authorization: | Section 159(b) of the Wendell H. Ford Aviation Investment and Reform Act (AIR-21) & 49 U.S.C. §5334 |
| Governance: | Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015) |
| Primary Funding Source: | FHWA Emergency Relief Program |
| Budget Category: | Transportation Commission Contingency / Debt Service |

### *Background*

The Permanent Repair program encompasses all permanent repair work being done in Colorado as a result of catastrophic rains and subsequent flooding that occurred during the week of September 11, 2013. The storm destroyed or damaged more than 200 miles of roadway and 50 bridges, with most of the damage concentrated in the northern and eastern parts of Colorado. While the emergency response phase was responsible for short-term fixes in order to get traffic moving as quickly as possible; all temporary repairs were completed as of November of 2013. The permanent repair program is now responsible for managing the long term permanent recovery phase that is projected to take 3-5 years. The program ensures oversight of flood related activities between CDOT Regions, the Flood Recovery Office in Greeley and the Flood Recovery Business Office in Denver at CDOT Headquarters.

Below is a summary of the permanent repair program:

- Oversee 42 permanent repair projects with an estimated budget of $276 million
- Compile and ensure proper management of all necessary documentation for future audits
- Administer FHWA funds to Federal Aid Roads and works in partnership with the local counties and municipalities to complete necessary Local Agency roadway repairs

### *Funding*

Permanent recovery is funding largely through federal programs through FHWA related to disaster relief and recovery. FHWA will reimburse CDOT for approximately 80% of the eligible Permanent Recovery costs on state owned highways. 100% of eligible costs will be covered for Federal owned highways.

**Permanent Recovery Program Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| Permanent Recovery Allocation | 0.0 | 0.0 | 146.8 | 99.3 |
| Indirect Cost Allocation | 0.0 | 0.0 | 17.0 | 17.8 |
| Construction Engineering Allocation | 0.0 | 0.0 | 10.6 | 10.3 |
| **TOTAL** | **0.0** | **0.0** | **174.5** | **127.4** |

**Source:** CDOT Office of Financial Management & Budget

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**CDOT- Program Fact Sheet**

# Contingency Funds

Statutory Authorization: Section 43-1-106 (8) (h), C.R.S. (2015)
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Source: State Highway Fund, Section 43-10-109, C.R.S. (2015)
Budget Category: Transportation Commission Contingency / Debt Service

### *Background*

Every year, the Transportation Commission allocates funds to contingency reserves for the State Highway Fund to be prepared for unforeseen events that arise throughout the year.

Some examples of when contingency reserves are necessary include:

- Winters with unusually heavy snowfall, necessitating higher expenditures on snow and ice removal to attain the Transportation Commission's Maintenance Levels of Service goals
- Large rockfall or landslide events that necessitate emergency funding outlays to repair state highways as soon as possible
- Emergency repairs in the case of floods or other natural disasters

To the extent that revenues at year-end exceed budgetary expectation, or if actual expenditures on annual budget items are lower than approved allocations, the balances revert to contingency until the Transportation Commission determines their most effective use.

### *Funding*

The main source of revenue for the Department's capital expenditures is the State Highway Fund.

| Contingency Program Allocation (in $millions) | | | | |
|---|---|---|---|---|
| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| TC Contingency Allocation | 27.2 | 20.8 | 2.0 | 25.0 |
| Snow & Ice Reserve | 10.0 | 10.0 | 10.0 | 10.0 |
| Staff Recommended Initiatives | 0.0 | 0.0 | 0.0 | 18.2 |
| **TOTAL** | **37.2** | **30.8** | **12.0** | **53.2** |

Source: CDOT Office of Financial Management & Budget

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**CDOT- Program Fact Sheet**

# Debt Service & Certificates of Participation

Statutory Authorization: Section 43-1-106 (8) (h), C.R.S. (2015)
Governance: Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015)
Primary Funding Source: State Highway Fund, Section 43-10-109, C.R.S. (2015);
Highway Trust Fund, Highway Account, 23 U.S.C. § 9503 (a)
Budget Category: Transportation Commission Contingency/Debt Service

### *Background*

The Department currently makes debt service payments on a series of bond issuances known as Transportation Revenue Anticipation Notes (TRANs), and the Colorado Bridge Enterprise pays debt service on its federally subsidized Build America Bonds. In addition to these payments, the Department also makes lease payments on some of its properties through a Certificates of Participation (COP) program. The amount listed below for FY 2016-17 represents the final payments for TRANs.

### *Funding*

The main sources of funds for the Department's debt service and lease payments are

- The State Highway Fund (TRANs, COPs and Energy)
- Federal highway funding (TRANs)

**Debt Service & Certificates of Participation Program Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| CDOT Debt Service Program Allocation | 167.8 | 167.8 | 167.8 | 128.9 |
| Certificates of Participation-Property | 2.3 | 2.4 | 2.4 | 2.3 |
| Certificates of Participation-Energy | 1.1 | 1.1 | 1.0 | 1.0 |
| **TOTAL** | **171.2** | **171.3** | **171.2** | **132.2** |

Source: CDOT Office of Financial Management & Budget

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# Colorado Bridge Enterprise

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# Colorado Bridge Enterprise

## The Colorado Bridge Enterprise (BE) Board

The Colorado Bridge Enterprise was created pursuant to Senate Bill 09-108. Pursuant to Section 43-4-805 (2) (a) (I), C.R.S. (2015), the Transportation Commission serves as the Colorado Bridge Enterprise Board. The members are:

**District One: Ms. Shannon Gifford;** Commissioner.Gifford@state.co.us
*(Denver County; appointed July, 2013, term expiring July 2017).*

**District Two: Mr. Edward J. Peterson;** Commissioner.Peterson@state.co.us
*(Jefferson County and a portion of Broomfield County, appointed October 2011, term expiring July 2017).*

**District Three: Mr. Gary M. Reiff;** Commissioner.Reiff@state.co.us
*(Arapahoe and Douglas counties, appointed August 2009, term expiring July 2017).*

**District Four: Ms. Heather Barry;** Commissioner.Barry@state.co.us
*(Adams and Boulder counties and a portion of Broomfield County; appointed July 2007, term expiring July 2017).*

**District Five: Ms. Kathy Gilliland;** Commissioner.Gilliland@state.co.us
*(Larimer, Morgan, and Weld counties and a portion of Broomfield County; appointed July 2011, term expiring July 2019).*

**District Six: Ms. Kathy Connell;** Commissioner.Connell@state.co.us
*(Clear Creek, Gilpin, Grand, Jackson, Moffat, Rio Blanco, and Routt counties; appointed July 2011, term expiring July 2019).*

**District Seven: Ms Kathryn Hall;** Commisioner.Aden@state.co.us
*(Chaffee, Delta, Eagle, Garfield, Gunnison, Lake, Mesa, Montrose, Ouray, Pitkin, and Summit counties; appointed July 1997, term expiring July 2015).*

**District Eight: Ms. Sidny Zink;** Commissioner.Zink@state.co.us
*(Alamosa, Archuleta, Conejos, Costilla, Dolores, Hinsdale, La Plata, Mineral, Montezuma, Rio Grande, Saguache, San Juan, and San Miguel counties; appointed July, 2013 term expiring July 2017).*

**District Nine: Mr. Nolan Schriner;** Commissioner.Gruen@state.co.us
*(El Paso, Fremont, Park, and Teller counties; appointed November 2007, term expiring July 2019).*

**District Ten: Mr. Bill Thiebaut;** Commissioner.Thiebaut@state.co.us
*(Baca, Bent, Crowley, Custer, Huerfano, Kiowa, Las Animas, Otero, Prowers, and Pueblo counties; appointed August 2013, term expiring July 2017).*

**District Eleven: Mr. Steven Hofmeister;** Commissioner.Hofmeister@state.co.us
*(Cheyenne, Elbert, Kit Carson, Lincoln, Logan, Phillips, Sedgwick, Washington, and Yuma counties; appointed May, 2012, term expiring July, 2019).*

Ms. Kathy Connell is the Chairwoman of the Transportation Commission and Mr. Gary M. Reiff is the Vice Chairman. Mr. Shailen Bhatt, Executive Director of the Department, is also the Director of the Enterprise. Mr. Herman Stockinger, Director of the CDOT Office of Policy and Government Relations serves as the Secretary of the Colorado Bridge Enterprise.

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# Bridge Enterprise Revenue Summary

| Summary of BE Revenue Estimate | |
|---|---|
| ***Funding Category*** | **FY 2016-17** |
| State Bridge Safety Surcharge | 102,100,000 |
| Miscellaneous Enterprise Revenue | 3,500,000 |
| Build America Bonds Credit | 6,000,000 |
| Transfer from CDOT | 15,000,000 |
| Bridge Enterprise - Total Revenue | 126,600,000 |

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**Bridge Enterprise - Revenue Source Fact Sheet**

# Colorado Bridge Enterprise (BE) Revenue

Web Page https://www.codot.gov/programs/BridgeEnterprise
Statutory Authorization: Section 43-4-802, et seq., C.R.S. (2015)
Funding Type(s): Registration Surcharges

***Background***

In 2009 the General Assembly enacted Senate Bill 09-108, the Funding Advancement for Surface Transportation and Economic Recovery (FASTER) legislation. This bill which created a new High Performance Transportation Enterprise and subsequently the Statewide Bridge Enterprise, which was tasked with the repair, rehabilitation, and replacement of those bridges identified as "poor" per federal guidelines and either structurally deficient or functionally obsolete. The board of the Bridge Enterprise consists of the members of the Transportation Commission.

The Bridge Enterprise is authorized to issue revenue bonds backed by their revenues. To accelerate the replacement of Colorado's poor bridges, the Bridge Enterprise issued $300.0 million of federally subsidized Build America Bonds (see http://1.usa.gov/BuildAmericaBonds) in December 2010.

***Revenue History and Projection***

| Colorado Bridge Enterprise Revenue (in $millions) | | | | |
|---|---|---|---|---|
| ***Funding Source*** | Actual FY 2013-14 | Actual FY 2014-15 | Estimate FY 2015-16 | Estimate FY 2016-17 |
| Bridge Safety Registration Surcharge | 95.7 | 91.1 | 100.1 | 102.1 |
| Other Enterprise Charges | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest Income | 3.0 | 2.4 | 3.0 | 3.5 |
| Build America Bonds Credit | 5.9 | 6.4 | 6.0 | 6.0 |
| Eligible Federal Funds | 15.0 | 15.0 | 15.0 | 15.0 |
| **TOTAL** | **119.6** | **114.9** | **124.1** | **126.6** |

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**Bridge Enterprise - Program Fact Sheet**

# Bridge Enterprise Program Allocation Summary

| Summary of BE Program Allocations | |
|---|---|
| **State Bridge Enterprise Fiscal Year 2016 - 2017 Proposed Allocations** | |
| **Maintain - Maintaining What We Have** | |
| **CDOT Performed Work** | |
| Bridge Enterprise -- Maintenance | 250,000 |
| Scoping Pools | 750,000 |
| **Total CDOT Performed Work** | **1,000,000** |
| **Contracted Out Work** | |
| Bridge Enterprise Projects | 90,447,982 |
| BE Transfer from CDOT for Projects | 15,000,000 |
| **Total Contracted Out Work** | **105,447,982** |
| **Total Maintain - Maintaining What We Have** | **106,447,982** |
| **Deliver - Program Delivery/Administration** | |
| Bridge Enterprise - Administration & Legal Fees | 1,911,904 |
| **Total Deliver - Program Delivery/Administration** | **1,911,904** |
| **Bridge Enterprise Contingency / Debt Service** | |
| **Contingency** | |
| Bridge Enterprise - Contingency | - |
| **Total Contingency** | **-** |
| **Debt Service** | |
| Bridge Enterprise - Debt Service | 18,234,000 |
| **Total Debt Service** | **18,234,000** |
| **Total Transportation Commission Contingency / Debt Service** | **18,234,000** |
| **Total BE Program Allocations** | **126,593,886** |

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**Bridge Enterprise - Program Fact Sheet**

# Colorado Bridge Enterprise

Web Page: https://www.codot.gov/programs/BridgeEnterprise
Statutory Authorization: Section 43-4-805, C.R.S. (2015)
Governance: Statewide Bridge Enterprise Board, Section 43-4-805, C.R.S. (2015)
Primary Funding Source: Statewide Bridge Enterprise Special Revenue Fund, Section 43-4-805(g), C.R.S. (2015)
Budget Category: Maintain – Maintaining What We Have

### *Background*

Senate Bill 09-108 (FASTER) created Colorado Bridge Enterprise, a government-owned business entity within the Department. The Enterprise is empowered to finance the design, repair or reconstruction of bridges on the state highway system using revenues from an annual bridge safety surcharge on vehicle registrations. To qualify for the Bridge Enterprise, the bridges must be either structurally deficient or functionally obsolete, and rated below 50 according to federal bridge sufficiency guidelines to be selected by the Enterprise Board for funding. In addition to repair and replacement, the Enterprise funds future maintenance costs for all bridges transferred to its ownership.

Since the inception of the Bridge Enterprise in July 2009, 189 FASTER eligible bridges have been identified as structurally deficient or functionally obsolete with a rating below 50, making them eligible for replacement or reconstruction by the Bridge Enterprise. As of September, 2015, 113 of these bridges have been replaced or repaired, 26 are in construction, 16 are in design or the design is complete, 22 bridges are yet to be programmed, and no action is proposed for 14 structures at this time. In December of 2010 the Enterprise issued $300 million in bonds to accelerate the replacement and/or reconstruction of poor bridges; 93 of the FASTER eligible bridges are currently partially or fully funded with bond proceeds.

### *Funding*

The main sources of revenue to the Enterprise are the Bridge Safety Surcharge and bond proceeds.

**Bridge Enterprise (BE) Operating Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| BE - Maintenance Allocation | 0.7 | 1.0 | 1.0 | 0.6 |
| BE - Administration Allocation | 1.7 | 1.9 | 1.9 | 1.9 |
| BE - Contingency Allocation | 0.0 | 0.0 | 0.0 | 0.0 |
| BE - Debt Service Allocation | 18.2 | 18.2 | 18.2 | 18.2 |
| **TOTAL** | **20.6** | **21.1** | **21.1** | **20.7** |

**Source:** CDOT Office of Financial Management & Budget

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# Colorado Bridge Enterprise (continued)

***Funding (continued)***

| Bridge Enterprise (BE) Construction Program Allocations (in $millions) | | | | |
|---|---|---|---|---|
| ***Allocations*** | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| BE - Projects Allocation | 79.1 | 75.1 | 86.6 | 82.6 |
| Indirect Cost Allocation | 13.1 | 11.5 | 10.1 | 14.8 |
| Construction Engineering Allocation | 6.7 | 7.1 | 6.3 | 8.5 |
| **TOTAL** | **98.9** | **93.7** | **103.0** | **105.9** |

**Source:** CDOT Office of Financial Management & Budget

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# High Performance Transportation Enterprise

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# High Performance Transportation Enterprise (HPTE)

## The High Performance Transportation Enterprise Board

The High Performance Transportation Enterprise (HPTE) board supervises and advises the Enterprise's Director and is authorized to enter into agreements with the Transportation Commission and private industry to finance, build, operate, and maintain transportation infrastructure using innovative financing and contracting methods. The board is also authorized to issue revenue bonds payable from user fees generated by transportation facilities owned by the Enterprise.

Of the seven HPTE Board members, three are from the Transportation Commission and four are selected by the Governor and are required to have expertise in transportation planning or development, local government, design-build contracting, public or private finance, engineering, environmental issues, or any other area that the governor believes will benefit the board in the execution of its powers and performance of its duties.

The Governor's appointees must also fall into the following geographical distribution:

- One member who resides within the planning area of the Denver Regional Council of Governments.
- One member who resides within the planning area of the Pikes Peak Area Council of Governments.
- One member who resides within the planning area of the North Front Range Metropolitan Planning Organization.
- One member who resides within the Interstate 70 mountain corridor.

The Governor's appointees serve at his pleasure, and the members who are Transportation Commissioners serve by resolution of the Transportation Commission. Appointments are not subject to confirmation by the Colorado Senate. The board members are:

**Denver Metropolitan Area: Mr. Trey Rodgers;** Trogers@rothgerber.com
*(Appointed August, 2012, term expiring October 2017)*

**Transportation Commissioner: Ms. Shannon Gifford;**
*(Appointed 2015, term expiring TC at will)*

**Transportation Commissioner: Ms. Kathy Gilliland;** Commissioner.Gilliland@state.co.us
*(Appointed October, 2011, term expiring TC at will)*

**Transportation Commissioner: Mr. Gary Reiff;** Commissioner.Reiff@state.co.us
*(Appointed July, 2013, term expiring TC at will)*

**Pikes Peak Area: Ms. Brenda Smith;** smithbrend@msn.com
*(Appointed August, 2012, term expiring October, 2017)*

**North Front Range Area: Mr. Don Marostica;** don@donmarostica.com
*(Appointed December, 2012, term expiring October, 2015)*

**Interstate 70 Corridor: Mr. Tim Gagen;** timg@townofbreckenridge.com
*(Appointed August, 2012, term expiring October, 2015)*

Mr. Tim Gagen is chairman of the board, Ms. Kathy Gilliland is vice chair and Mr. David Spector is the Director of the Enterprise.

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**HPTE - Revenue Source Fact Sheet**

# HPTE Revenue Summary

| Summary of HPTE Revenue Estimate | |
|---|---|
| ***Funding Category*** | **FY 2016-17** |
| **Tolling Revenue** | **5,436,702** |
| **Interest Income** | **200,000** |
| **Transfer from CDOT** | **0** |
| **Consulting Fees** | **2,080,000** |
| **High Performance Transportation Enterprise - Total Revenue** | **7,716,702** |

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**HPTE - Revenue Source Fact Sheet**

# High Performance Transportation Enterprise (HPTE) Revenue

Web Page: https://www.codot.gov/programs/high-performance-transportation-enterprise-hpte
Statutory Authorization: Section 43-4-806, C.R.S. (2015)
Funding Type(s): User Fees

***Background***

The High-Performance Transportation Enterprise (HPTE) was created by the General Assembly in Senate Bill 09-108 to aggressively pursue innovative means of more efficiently financing important surface transportation infrastructure projects that will achieve the following:

- Improve the safety, capacity, and accessibility of the surface transportation system
- Feasibly be commenced in a reasonable amount of time
- Allow more efficient movement of people, goods, and information throughout the state
- Accelerate the economic recovery of the state

Such innovative means of financing projects include, but are not limited to:

- Public-private partnerships
- Operating concession agreements
- User fee-based project financing
- Availability payments
- Design-build contracting

***Revenue History and Projection***

The main sources of revenue to the Enterprise are:

- Fees for services
- Interest Income
- Consulting Fees

**High Performance Transportation Enterprise Revenue (in $millions)**

| *Funding Source* | Actual FY 2013-14 | Actual FY 2014-15 | Estimate FY 2015-16 | Estimate FY 2016-17 |
|---|---|---|---|---|
| Tolling Revenue | 7.3 | 30.4 | 0.4 | 5.4 |
| Tolling Violations | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest Income | 0.3 | 0.2 | 0.2 | 0.2 |
| Transfer from CDOT | 1.0 | 1.0 | 0.0 | 0.0 |
| Consulting Fees | 0.0 | 0.0 | 2.0 | 2.1 |
| **TOTAL** | **8.6** | **31.6** | **2.6** | **7.7** |

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**HPTE - Revenue Source Fact Sheet**

# HPTE Program Allocation Summary

| Summary of HPTE Program Allocations | |
|---|---|
| **High Performance Transportation Enterprise<br>Fiscal Year 2016 - 2017 Proposed Allocations** | |
| **Expand - Increasing Capacity** | |
| **CDOT Performed Work** | |
| High Performance Transportation Enterprise--Maintenance | - |
| **Total CDOT Performed Work** | **-** |
| **Contracted Out Work** | |
| High Performance Transportation Enterprise--Projects | 5,636,702 |
| **Total Contracted Out Work** | **5,636,702** |
| | |
| **Total Expand - Increasing Capacity** | **5,636,702** |
| **Deliver - Program Delivery/Administration** | |
| High Performance Transportation Enterprise--Administration & Legal Fees | 1,178,649 |
| **Total Deliver - Program Delivery/Administration** | **1,178,649** |
| **Debt Service** | |
| High Performance Transportation Enterprise - Debt Service | 901,351 |
| **Total Debt Service** | **901,351** |
| | |
| **Total Transportation Commission Contingency / Debt Service** | **901,351** |
| | |
| **Total HPTE Program Allocations** | **7,716,702** |

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**HPTE - Program Fact Sheet**

# High Performance Transportation Enterprise Allocations

| | |
|---|---|
| Web Page | https://www.codot.gov/programs/high-performance-transportation-enterprise-hpte |
| Statutory Authorization: | Section 43-4-806, C.R.S. (2015) |
| Governance: | HPTE Board, Section 43-4-806 (2) (a), C.R.S. (2015) |
| Primary Funding Source: | Statewide Transportation Enterprise Special Revenue Fund, Section 43-4-806 (3) (a), C.R.S. (2015) |
| Budget Category: | Expand – Increasing Capacity & Deliver – Program Delivery/Administration. |

### *Background*

The High-Performance Transportation Enterprise (HPTE) was created by the General Assembly in Senate Bill 09-108 to aggressively pursue innovative means of more efficiently financing important surface transportation infrastructure projects that will achieve the following:

- Improve the safety, capacity, and accessibility of the surface transportation system
- Feasibly be commenced in a reasonable amount of time
- Allow more efficient movement of people, goods, and information throughout the state
- Accelerate the economic recovery of the state

Such innovative means of financing projects include, but are not limited to:

- Public-private partnerships
- Operating and maintenance agreements
- User fee-based project financing
- Availability payments concession agreements
- Toll risk concession agreements
- Design-build contracting

### *Funding*

The main sources of revenue to the Enterprise are:

- Fees earned for consulting services
- .User fees

**High Performance Transportation Enterprise (HPTE) Operating Budget Allocations (in $millions)**

| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
|---|---|---|---|---|
| HPTE - Maintenance Allocation | 0.4 | 0.0 | 0.0 | 0.0 |
| HPTE - Administration Allocation | 1.0 | 1.4 | 1.2 | 1.2 |
| HTPE - Debt Service | 0.0 | 0.0 | 0.8 | 0.9 |
| **TOTAL** | **1.4** | **1.4** | **2.0** | **2.1** |

**Source:** CDOT Office of Financial Management & Budget

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# High Performance Transportation Enterprise Allocations (continued)

### *Funding (continued)*

| High Performance Transportation Enterprise (HPTE) Construction Program Allocations (in $millions) | | | | |
|---|---|---|---|---|
| *Allocations* | Actual FY 2013-14 | Actual FY 2014-15 | Budget FY 2015-16 | Proposed FY 2016-17 |
| HPTE - Projects Allocation | 5.8 | 24.2 | 0.5 | 4.4 |
| Indirect Cost Allocation | 1.0 | 3.7 | 0.1 | 0.8 |
| Construction Engineering Allocation | 0.5 | 2.3 | 0.0 | 0.5 |
| **TOTAL** | **7.3** | **30.2** | **0.6** | **5.7** |

Source: CDOT Office of Financial Management & Budget

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# Appendices

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# Appendix A

## Senate Bill 09-108 (FASTER) Overview

Funding Advancement for Surface Transportation and Economic Recovery (FASTER)
Statutory Authorization: Section 43-4-801, et seq., C.R.S. (2015)
Funding Type(s): Registration Surcharges, Fees, Fines

### *Background*

In 2009 the General Assembly enacted Senate Bill 09-108, which:

- Authorized several new funding sources for road and bridge safety on state and local highways
- Created the High Performance Transportation Enterprise (HPTE) and the Statewide Bridge Enterprise (BE)
- Enhanced the Department's authority with respect to bonding and highway demand management
- Required an annual report regarding the department's structural funding deficit
- Created an Efficiency and Accountability Committee of CDOT staff and external stakeholders

The impetus for the bill was the January 2008 final report of the Transportation Finance and Implementation Panel (see http://hermes.cde.state.co.us/drupal/islandora/object/co%3A2038), which concluded that the Department did not have adequate resources to maintain the state transportation system at the level of service sufficient to meet the needs of the citizens.

### *Additional Funding Sources for Transportation*

The bill authorized the following additional revenue sources for state and local transportation systems:

- A road safety surcharge varying by vehicle weight and collected through the payment of registration fees and specific ownership taxes.
- A daily fee for the use of a rented motor vehicle.
- A supplemental oversize / overweight vehicle surcharge.
- An increased fee for the late registration of a motor vehicle.

### *The Statewide Bridge Enterprise*

S.B. 09-108 created a new Enterprise tasked with the repair, rehabilitation, and replacement of those bridges identified as "poor" per federal guidelines and either structurally deficient or functionally obsolete. The board of the Enterprise consists of the members of the Transportation Commission.

Both CDOT Enterprises (HPTE & BE) are authorized to issue revenue bonds backed by their respective revenues. To accelerate the replacement of Colorado's poor bridges, the BE issued $300.0 million of federally subsidized Build America Bonds (see http://1.usa.gov/BuildAmericaBonds) in December 2010. For more information, see https://www.codot.gov/programs/BridgeEnterprise.

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# Senate Bill 09-108 (FASTER) Overview (continued)

**Senate Bill 09-108 Registration Surcharge Schedules** *($millions)*

| Vehicle Curb Weight | Road Safety Surcharge | Bridge Safety Surcharge |
|---|---|---|
| Less than 2,000 lbs. | $16.00 | $13.00 |
| Between 2,000 and 5,000 lbs. | $23.00 | $18.00 |
| Between 5,000 and 10,000 lbs. | $28.00 | $23.00 |
| Between 10,000 and 16,000 lbs. | $37.00 | $29.00 |
| Greater than 16,000 lbs. | $39.00 | $32.00 |

**Source**: Senate Bill 09-108

### *Transit-Related Funding in Senate Bill 09-108*

The General Assembly directed that $10.0 million per year of the Department of Transportation's share of highway safety surcharges and fees be expended on transit-related activities. Eligible projects include but are not limited to bicycle and pedestrian facilities. In addition, the General Assembly directed that $5.0 million per year from the municipal and county shares of the S.B. 09-108 highway safety funds be credited to the State Transit and Rail Fund for grants to local governments for transit projects.

### *The Transportation Deficit Report*

The Department submits an annual deficit report that separately addresses the goals of repairing deficient highways and bridges, sustaining existing transportation system performance levels, and achieving the corridor visions described by regional transportation plans and public preferences. See https://www.codot.gov/library/AnnualReports/2013-transportation-deficit-report/view.

### *The High Performance Transportation Enterprise*

S.B. 09-108 reconstituted the former Statewide Tolling Enterprise with expanded authority to pursue innovative methods of financing the state's transportation system, including:

- Public-private partnerships (see http://www.fhwa.dot.gov/ipd/p3/index.htm)
- Operating concession agreements (see http://1.usa.gov/operatingconcession)
- User fee-based project financing (see http://bit.ly/tollfinance)
- Availability payments (see http://bit.ly/availabilitypayments)
- Design-build contracting (see http://1.usa.gov/P3designbuild)

In addition, the bill authorizes the Enterprise to use road pricing on existing highway capacity as a congestion management tool if the Enterprise secures federal approval and the approval of all affected local governments. The Enterprise is governed by a seven-member board consisting of four appointees of the Governor and three members of the Transportation Commission, as chosen by the Commission. See https://www.codot.gov/programs/high-performance-transportation-enterprise-hpte. Current annual funding estimate for HPTE is $2.5 million.

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# Senate Bill 09-108 (FASTER) Overview (continued)

***Revenue History and Projection***

| Senate Bill 09-108 Overview (in $millions) | | | | |
|---|---|---|---|---|
| ***Funding Source*** | **Actual FY 2013-14** | **Actual FY 2014-15** | **Estimate FY 2015-16** | **Estimate FY 2016-17** |
| Road Safety Surcharges | 120.7 | 123.7 | 126.1 | 129.6 |
| Late Registration Fees | 17.7 | 17.9 | 18.7 | 18.6 |
| Daily Vehicle Rental Fees | 28.9 | 30.5 | 30.9 | 30.3 |
| Oversize/Overweight Vehicle Surcharges | 1.3 | 1.4 | 1.4 | 1.4 |
| Local Transit and Rail | 5.0 | 5.0 | 5.0 | 5.0 |
| Bridge Safety Registration Surcharge | 95.7 | 91.1 | 100.1 | 102.1 |
| **TOTAL** | **269.3** | **269.6** | **282.2** | **287.0** |

**Sources**: Department of the Treasury, Colorado Financial Reporting System

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# Appendix B

## Project Indirect Costs & Construction Engineering

| | |
|---|---|
| Statutory Authorization: | Section 43-1-106 (8) (h), C.R.S. (2015) |
| Governance: | Colorado Transportation Commission, Section 43-1-106, C.R.S. (2015) |
| Primary Funding Source: | State Highway Fund, Section 43-10-109, C.R.S. (2015) |
| Budget Category: | Maintain -Maintaining What We Have<br>Maximize - Making the Most of What We Have<br>Expand – Increasing Capacity |

***Background***

Costs incurred for the benefit of a project that are not project specific are classified as *project indirect costs*. Examples of indirect costs incurred by the regions include personal services charges for administrative offices and supervisory engineering positions, office supplies, stakes, telephones and postage. Annually, the Department calculates an indirect cost recovery rate using data from the Project Indirect Cost Pool and other financial sources. Upon approval from the Federal Highway Administration, the rate is then applied to eligible direct project expenditures.

*Construction engineering costs* (CE) are those costs that have been incurred for the purpose of ensuring compliance with specific project construction specifications, generally accepted construction standards, associated testing, and materials validation activities. The CE costs that are segregated from the program costs in the budget allocation report are for CDOT personnel and operating costs associated with this type of work. Projects also incur similar costs from consultants performing this type of work, but these costs are not segregated. These CE costs benefit a single, specific project or construction activity and are measurable against a specific cost accumulating unit. However, in light of the uniform application of these activities against all individual projects, it is appropriate and logical to treat these combined activities as an allocable, central services type cost and allocate the total accumulated costs for Construction Engineering activities on a fixed rate allocable basis, against the entire construction project program. Examples of costs accumulated in the CE budget pools include:

- Construction oversight
- Materials testing
- Design services under construction

***Funding***

The main sources of funds for the Department's project indirect and construction engineering costs are:

- The State Highway Fund
- Federal reimbursement for eligible expenditures

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# Project Indirect Costs & Construction Engineering (continued)

***Funding (continued)***

The Department's indirect cost and construction engineering allocations are included in the total allocations of the following programs:

**FY 2016-17 Budget Allocations Net of Indirect / Construction Engineering (CE)**

| *Program Area* | Net Budgeted Fund | Indirect Cost Allocation | CE Allocation | Total Allocation |
|---|---|---|---|---|
| Surface Treatment Program | 113.1 | 20.3 | 11.7 | 145.1 |
| Structures On-System Program | 27.9 | 5.0 | 2.9 | 35.8 |
| Geohazards Mitigation Program | 7.8 | 1.4 | 0.8 | 10.0 |
| Highway Safety Improvement Program | 23.7 | 4.3 | 2.5 | 30.5 |
| Railway-Highway Crossings Program | 2.6 | 0.4 | 0.3 | 3.3 |
| Hot Spots Program | 1.7 | 0.3 | 0.2 | 2.2 |
| Traffic Signals Program | 8.7 | 1.6 | 0.9 | 11.2 |
| FASTER - Safety Projects | 45.1 | 8.1 | 4.7 | 57.9 |
| Permanent Water Quality Mitigation | 5.1 | 0.9 | 0.5 | 6.5 |
| Safety Education Program | 10.6 | 1.2 | 0.7 | 12.5 |
| Congestion Relief Program | 3.1 | 0.6 | 0.3 | 4.0 |
| Regional Priority Program | 37.9 | 6.8 | 3.9 | 48.6 |
| Strategic Transportation Investment Project Program | 0.0 | 0.0 | 0.0 | 0.0 |
| Permanent Recovery | 99.3 | 17.8 | 10.3 | 127.4 |
| Bridge Enterprise Projects | 82.6 | 14.8 | 8.5 | 105.9 |
| HPTE - Projects | 4.4 | 0.8 | 0.5 | 5.7 |

**Source**: CDOT Office of Financial Management & Budget

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COLORADO
Department of Transportation
Office of the Chief Engineer

4201 E. Arkansas Ave., Room 262
Denver, CO 80222

**DATE:** October 15, 2015
**TO:** Transportation Commission
**FROM:** Josh Laipply, Chief Engineer
Maria Sobota, Chief Financial Officer
Richard Zamora, Office of Program Management Director
**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 the Flood Recovery program.

Details
A primary performance objective related to the integration of Cash Management and Program Management is a reduction of the cash balance. Total program spending has a significant impact on CDOT's cash balance. Included in the PMO deck is a bar chart projecting the impact of total program spending for Fiscal Year 2016 on individual cash fund balances and federal cash equivalents.

The Capital Construction Fund (Fund 400) was projected to be $666 million at September 30, 2015. The actual Fund 400 cash balance at September 30, 2015 was $626 million – a difference of $40 million.

The attached memorandum give further details of the accounts in the total cash balance, along with details of the impacts of the Federal continuing resolutions for highway funding on our cash balance.

We are continuing to monitor program delivery at the statewide level using the expenditure performance index (XPI) to evaluate actual construction expenditure performance as compared to planned. This month the cumulative XPI has risen to 0.89 from 0.85 last month. September expenditures were close to the monthly amount estimated in our plan achieving a monthly XPI of 0.97.

The PMO Reporting Overview slide provides a status update of the four main programs being reported on by the Program Management Office. The Schedule Performance Index (SPI) for Flood improved from 0.94 to a 0.96. The RAMP Partnership and Operations program SPI improved from 0.95 to 0.96.

The RAMP Partnership and Operations Program continues to show steadily increasing monthly expenditure totals. Just within the last three months, several

large devolution payments have been made to a number of our Local Agency partners. Those funds will in turn be used towards locally administered construction projects. Similarly, all twenty-four of the locally-administered RAMP intergovernmental agreements (IGAs) are fully executed and approved by the State Controller and CDOTs Office of Procurement and Contracts.

The Flood Recovery Program is in the process of closing out Emergency Repair (ER) projects and initiating design and construction on the Permanent Repair (PR) projects. To date, 69% of Emergency Repair Projects are shown as closed with 90% of the Budget Expended. The Permanent Repair (PR) is underway with over 21% projects closed and 49% budget expended.

A key point in the project delivery for the flood program is the FHWA approval of the Detailed Damage Inspection Report (DDIR). This is a determination of eligibility for FHWA reimbursement for both Emergency Repair projects and Permanent Repair projects. The PowerPoint shows the total amount of approved DDIRs from the available relief funds.

The Federal Fiscal Year end close is here and the Financial Management Information System (FMIS), a major application/system used by the Federal Highway Administration (FHWA) to support the automation and integration of public financial management processes, including the authorization and obligation of construction projects, was shutdown on Sept 25th and will reopen on Oct 25th, 2015. This shutdown normally occurs this time of year and CDOT staff continues to work diligently to mitigate its impact. This year, the shutdown period reflects an extended period as FHWA transitions from FMIS4 to FMIS5.

The attached RAMP project controls update shows how the program is tracking against the remaining contingency and how CDOT is managing the Partnership program to stay within that amount. There are no RAMP Partnership funding requests this month.

There is a memorandum for a Construction Modification included for commission action in the budget supplement. For more information on this project, please refer to the attached memorandum and this month's budget supplement.

<u>Attachments</u>

1. Attachment A – Cash Balance Detail Memorandum
2. RAMP Partnership Program Controls Update (table)
3. Region 2 US50 Embankment Repair Contract Modification Order Memorandum
4. Powerpoint Presentation

COLORADO
Department of Transportation
Division of Accounting and Finance

4201 East Arkansas Avenue, Room 262
Denver, CO 80222-3400

**DATE:** October 15, 2015
**TO:** Transportation Commission
**FROM:** Maria Sobota, Chief Financial Officer
**SUBJECT:** Attachment A - Cash Balance Detail Memorandum

Details of Cash Balance Chart

A primary performance objective related to the integration of Cash Management and Program Management is a reduction of the cash balance. Total program spending has a significant impact on CDOT's cash balance. Included in the PMO deck is a bar chart projecting the impact of total program spending for Fiscal Year 2016 on individual cash fund balances and federal cash equivalents.

The cash balance in the chart is split out by fund with the Capital Construction Fund (Fund 400) being the most relevant as its activity includes the receipt of Highway User Tax Fund (HUTF) transfers, receipt of FHWA reimbursements, and the majority of CDOT's construction spending. The projected Fund 400 cash balance at September 30, 2015, was $666 million. The actual Fund 400 cash balance at September 30, 2015, was $626 million – a difference of $40 million. One notable reason why the Fund 400 cash balance decreased more than projected for September is that CDOT currently does not have a significant amount of federal obligation limitation to convert to cash.

The federal obligation, which is CDOT's authorization to bill FHWA for reimbursement of expenditures, is an important driver of cash balance increases and decreases. In general, CDOT begins to spend down the Fund 400 cash balance when the federal obligation has been exhausted. This is because as long as CDOT has federal obligation available, it will receive reimbursement for approximately 80 percent of any qualifying expenditures. The projected ending balance for federal obligation at September 30, 2015, was $205 million. The actual ending balance for federal obligation at September 30, 2015, was approximately $154 million – a difference of $51 million.

The timing and amount of federal notices received impact CDOT's Fund 400 cash balance. In a normal year CDOT receives federal obligation of approximately $500.0 million for the entire year in October. Due to the Continuing Resolution impacting FHWA, CDOT has been receiving its federal obligation in prorated amounts. In late July, FHWA informed all DOTs of a three-month extension to the federal authorization bill (MAP-21). As a result, CDOT received approximately $83

million in additional obligation limit through September 30, 2015. CDOT is currently in the process of converting this obligation to cash through federal billings.

There is still a possibility that federal cash reimbursements may slow in upcoming months due to FHWA restrictions, which would result in a decreased Fund 400 cash balance. We will continue to stay on top of any decisions made that may impact the cash balance and report on any changes related to the revised Fiscal Year 2016 forecast established in July.

The projected Bridge Enterprise Fund (Fund 538) cash balance at September 30, 2015, was approximately $222 million. The actual Fund 538 cash balance at September 30, 2015, was approximately $237 million – a difference of $15 million. The majority of Fund 538 cash is reserved for the Central 70 project.

Included in Other Funds are cash balances related to Aeronautics, HPTE, and the State Infrastructure Bank, among other smaller funds. Other Funds generally do not fluctuate significantly from month to month.

# RAMP Partnership Program Controls Update

| RAMP Partnership Program Controls Update | | | | | | | | | Oct 2015 |
|---|---|---|---|---|---|---|---|---|---|
| PCN | Project Name | Original TC Approved Budget [A] | Current Forecasted Cost Estimate [C] | Total Project Cost Variance [A-C] | Prelim. Scalable Review | Additional Non-CDOT Contribution | Additional RAMP Contingency | Additional CDOT Contribution | Project Controls Comments |
| 19192 | I-25/ARAPAHOE RD INTERCHANGE | $74,000,000 | $80,000,000 | (6,000,000) | Scalable to budget, with CMGC input. | Possible | $6,000,000 | $0 | CMGC (ICE Consultant is part of the project team); TC approved an additional $6.0M in estimated ROW costs in September; ICE results for 60% plans evaluated in August; 90% Plans anticipated in November, Planned Construction in 2016. |
| 19954 | US 160 Turnouts | $1,015,000 | $493,898 | 521,102 | Estimated ($600,000) | Unlikely | $0 | $0 | Project scope has been scaled back to a single decel lane; Alternatively, both decel lanes would cost over $2.1 million; Scaled project is within original budget; FOR complete; Planned Advertisement for December 2015. |
| 19906 | US50/Dozier/Steinmeier Intersection Improvement & Signal Improvements (companion Ops project 2-9) | $2,500,000 | $2,500,000 | 0 | Completed | Unlikely | $0 | $0 | Project is currently tracking within budget; FOR Level Estimate complete; Additional Local Contribution unlikely; Project is not scalable; Planned Advertisement in November 2015. |
| 18331<br>19039 | I-25 AND CIMARRON EXPRESSWAY | $95,000,000 | $113,624,588 | (18,624,588) | Completed ($11,500,000) | $2,050,000 | $2,531,138 | $14,043,450 | Awarded; Apparent successful proposer was selected in February; TC Approved additional RAMP Contingency funds; $2.5 M in savings from bid opening returned to RAMP Contingency. |
| 19056<br>19751 | US 50 / SH 45 Interchange, Wills to Purcell - Pueblo (companion Ops project 2-10) | $11,200,000 | $11,075,452 | 124,548 | Bundled Projects | $0 | $0 | $0 | Awarded; Total Project Cost (RAMP + Surface Treatment) is $13,426,152. |
| 19094 | I-70 Simba Run Underpass (Vail Underpass) | $20,800,000 | $30,100,000 | (9,300,000) | Completed | 2,730,000 | $6,570,000 | $0 | CMGC project; Additional Local Contribution approved by Town of Vail at matching percentage; TC Approved additional RAMP Contingency Funds in June 2015; Planned Advertisement in December 2015. |
| 19930 | SH 9 - Frisco to Breckenridge: Iron Springs Alignment and Vail Pass Multi-use Path Devolution | $21,985,000 | $27,487,269 | (5,502,269) | Completed ($4,200,000) | 1,012,454 | $4,489,815 | $0 | ICE complete; Additional Local Contribution approved by Summit County partners at matching percentage; TC Approved additional RAMP Contingency Funds in July 2015; Planned Advertisement for December 2015. |
| 19911 | I-70 Exit 31 Horizon Drive Roundabouts | $5,000,000 | ~~$6,095,000~~<br>$6,312,300 | (1,312,200) | Complete | $105,000 + $496,300 Local Match ($308,000 Utility Co) | $423,000 | $0 | Awarded; Additional Local Contribution ($496k) was committed to award project in July; TC Approved additional RAMP Contingency funds in May 2015 to advertise the project in June 2015. |
| 19910 | SH 9 CO River South Wildlife & Safety | $46,000,000 | $52,627,747 | (6,627,747) | Completed ($4,200,000) | Completed | $6,627,747 | $0 | Awarded; Increased Local Contribution; TC Approved additional RAMP Contingency funds needed to Award. |
| 12372<br>18401<br>19561<br>20632 | US 287: Conifer to Laporte Bypass (Phase 1 - SH1 to Laporte Bypass) (Phases 2 & 3 - Local Agency) | $36,000,000 | $43,833,509 | (7,833,509) | Completed ($800,000) | Completed | $7,833,509 | Local Agency is contributing to the other 2 Phases | Project team has reevaluated the design; Local Contribution has increased its funding of the other 2 Phases; ICE results were valid; TC Approved additional RAMP Contingency Funds in August 2015; Planned Re-advertisement in September 2015. |
| 19909 | US 550 Sky Rocket Box Culvert Replacement | $2,000,000 | $1,627,796 | 372,204 | Complete | Unlikely | $0 | $0 | Project is currently tracking within budget; FOR complete; Bid alternates are not being considered at this time; Planned Advertisement in October 2015. |
| 19908 | SH 172 / 151 SIGNALIZATION | $1,800,000 | $1,729,562 | 70,438 | Complete | Unlikely | $0 | $0 | Project is currently tracking within budget; FOR complete; HazMat and Geology test results could impact project cost; Bid alternates being considered; Project received no contractor bids in August 2015. |
| 19397 | SH 145 AT CR P SAFETY IMPROVEMENTS | $1,660,194 | ~~$1,676,597~~<br>$1,912,975 | (252,781) | Possible | Unlikely | $0 | $252,781 | Awarded; Project awarded at 3% above the Engineer's Estimate; Savings realized during the design phase; Used additional FASTER funds per original application. |
| 18972 | US 285 Antonito Storm Drainage System Replacement | $2,742,429 | $3,343,337 | (600,908) | Bundled Projects | Completed | $0 | $0 | Awarded; Local in-kind contribution increased by $350,000; Bundled with $7.0 mil SUR project for bidding economy. |
| 19411 | SH 62 Ridgeway Street Improvements (pending approval of local match) | $13,791,257 | $13,463,955 | 327,302 | In-progress | Unlikely | $0 | $0 | Project is currently tracking within budget; Scalability is on-going during design; FOR complete; An ICE is anticipated for this project; Planned Advertisement for December 2015. |
| 19643 | US 24 Enhancement Project in Buena Vista | $2,497,090 | $2,780,174 | (283,085) | Possible (3 options) | Unlikely | $0 | $0 | Scalability and Local Contribution under region review; Project to be bundled with $8 mil SUR project; Further reduction of scope and FA items possible; Planned FOR in September 2015; Planned Advertisement in April 2016. |
| Subtotals | | $337,990,970 | $392,912,462 | ($54,921,493) | ($600,000) | $6,710,754 | $34,475,209 | $14,296,231 | $1,160,702 |
| | | Total Original | Total Forecast | Total Variance | Total Scope Reduction | Total Local Contribution | Total RAMP Contingency | Total CDOT Contribution | Remaining Projected Liability |

Legend:

| |
|---|
| Project Awarded (blue) |
| Cells updated since last month (yellow) |

Per resolution TC-3209, Establishment of the RAMP Program Project Controls, the table above includes those RAMP Public-Public Partnership CDOT administered projects that were un-awarded as of December 2014.

COLORADO
Department of Transportation
Region 2

902 N. Erie Avenue
Pueblo, CO 81001
(719) 546-5429 FAX (719) 546-**5702**

**DATE:** **SEPTEMBER 29, 2015**

**FROM:** **AJIN HU, ACTING REGIONAL REGION 2 TRANSPORTATION DIRECTOR**

**CC:** **JOSH LAIPPLY, RICHARD ZAMORA, MARK ANDREW**

**SUBJECT:** **REGION 2 PROJECT STR 0503-082, 19897, US50 NEAR PARKDALE, EMBANKMENT REPAIR**

Purpose

The purpose of this memorandum is to request an additional $125,000 of Transportation Commission Contingency Relief Funds (TCCRF) to complete the above reference project. The funding will be used for additional slope stabilization and additional drainage features.

Action

Per Policy Directive 703.0, dated August 27, 2014, Appendix C, state that Transportation Commission approval is needed to supplement the existing project budget for any funding for Transportation Contingency. This funding request will cover the additional cost as outlined in the Draft CMO's for this project attached to this memorandum.

Background

The additional funding is needed to complete additional and final repairs for Project STR 0503-082, 19897, US50 near Parkdale. US 50 in this area was damaged from heavy rains in 2013 from runoff in the Royal Gorge Burn Scar. This project was originally funded by Transportation Contingency and was nearly complete last spring. During that time, heavy rains caused additional damage with the area receiving over 8 inches of rain in a 3 week period including 2.25 inches in one 24 hour period. At the time of the events, work on the project was mostly complete including all curb, embankment protectors, and riprap. Work to repair the damage and complete the project includes:

- Repair/replace damaged embankment protector, curb, and asphalt shoulder.
- Replace eroded embankment
- Additional embankment protector and curb.
- Additional rock check dams and stabilization of downstream ditch
- Final seeding and stabilization of embankment

The project should complete these items this fall with this approval and provide additional resiliency for future events. The project damage has also been reviewed by the Federal Highway Administration for consideration of permanent repair reimbursement from the spring 2015 FEMA declaration. Funding eligibility is still under review by FHWA.

Details

Detail of cost item breakdown can be found in the attached CMO. The current bid items are estimated to cost $101,691.39. With 22.1% Construction Engineering and Indirects added to this amount, the total requested funding amount is $124,165 with $125,000 being requested.

Budget Details

| Current Approved Budget Amount | Revised Budget Amount | Variance ($) | Variance (%) |
|---|---|---|---|
| $1,216,163 | $1,341,163 | $ 125,000 | 10.3% |

Key Benefits

Key benefits to approving the funding request include providing a safer roadway to the traveling public by providing additional drainage features that will prevent further damage to the roadway and embankment.

Recommendations

The funding need for this project has been discussed with the acting Region Transportation Director, the CDOT PMO office and the Flood Recovery Office. It is proposed that the needed funding be allocated to this project for budgeting this fall with the completion of the project by late fall.

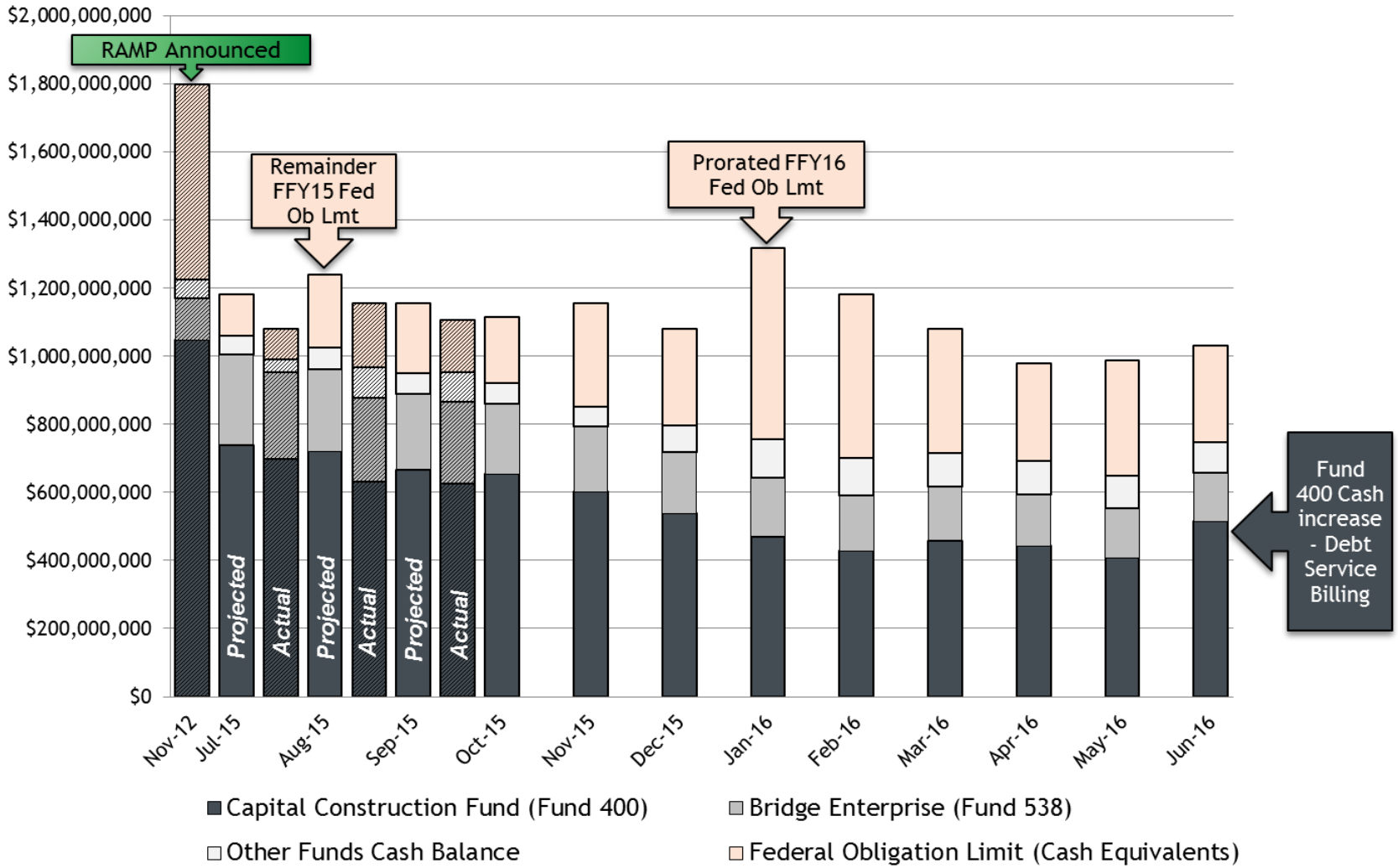
Next Steps

If the Transportation Commission approves the funding request, the Resident Engineer will submit a Budget Action Request to the Region 2 Business Office who will work with OFMB to budget the current project, encumber these funds in the current construction contract and complete the work by early December. If work cannot be completed, work will finish up in early springs, 2016. CDOT will continue to work with FHWA to determine funding eligibility and reimbursement with the FEMA 2015 Spring Flooding reimbursement program.

COLORADO
Department of Transportation

# Program Management Update
# October 15, 2015

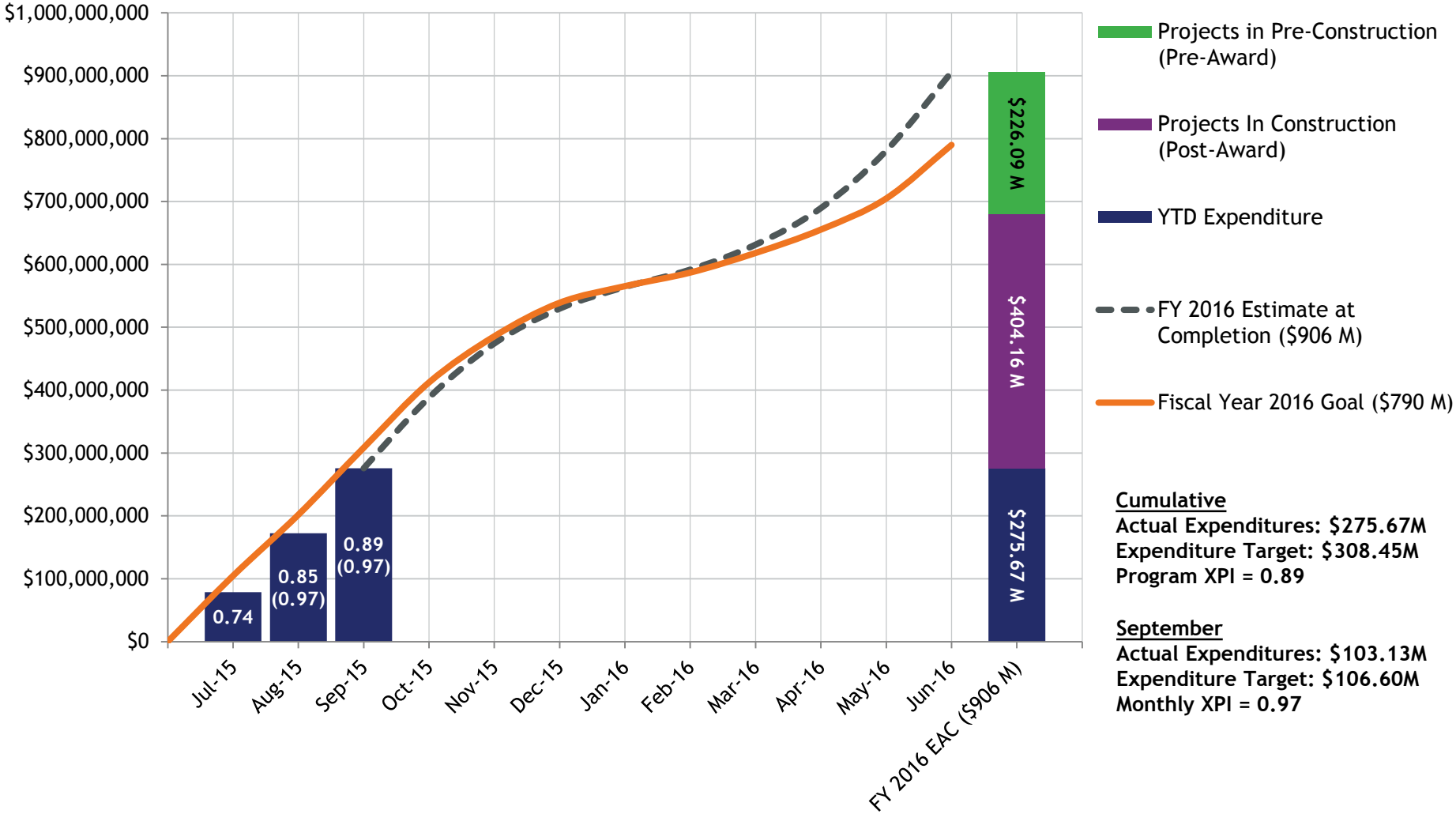
# Cash & Federal Obligation Target Balance




As of October 1, 2015

Assumes $790M in Construction Spending including Indirects and Construction Engineering

# FY 2016 Capital Program Construction Expenditures




**Cumulative**
**Actual Expenditures: $275.67M**
**Expenditure Target: $308.45M**
**Program XPI = 0.89**

**September**
**Actual Expenditures: $103.13M**
**Expenditure Target: $106.60M**
**Monthly XPI = 0.97**

As of October 1, 2015

# PMO Reporting Overview by Program

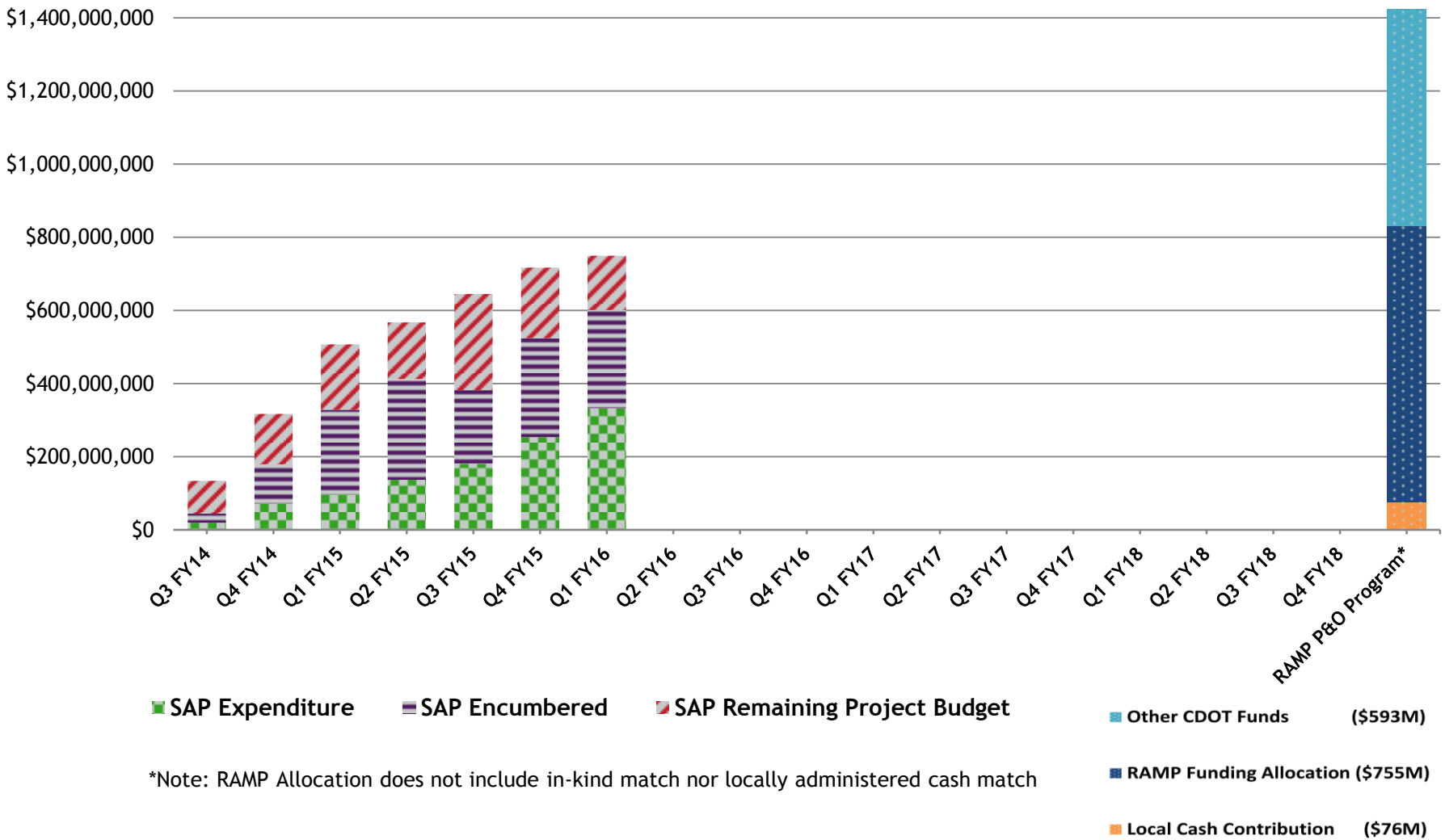
| Program | Financial Performance ($Millions) | | | Precon. Schedule Performance | Quarterly Rotation |
|---|---|---|---|---|---|
| | Program Expenditure through 8/21/2015 | Program Expenditure through 9/18/2015 | $ Change | SPI | |
| **Flood** | $169.3 | $177.2 | $7.9 | 0.96 | Oct. 2015 |
| **RAMP P&O (Overall)** | $311.1 | $332.3 | $21.2 | 0.96 | Nov. 2015 |
| RAMP P&O (Local Agency) | $49.8 | $49.8 | $0.0 | 0.91 | Oct. 2015 |
| RAMP P&O (CDOT) | $261.3 | $282.5 | $21.2 | 0.96 | Nov. 2015 |
| **FASTER and HSIP** | $491.1 | $507.7 | $16.6 | * | Nov. 2015 |
| **Asset Management** | $1,065.6 | $1,143.6 | $78.0 | ** | Dec. 2015 |

Notes:
1. SPI's shown are for Preconstruction.
2. * FASTER and HSIP funds are used on projects in multiple programs and as a result, an SPI is not provided for these programs.
3. ** Asset Management expenditures are a combination of Fiscal Year 2014, 2015, 2016 and include MLOS and Roadway Equipment. (Note: MLOS and Road Equipment are included in expenditures and as a result, are excluded from SPI calculations)



As of September 18, 2015

# Overview of RAMP P&O Program




*Note: RAMP Allocation does not include in-kind match nor locally administered cash match

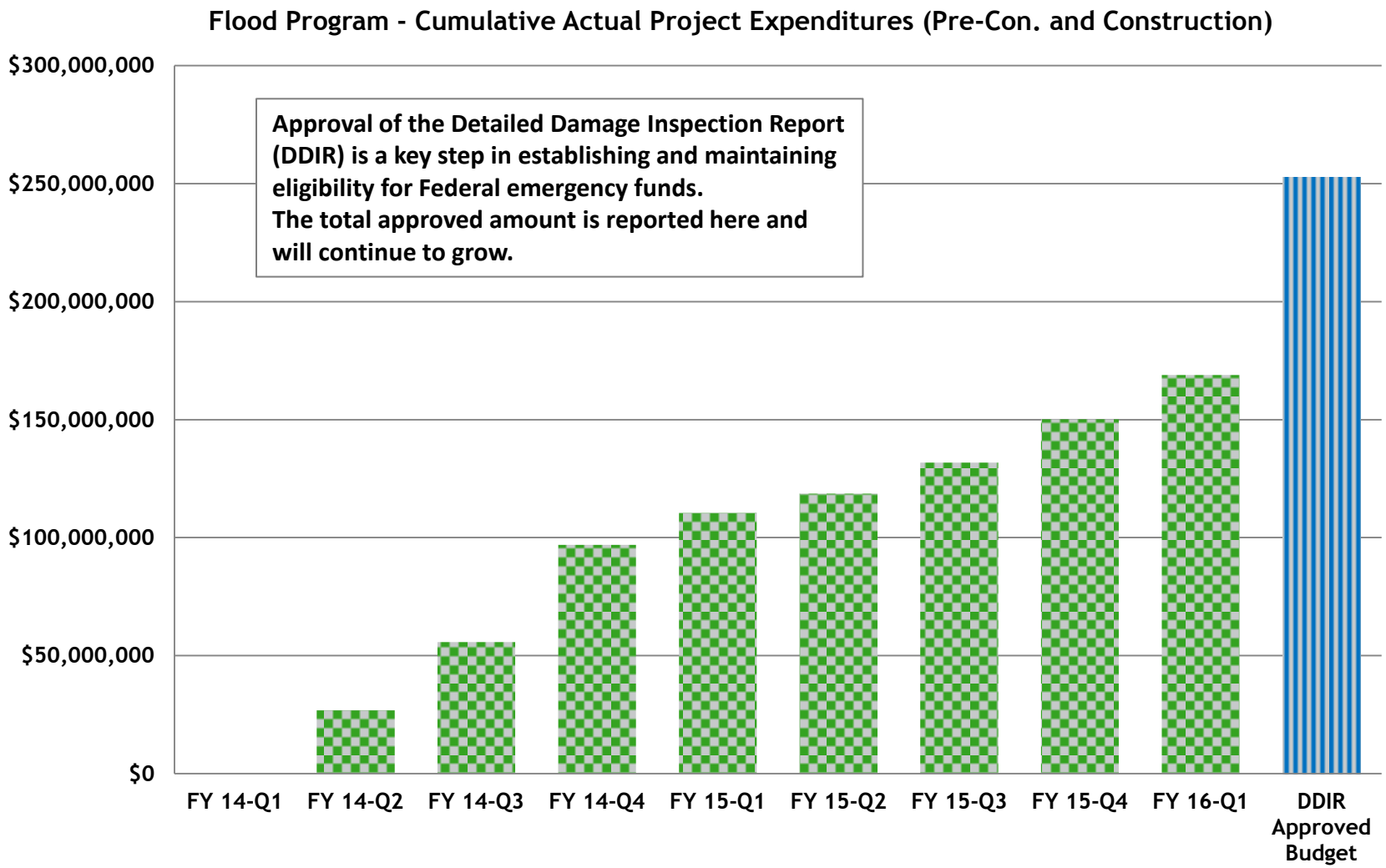
As of September 18, 2015

# Managing within the Established RAMP Program Controls (TC-3209)

There are no RAMP projects requiring commission action this month.

- ✓ The remaining RAMP Public-Public Partnership Contingency Reserve is $5,524,791.
- ✓ The remaining RAMP Operations Contingency is $2,789,472.

# Flood Program Expenditures

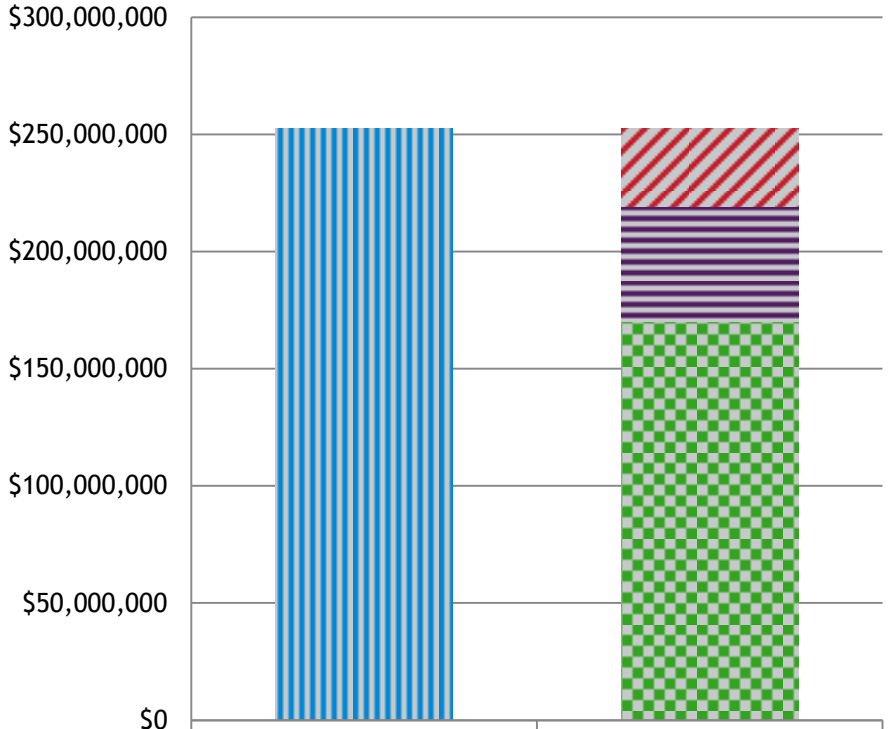





As of September 16, 2015

# Flood Program Summary

## Total Program (Financial Status)

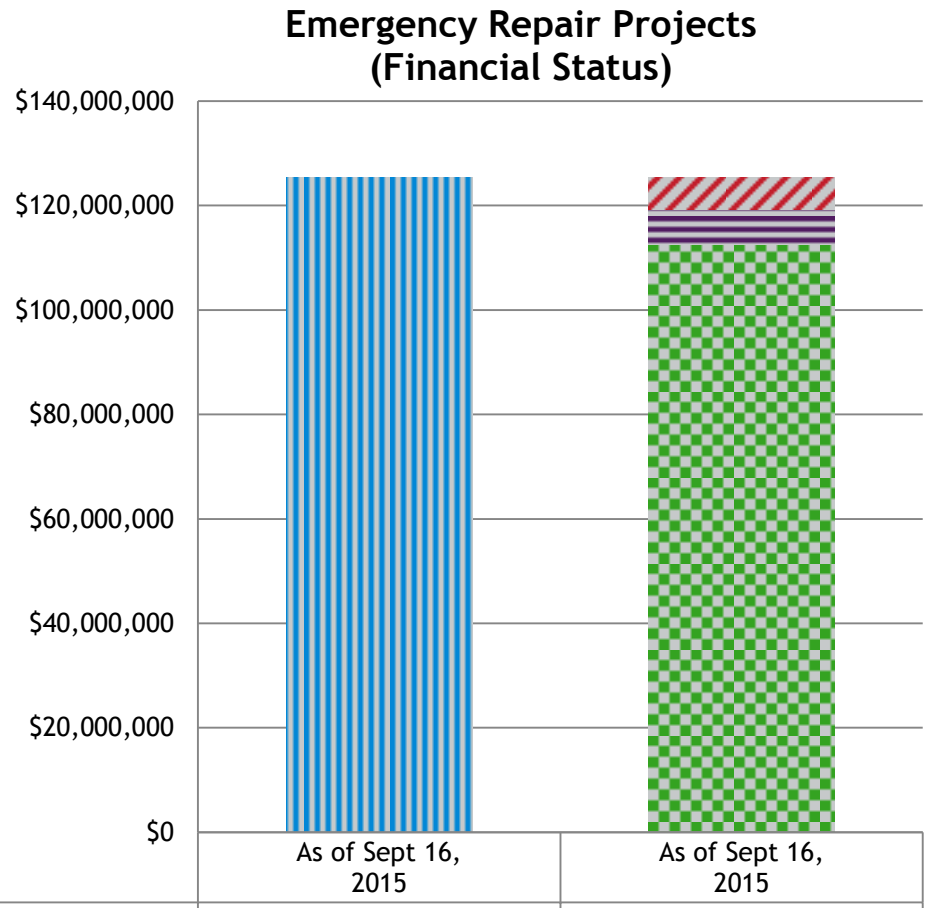



| | As of Sept 16, 2015 | As of Sept 16, 2015 |
|---|---|---|
| Unencumbered | | $33,353,699 |
| Encumbrance | | $49,158,477 |
| Expenditure | | $170,205,420 |
| DDIR Approved Budget | $252,666,321 | |

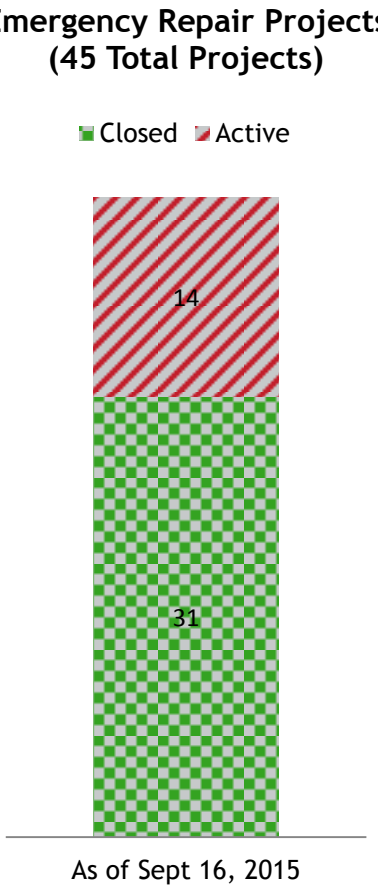
## Total Program (195 Total Projects)

As of September 16, 2015

# Flood Program – Emergency Repair Projects

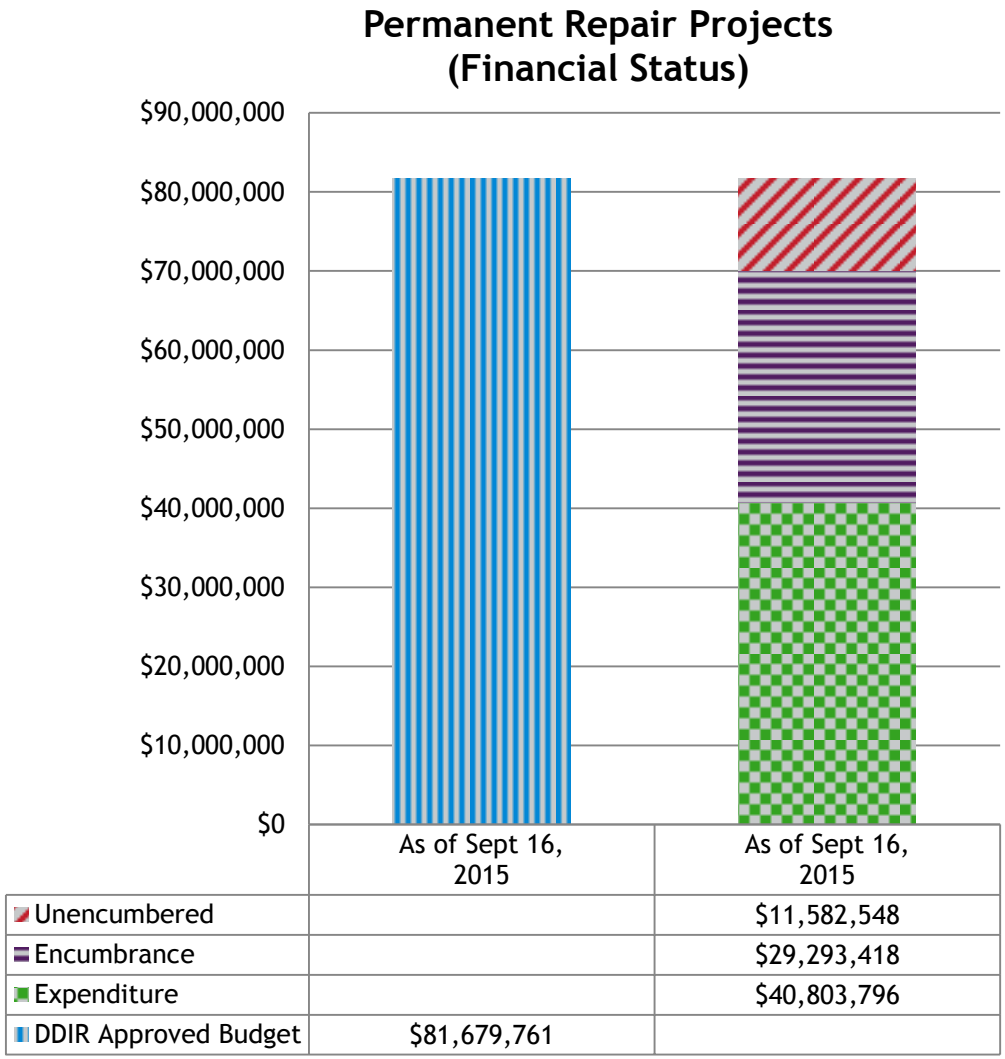



| | As of Sept 16, 2015 | As of Sept 16, 2015 |
|---|---|---|
| Unencumbered | | $6,050,795 |
| Encumbrance | | $6,696,242 |
| Expenditure | | $112,521,928 |
| DDIR Approved Budget | $125,268,965 | |




As of September 16, 2015

# Flood Program – Permanent Repair Projects



As of September 16, 2015

# Closing

- Questions or Comments

- Upcoming topics for next month
  - Update of Cash Balance
  - Updated Expenditure Performance Index
  - Update on Safety and RAMP P&O Programs

COLORADO
Department of Transportation
Division of Transportation Development

**DATE:** October 14, 2015
**TO:** Transportation Commission
**FROM:** Debra Perkins-Smith, Director, Division of Transportation Development (DTD)
**SUBJECT:** 10 Year Development Program

## Purpose

To provide an overview of the 10 Year Development Program concept, and review progress to date.

## Action

Transportation Commission input on approach and next steps for Development Program.

## Background

Persuant to federal requirements, CDOT develops a four year Statewide Transportation Improvement Program (STIP) and a long-range (minimum 20-year time horizon) Statewide Transportation Plan (SWP). The pupose of the Development Program is to bridge the gap between the STIP and the SWP and *identify the needs and priorities for major investments in corridors and projects over a 10 year timeframe*. This will serve to:

- Communicate the status of major investments to the public and stakeholders;
- Provide a resource for the prioritization or tiering of projects if significant additional revenue were to become available, and for future "list" development exercises;
- Provide a guide to needs and priorities to inform TIP, STIP, and RTP development, and other project selection, design, or development decisions;
- Provide a tool to aid in identifying and quantifying tranpsortation needs to support planning and programming processes.

The SWP integrates 15 long-range Regional Transportation Plans (RTPs). RTPs identify long-range investment priorities at varying levels of detail. For example, while the DRCOG RTP identifies specific regionally significant projects, project costs, and implementation timeframes through 2040, many TPR RTPs identify only general types of improvements or priority corridors. The Development Program is intended to both reflect the priorities identified through the transportation planning process, as well as support future planning efforts by providing a process to better support the identification and prioritization of major investment needs in the future.

## Details

Attachment A provides an overview of the Development Program process. Over the last several months DTD staff have been working with the CDOT Regions to: 1) inventory completed or in progress studies (NEPA, PEL, Corridor Plans, etc.) and 2) identify priorities for major investments over a 10 year timeframe (through 2025). The locations of studies with remaining unfunded work appear in Attachment B. The Regions have identified projects based on priorities established through the transportation planning process, the development of RTPs and the STIP, and prior prioritization efforts including the identification of Senate Bill (SB) 228 projects. Candidate SB 228 projects were identified last fall with a focus on mobility and economic vitality. The Development Program expands on the SB 228 criteria to also include major investments that address asset condition and safety issues.

As indicated by the substantial funding gap identified in the 2040 SWP, project needs far exceed available revenue. In order to plan for the possibility of additional revenue within reasonable limits, CDOT Regions were provided with planning level estimates based on the assumption of $2 billion in funding statewide for FY 2016-FY 2025. This figure is based on the "High Revenue Scenario" from the 2040 SWP as well as an assumption of "baseline" funding from sources such as RPP that would likely also contribute to the funding needs of identified projects. The Regions are not limited to identifying projects that

“fit” within the Region planning level estimate, but have been asked to prioritize or tier by identifying which projects or phases should be considered within that constraint and which should be considered beyond. Those projects identified as within constraint should reflect a higher priority or readiness, and therefore a greater likelihood of implementation in the ten year timeframe than projects beyond constraint. To assist in prioritizing or tiering, and in identifying different types of projects, data on projects has been identified including congestion data, pavement and structure condition, and safety data. An example of this data is included in Attachment C.

Region staff are currently finalizing project and study information and confirming priorities for constraint. DTD staff is also working with staff from the Division of Transit & Rail (DTR) and the Division of Transportation Systems Management & Operations (TSMO) to incorporate investment priorities for transit and operations. Staff will return for a subsequent Transportation Commission workshop to review specific projects and studies. Outreach is also anticipated through STAC to incorporate additional planning partner input.

When completed, the Development Program will serve as a “tool” to support a number of different purposes. One such purpose is to communicate with decision-makers, stakeholders, and the public on needs and priorities. Attachment D provides an example of how this information might be packaged to serve this purpose. An additional purpose is to serve as a resource for future “list” development exercises. The Development Program will include a database with an inventory of project needs, attributes, and priorities that can be maintained and used in the future in response to requests for “lists” based on different purposes, such as for candidate TIGER projects, or a need to identify projects for a potential new funding source. CDOT has also been developing more data-driven processes and tools to aid in project prioritization and selection. Future plans include further analysis of Development Program projects to quantify benefits and support the further prioritization of projects.

The intention is to periodically update data on projects and studies to keep Development Program information relatively current, and to develop a new Development Program every four years through the transportation planning process in tandem with the development of the SWP, RTPs, and STIP.

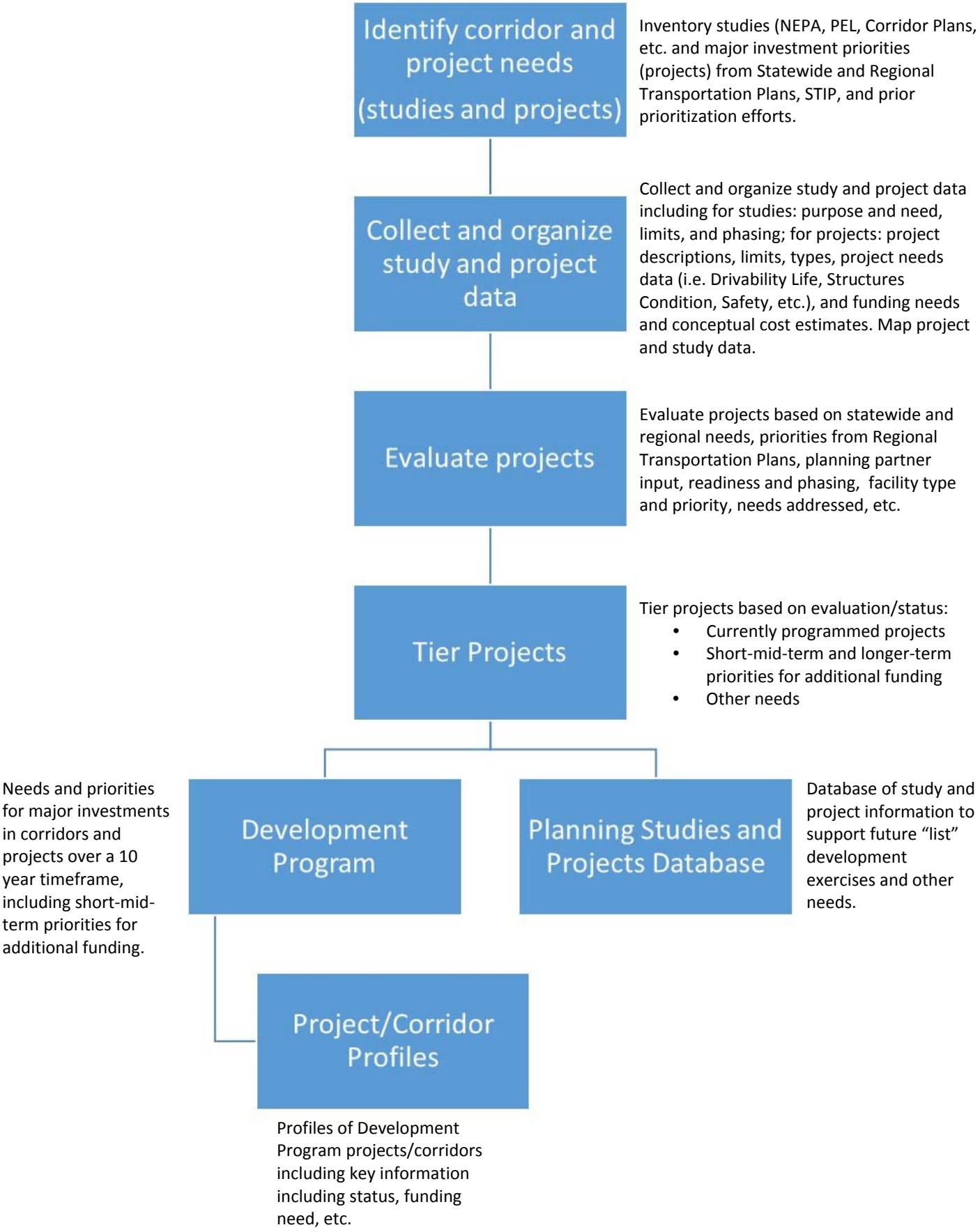
**Next Steps**

- Continue to work with CDOT Regions to finalize Draft Development Program information and incorporate priorities for transit and operations
- Transportation Commission and planning partner review and input

**Attachments**

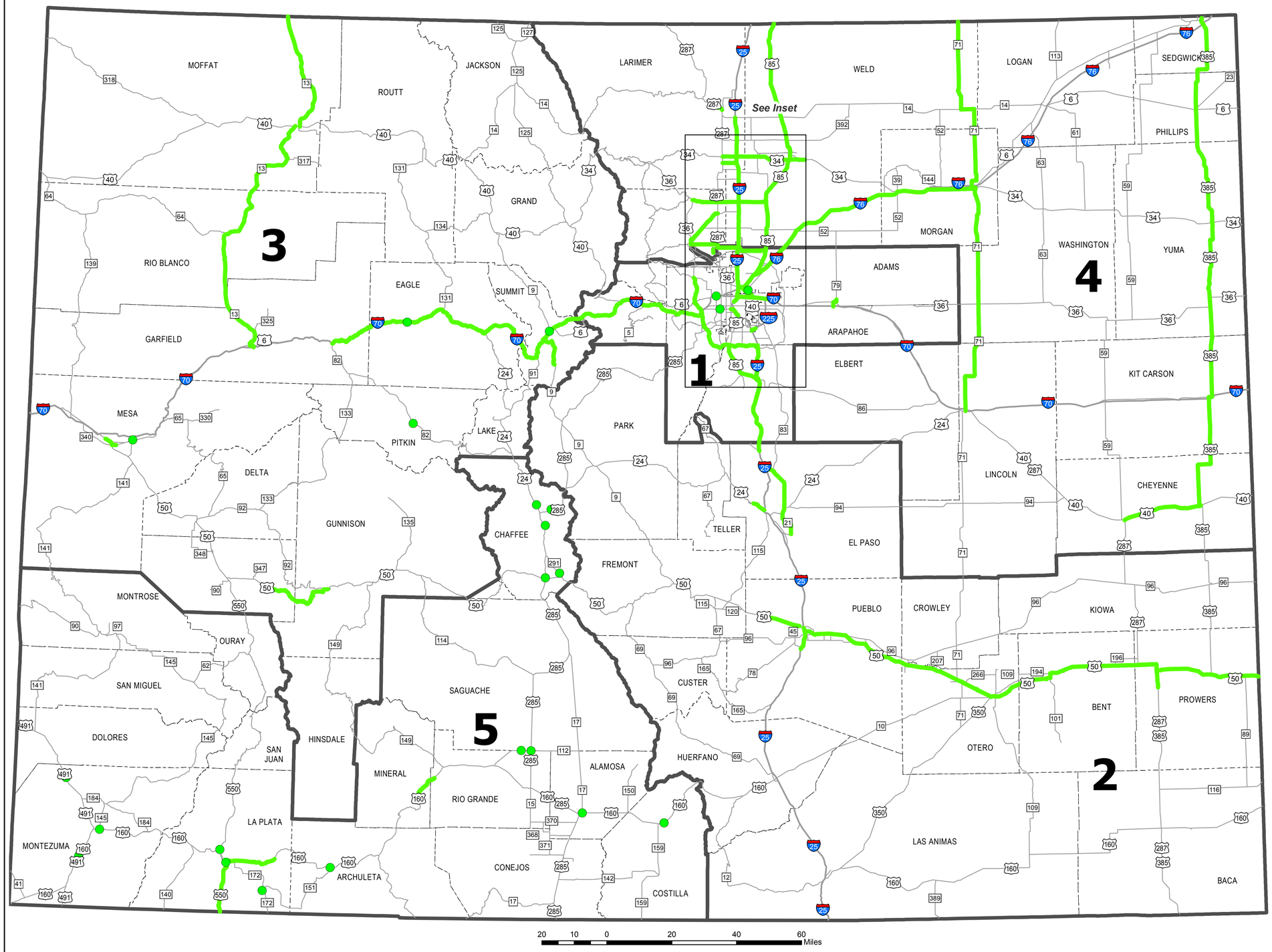
- Attachment A – Development Program Process
- Attachment B – Map of Draft Development Program Studies
- Attachment C – Example Development Program Project Data
- Attachment D – Example Development Program Project/Corridor Profile

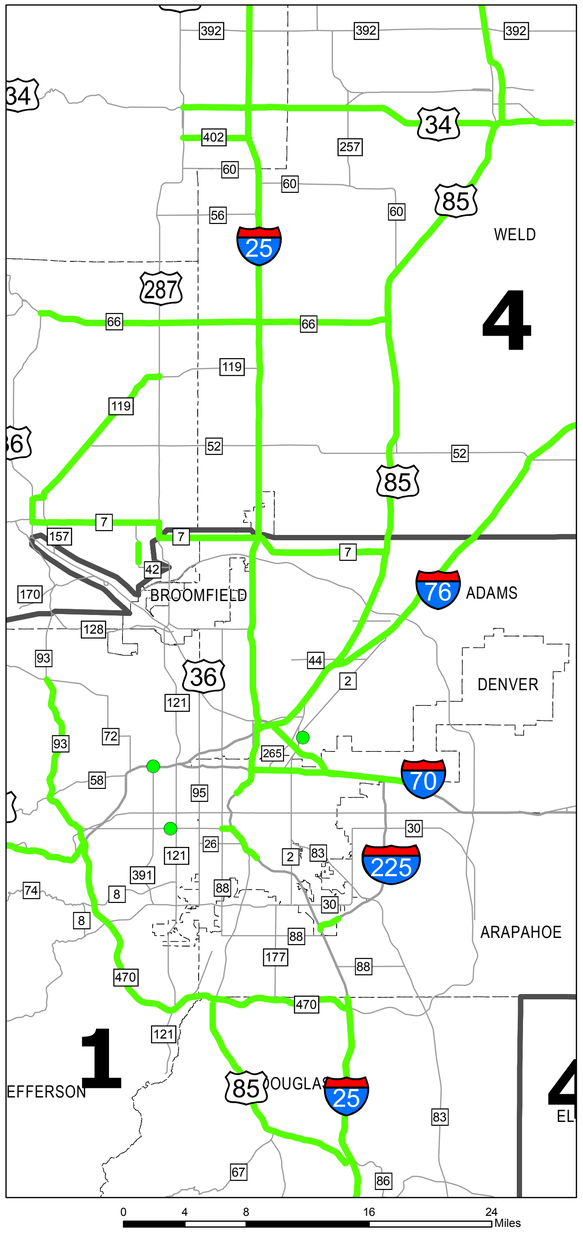
# Development Program Process



# Transportation Development Program: Studies

NEPA, PEL, and Other Studies*

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Department of Transportation

Data Source: CDOT 2015
Published: August 2015

*NEPA, PEL, or other studies with remaining unfunded work. Does not include studies where all work has either been completed or has been funded.

The information contained in this map is based on the most currently available data and has been checked for accuracy. CDOT does not guarantee the accuracy of any information presented, is not liable in any respect for any errors or omissions, and is not responsible for determining "fitness for use".

# EXAMPLE – DEVELOPMENT PROGRAM PROJECT DATA

| Region | Dev Program Project ID | SB 228 ID | Study ID | Corridor | Study Type | County | Project Name | Project Description | Limits From | Limits To | $ Funding Need | $ Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2 | 14 | 7 | 13 | I-25: New Pueblo Freeway | EIS and ROD | Pueblo | I-25: 1st Street to 13th Street-(New Pueblo Freeway) | Complete reconstruction and widening, construction of a split-diamond interchange between 1st St. and 13th St. with additional exit ramps near 6th St., and construction of one-way frontage roads between the ramps. | 1st St. | 13th St. | $ 130.00 | $ 130.00 |
| 5 | 45 | 32 | 41 | US 160/US 550: Durango to Bayfield | EIS and ROD | La Plata | US 160 Dry Creek Passing and Mobility Improvements | Addition of passing opportunities and mobility improvements including an intersection relocation at CR 223, and a two lane bypass around Gem village. The project also includes the following safety improvements: shoulder widening, access consolidation, wildlife underpass and fencing, passing lane extension. | SH 172 (MP 93) | West of Gem Village (MP 101) | $ 15.00 | $ 21.50 |

| | Needs Areas | | | | | | | | | | Other Attributes | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mobility | | | Safety | | Structures | | Pavement | | | | | |
| Project Name | Top Delay | Top PTI | V/C > 0.85 | Safety | <= 2 Foot Paved Shoulders | Poor Structures | Low Vertical Clearance Bridge | Low Drivability Life | Connectivity / Continuity | Redundancy | Other | CO Freight Corridor | National HP Corridor |
| I-25: 1st Street to 13th Street-(New Pueblo Freeway) | | ✓ | ✓ | ✓ | | | | | | | Energy | ✓ | ✓ |
| US 160 Dry Creek Passing and Mobility Improvements | | | ✓ | ✓ | ✓ | | | ✓ | | | Energy | ✓ | |

# EXAMPLE - DEVELOPMENT PROGRAM PROJECT / CORRIDOR PROFILE

COLORADO
Department of Transportation

**Corridor/Project:** I-25 New Pueblo Freeway

**Limits:** MP 94 (south of Pueblo Blvd.) to MP 101 (south of US 50/SH 47 Interchange)

**Study Status:** FEIS completed September 2013. Phase I ROD in April 2014.

**Improvement Status:** Improvements between Ilex and City Center St. under construction.

**Corridor Designations:** NHS; Regional Priority Investment Corridor; Freight Corridor

**Region:** 2

**Transportation Commission District:** 10

**TPRs:** Pueblo Area

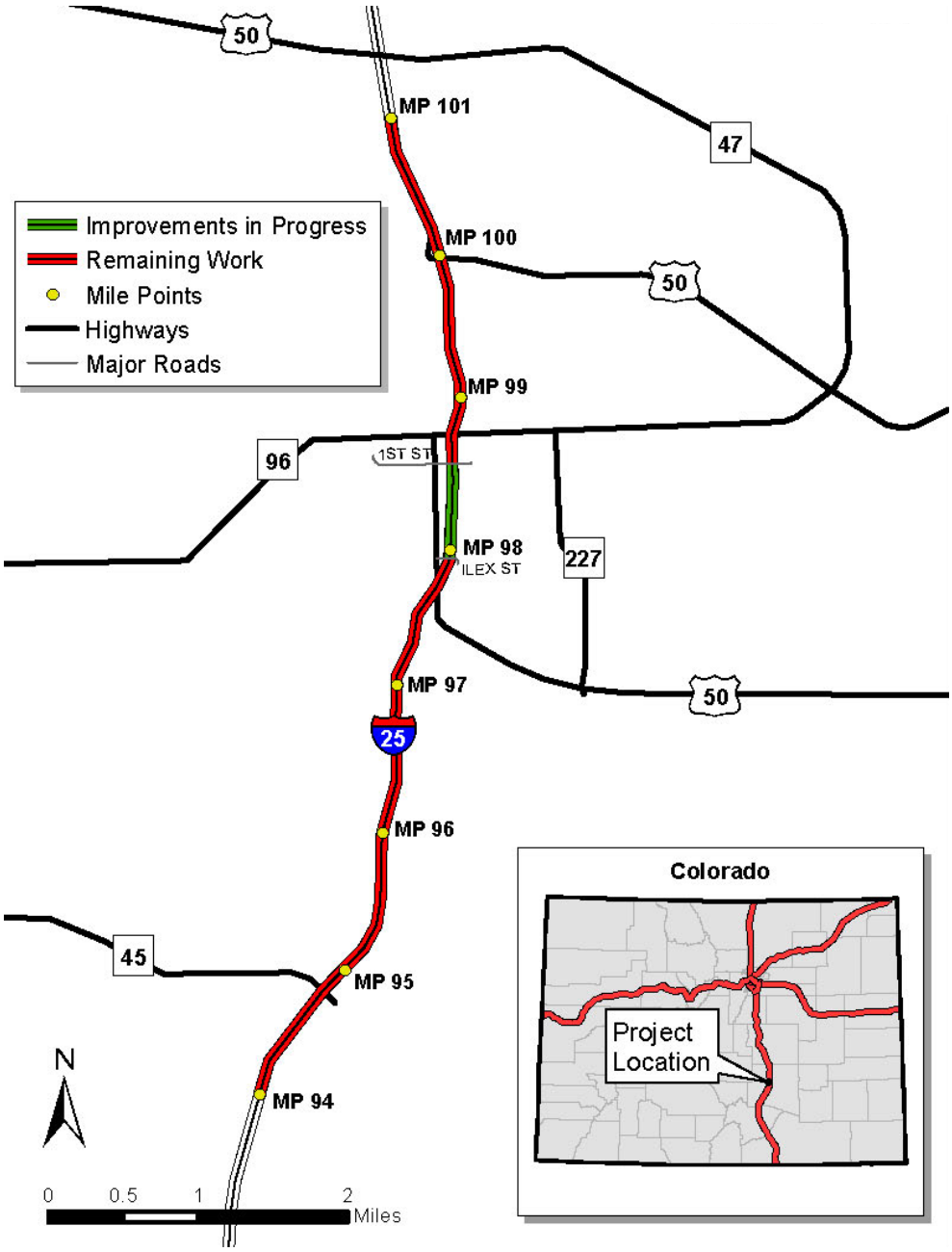
**Counties:** Pueblo

**SWP Goal Areas:** Mobility, Maintaining the System, Safety

**SWP Strategies:** Capacity, System Preservation, Safety, Operations, Freight, Bicycle/Pedestrian, Economic Vitality

**Corridor/Project Website:** https://www.codot.gov/library/studies/i25puebloeis

**Corridor/Project Map:** http://arcg.is/1P8gyAa



**Summary of Improvements**

The purpose of the New Pueblo Freeway project is to: 1) improve safety by addressing deteriorating roadways and bridges and unsafe road characteristics on I-25; and 2) improve local and regional mobility within and through the City to meet existing and future travel demands. The EIS identifies two phases. Phase I and II include widening I-25 to six lanes from just north of 29th St. to Indiana Ave., straightening I-25 through downtown, and relocating the Union Pacific Railroad. It also includes several new interchanges, the extension of Dillon Dr., connection of Abriendo Ave. and Santa Fe. Dr., and extensive bicycle and pedestrian improvements.

**Planned/Programmed Improvements**

- I-25: Ilex St. to City Center Dr. – Rehabilitation of bridges on northbound I-25 over US 50 Business, I-25 over Indiana Ave., on US 50 Business over the Arkansas River, and on Northern Ave. and Mesa Ave. over I-25. Removal and replacement of structurally deficient bridges on I-25 over Gruma Dr., The Union Pacific Railroad, and D. St. Interchange ramps will be lengthened to provide safer transitions onto and off of the interstate, especially the City Center Dr. ramp to southbound I-25. Roadway curves will be softened to improve visibility and provide a smoother ride for motorists.
    - STIP ID: SPB3865.999
    - Cost: $69 M ($37 M Bridge Enterprise, $25 M RAMP, $6 M local match (devolution))
    - Status: Construction began in summer 2015 and is anticipated to continue through late 2017.

**Short-Midterm Priority for Additional Funding**

- I-25: City Center Dr. to 13th St. – Complete reconstruction and widening, construction of a split-diamond interchange between City Center Dr. and 13th St. with additional exit ramps near 6th St., and construction of one-way frontage roads between the ramps.
    - STIP ID: Not in STIP
    - Cost: $130 M
    - Status: Unfunded. Environmental complete. Design and ROW not yet started.

**Other Work Remaining to Complete the Corridor**

- Phase I
    - US50B Interchange with I-25 – Reconstruction of US 50 Bypass interchange and the US50B Bridge over Fountain Creek, and widening of I-25 from 13th St. to the US50B interchange.
    - I-25 North of the US50B Interchange through 29th St. – Widening of I-25 from four to six lanes, constructing frontage roads, and reconstructing interchanges from north of the US50B interchange to MP 101 north of 26th St.
    - Dillon Dr. Extension – Four lane extension of Dillon Dr. from 26th St. south to US50B.
- Phase II
    - Ilex St. to Pueblo Blvd. – Reconstruction of I-25 from Ilex St. to the Pueblo Blvd. interchange, and interchange reconstruction at Abriendo Ave., Northern Ave., and Indiana Ave. Shifting of highway alignment to east, with existing I-25 converted to a local arterial road to become an extension of Santa Fe Ave. Also includes extension of Stanton Ave.
    - Pueblo Blvd. Interchange – Widening and reconstruction of I-25 south of Pueblo Blvd. to MP 94, north of the Pueblo Blvd. interchange, and realignment of Greenhorn Dr.

COLORADO
Department of Transportation
Division of Transportation Development

**DATE:** October 14, 2015
**TO:** Transportation Commission
**FROM:** Debra Perkins-Smith, Director, Division of Transportation Development (DTD)
**SUBJECT:** High Occupancy Vehicle (HOV) Policy Guidance

## Purpose

To provide guidance on proposed policy for High Occupancy Vehicle (HOV) lanes.

## Action

Transportation Commission (TC) approval of revised HOV Policy resolution.

## Background

Managed lanes are being considered with increasing frequency as a potential solution on many corridors (see Attachment A). HOV lanes, bus only, bus on shoulder, Bus Rapid Transit (BRT), Tolled Express Lanes (TEL), and congestion pricing are all examples of managed lanes. Guidance is currently being developed on how to apply the Managed Lanes Policy Directive 1603.0 (Resolution #TC-3039, December 2012), which states:

> "Managed Lanes provide the ability for the Department to respond to changing traffic conditions and provide operational flexibility and efficient operation of the multi-modal transportation system infrastructure by maximizing the number of vehicle or the number of people traveling in a given corridor. As congestion increases in a corridor, managed lanes can provide greater reliability of travel and also promote alternative travel choices. The challenge for transportation planners and highway engineers is to maximize the operation of transportation infrastructure by considering flexible, cost-effective strategies for sustaining or enhancing the movement of people and goods."

There are a number of managed lanes currently in the planning stages, including potential HOV and TEL projects and combinations thereof; therefore guidance is being developed on how to consider these strategies within a corridor. With a number of planned or future projects considering HOV lanes as part of a managed lanes strategy, the timing is appropriate for the TC to consider providing additional guidance on how HOV lanes should be considered on CDOT projects.

## Details

As a state DOT, we recognize the benefits of HOV:

- To increase the person throughput of the transportation system (by providing incentives to use buses, vanpools, and carpools)
- To provide mode choice
- To reduce congestion
- To reduce the number of vehicles, and therefore reduce vehicle emissions

HOV lanes in Colorado have most often been implemented as part of a TEL. The goal of a TEL strategy is to optimize throughput of the transportation system, provide travel time reliability, reduce congestion, provide choice, and generate revenue to offset operations, maintenance, or project costs of a transportation investment. When developing a TEL strategy, the consideration of HOV lanes must also be balanced with the goals of the TEL.

PD 1603.0 requires that the use of managed lanes be strongly considered during the planning and development of capacity improvements on state highway facilities in Colorado, but does not provide guidance specific to HOV lanes. Resolution #TC-3052 (February 2013) required that as of January 1, 2017 all tolled HOV lanes on the state highway system be limited to vehicles with three or more total occupants (HOV-3+). It did not, however, provide guidance as to how it should be determined whether a facility should include HOV-3+ lanes. Staff is currently developing guidance on the implementation of

PD 1603.0 and requests TC input on how to address the consideration of HOV-3+ lanes. Staff has developed the following general concepts to guide the consideration of managed lane strategies, including HOV:

*Establish Performance Measures* - For managed corridors/lanes, set performance measures for corridor goals. For example, if the goal of the managed corridor/lane is to provide travel time reliability, a performance measure related to level of service (LOS) or speed should be established. (These performance measures are sometimes expressed as triggers at which an action is taken.)

*Consider HOV-3+ Free* - For managed corridors/lanes, in recognition of the benefits of HOV, begin with the assumption that HOV-3+ is free; however, there are conditions under which this strategy may not be feasible. For example, if HOV-3+ results in any of the following issues:

- Safety concerns
- Corridor performance measures will not be met
- Renders the transportation improvements financially infeasible

Each managed corridor/lane can be assessed based on its specific characteristics and may be reassessed as conditions change over time. See attached example of an HOV assessment. Attachment B provides example assessments for US 36, I-70 PPSL, and C-470.

At the TC Workshop, staff will review the proposed policy approach, as well as the specifics of its application on the I-70 PPSL and C-470 projects (see Attachments B and C). Given the need for a decision in the near future for C-470, staff requests TC input and consideration of an approval action on an updated resolution to replace Resolution #TC-3052 (see Attachment D). Staff will incorporate the direction provided by the TC in the PD 1603.0 guidance currently being developed.

**Next Steps**

- Transportation Commission adoption of revised HOV Policy resolution

**Attachments**

- Attachment A - Colorado Toll/HOV/BRT Facilities
- Attachment B – Example HOV Assessment
- Attachment C – C-470 Express Toll Lanes Exemption Analysis
- Attachment D – Updated Resolution #TC-3052 (HOV 3+ Policy)

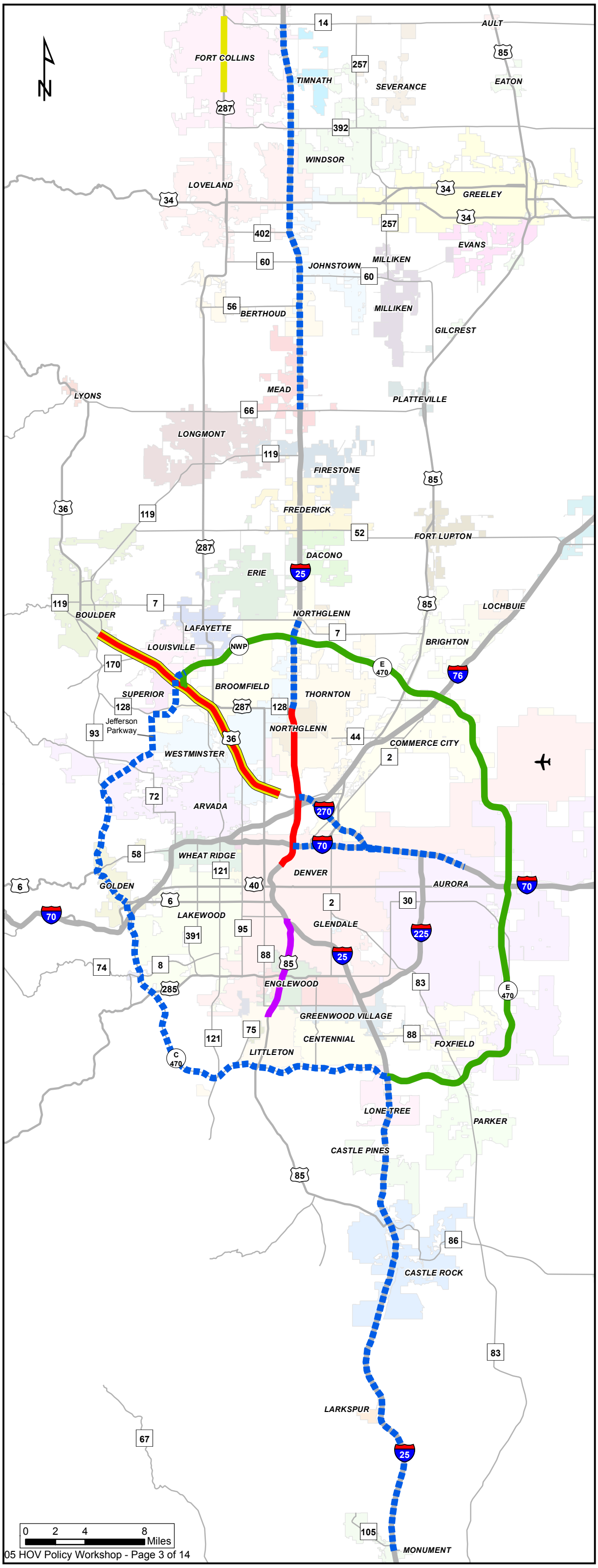
# Colorado Managed Lane Facilities October 2015

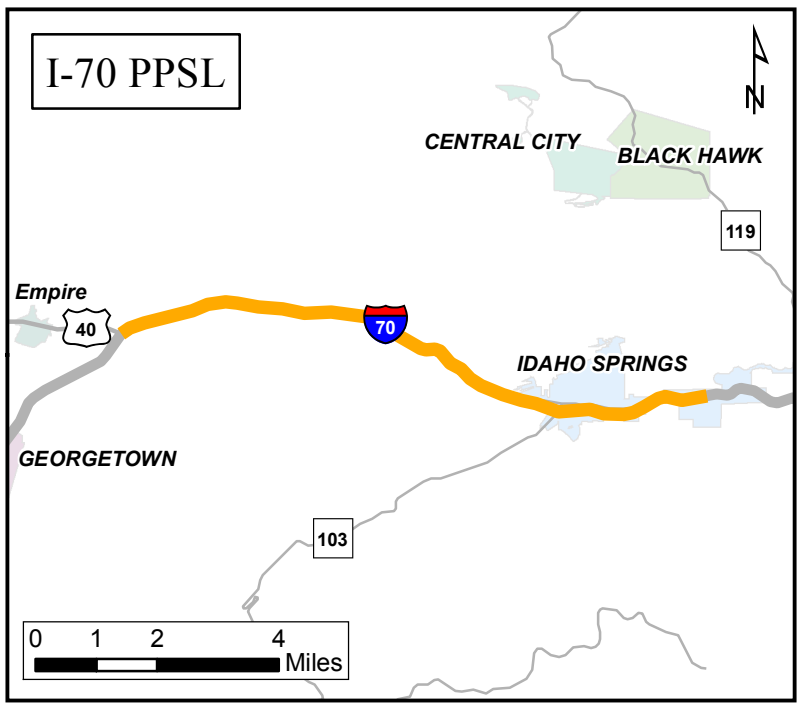
**Managed Lanes - Operational or Under Construction**

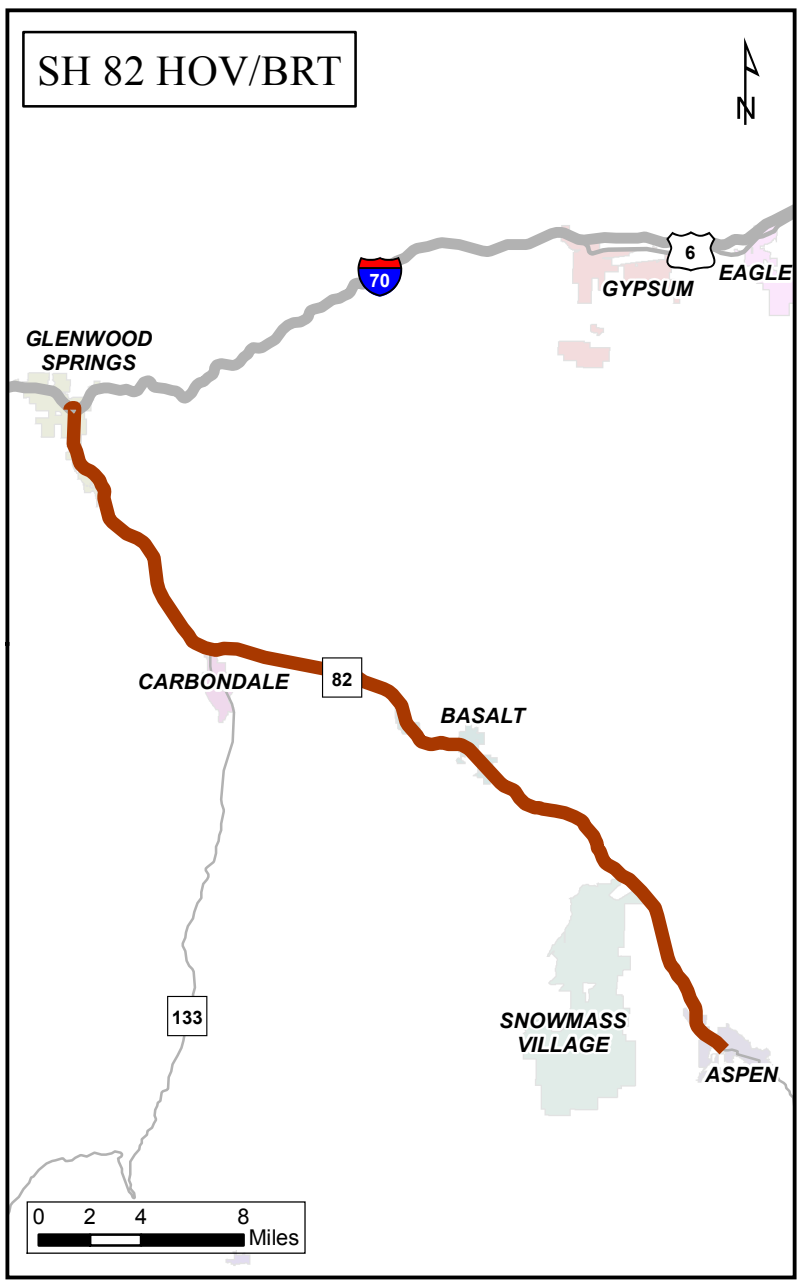
- BRT Only
- HOV Only
- HOV + BRT
- Toll Only - Transportation Authority
- Toll Only
- Toll + HOV
- Toll + HOV + BRT

**Managed Lanes - Future**

- TBD



COLORADO Department of Transportation

**High Occupancy Vehicle (HOV) Assessment**

**Corridor/Project:** US 36 Express Lanes

**Project Description:** Express lane in each direction of US 36 between Pecos and Table Mesa for BRT, HOV, and tolled vehicles.

**Purpose:** Provide travel time reliability and mode choice

**Performance Measures:**

1. Ensure motor vehicle speeds of:
    a) An average of 55 miles per hour for the portion of the US 36 Managed Lanes from Table Mesa to the Broomfield Park-n-Ride
    b) An average of 50 miles per hour for the portion of the US 36 Managed Lanes from the Broomfield Park-n-Ride to Pecos Street
2. Maintain a travel time of no more than 8.75 minutes for the portion of the Managed Lanes from Pecos Street to Denver Union Station

**HOV Criteria:**

*Safety:* No current concerns related to HOV-3+.

*Performance Measures:* No current concerns related to HOV-3+. Facility is currently HOV-2+. Pursuant to Resolution #TC-3052, facility will change to HOV-3+ on January 1, 2017. Concessionaire agreement also includes triggers including transit delays, average vehicle speed, and hourly volumes that could result in conversion to HOV-3+ at an earlier date.

*Financial Feasibility:* No current concerns related to HOV 3+.

COLORADO Department of Transportation

**High Occupancy Vehicle (HOV)**

**Assessment**

**Corridor/Project:** I-70 Peak Period Shoulder Lanes (PPSL)

**Project Description:** Upgraded shoulder that will function as an optional, tolled express lane during peak driving periods on eastbound I-70 between Exit 232 at US 40/Empire Junction 13 miles east to MP 243.5, just east of the Veteran's Memorial Tunnels. As a temporary strategy the initial implementation will be limited to 72 days per year. During non-peak times, the lane will function as an extra-wide shoulder.

**Purpose:** Provide travel time reliability

**Performance Measures:**

1. Shoulder tolled express lane operates at a speed of 45 mph or higher (congestion pricing strategy will be used to maintain travel reliability)

**HOV Criteria:**

*Safety:* No current concerns related to HOV 3+.

*Performance Measures:* HOV-3+ would result in performance measure not being met because of the high level of auto occupancy on the corridor during peak periods. The "I-70 Mountain Corridor PEIS Travel Demand Technical Report" (reissued March 2011) determined that the average auto occupancy on the corridor during peak periods is 2.6. If HOV-3+ were implemented, the majority of vehicles on the corridor during peak periods would be eligible to use the tolled express lanes without incurring a toll, precluding the possibility of achieving the established performance measure of 45 mph or higher speeds.

*Financial Feasibility:* HOV 3+ would eliminate or reduce the travel time advantage, thereby eliminating or significantly reducing the ability to toll the facility, and finance the project.

COLORADO Department of Transportation

**High Occupancy Vehicle (HOV) Assessment**

**Corridor/Project:** C-470 Express Lanes

**Project Description:** Addition of two tolled express lanes westbound from I-25 to approximately Colorado Blvd., one tolled express lane westbound from Colorado Blvd. to Wadsworth Blvd., and one tolled express lane eastbound from Platte Canyon Road to I-25, with future plans to extend the tolled express lanes in each direction to Kipling.

**Purpose:** Provide travel time reliability

**Performance Measures:**

1. Tolled express lane operates at 45 mph or better (congestion pricing strategy will be used to maintain travel time reliability)

**HOV Criteria:**

*Safety:* No current concerns related to HOV-3+.

*Performance Measures:* No current concerns related to HOV-3+.

*Financial Feasibility:* Accommodating HOV-3+ is not currently financially feasible as accommodation is projected to result in an initial funding gap of approximately $40M in the preferred financing scenario. HOV-3+ accommodation is also projected to reduce excess toll revenues by approximately $100M over 40 years. The Transportation Commission could choose to allocate additional funds, such as RAMP, to this project, but currently there are no other funding sources identified to close the funding gap that would result from the accommodation of HOV-3+. Additionally, the projected $100M reduction could delay additional corridor improvements outside the current construction project. Two additional improvement opportunities potentially impacted would be the ultimate buildout between I-25 & Kipling and the C-470 West Connect extending west from Kipling. More details can be found in the C-470 HOV 3+ Exemption Analysis.

COLORADO
Department of Transportation

C-470 Express Toll Lanes Project
**HOV3+ Exemption Analysis**
September 30, 2015

## 1. Summary

To support the ongoing development of the C-470 Express Lanes Project (the Project) and related toll policy discussions, the Colorado Department of Transportation (CDOT)—in partnership with the High Performance Transportation Enterprise (HPTE)—undertook an analysis to determine the potential impacts associated with a carpool exemption policy for high occupancy vehicles with three or more passengers (HOV3+).

Current and prior planning has assumed that all vehicles, regardless of occupancy, would be subject to tolls in the Express Lanes; however, a final policy recommendation regarding HOV exemptions has not yet been formulated. To support that decision, this analysis evaluates the potential traffic, revenue and financing implication associated with an HOV3+ exemption policy.

It is currently estimated that the implementation of an HOV3+ exemption policy in the Express Lanes would generate limited long-term growth in the share of HOV3+ carpools relative to other classes, and negatively impact CDOT/HPTE's project financials. Fully funding the project would necessitate a more leveraged and risky financial structure that would require, for example, additional draws on and/or a longer repayment period for the CDOT O&M loan. Depending on the type of debt and market terms and conditions at the time of financing, a financing sufficient to fund the project as designed may not be executable.

Lower net cash flows—particularly in the early years of operation when revenues are disproportionately impacted by HOV3+ exemptions—would reduce net construction proceeds by as much as $40 million. Furthermore, excess toll revenues accruing to HPTE would be reduced by approximately $100 million[1] in net present value, impacting the ability to fund future phases of the C-470 Express Lanes Project.

## 2. Project Background

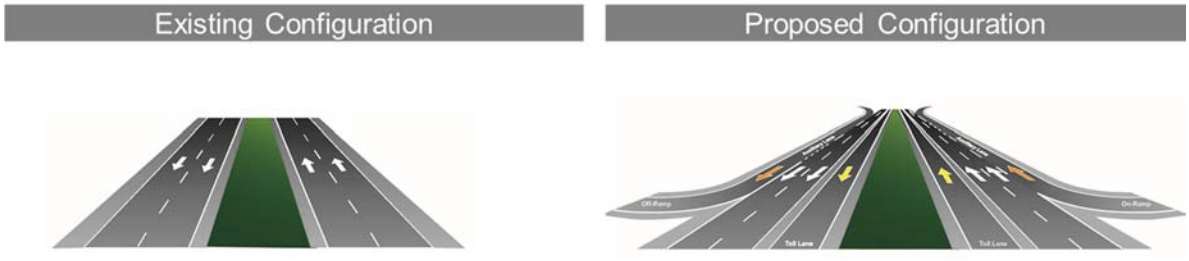
C-470 has a history of severe congestion, and for well over a decade has operated at failing levels of service. As a solution to this issue, CDOT and its partners began evaluating alternatives to improve mobility and reduce congestion along the corridor, culminating in the proposed C-470 Express Lanes Project. As analyzed in the Revised Environmental Assessment (EA), the Project will be delivered in two phases. The first phase (Interim Project) will provide managed express lanes as follows:

- Westbound: two express lanes from I-25 to approximately Colorado Boulevard, and one lane from Colorado Boulevard to Wadsworth Boulevard
- Eastbound: one express lane from Platte Canyon Road to I-25

Currently, available funding has limited construction scope the Interim project; however, future construction of the Ultimate configuration would extend and add lanes to achieve two express lanes in each direction between I-25 and Kipling Parkway. Exhibit 1 illustrates the existing and proposed corridor configurations associated with the Interim Project.

[1]Net revenues available after debt service, operations and maintenance costs and repayment of any O&M loan balances (as needed) discounted at 5%.

*Exhibit 1: C-470 Lane Configurations*




## 3. Cost and Revenue Impact

One of the key considerations in evaluating a toll exemption policy is the potential impact on the Project's cash flows, both in terms of reduced revenue collection resulting from both the exemption itself and toll evasion / occupancy violations, as well as increased operations and maintenance costs (O&M). The following sections describe each of these items and their estimated impact on project cash flows, and ultimately its financial feasibility.

### a. Traffic and Revenue

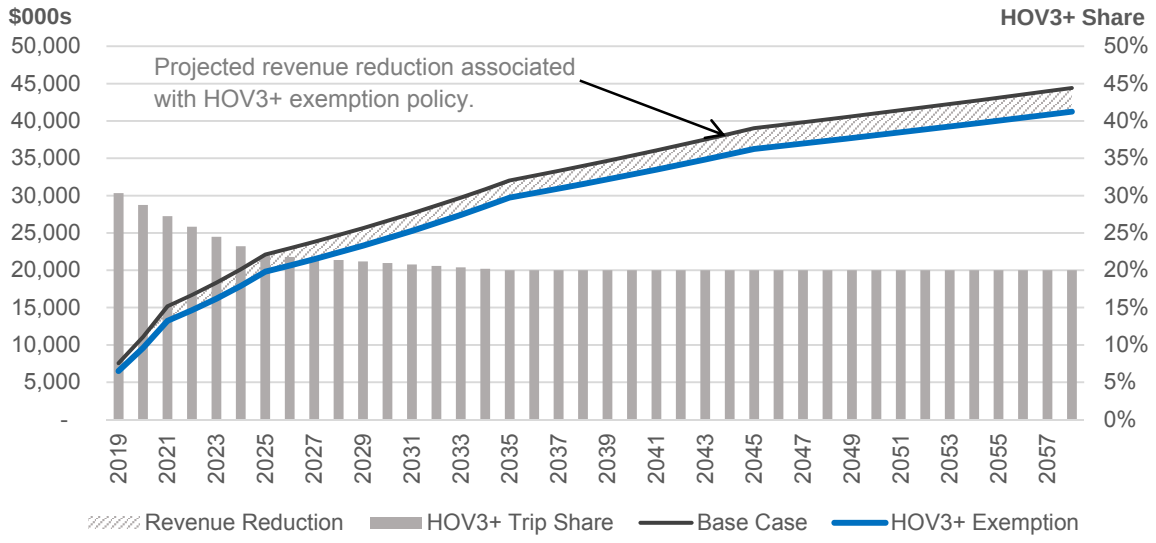
As an initial step toward understanding the impact of an HOV3+ exemption policy, the Project's investment grade T&R consultant, Louis Berger Group (LBG), prepared an estimate of the potential share of HOV3+ vehicles that would use the Express Lanes and the extent to which that usage would impact gross toll revenue. This preliminary effort, which was conducted using a traffic simulation model, indicated that HOV3+ users would account for approximately **32%** of Express Lane trips in 2018 and approximately **20%** by 2035**.** Gross revenue is anticipated to be 15% and 7% lower in 2018 and 2035, respectively, when compared to revenues forecasted without an HOV3+ exemption policy ("Base Case"). A table detailing the approximate HOV3+ trip shares and revenue impacts by model year is provided below.

*Exhibit 2: Estimated HOV3+ Trip Shares and Gross Revenue (2015 $000s)*

| Model Year | HOV3+ Trip Share (%) | Gross Revenue (HOV3+ Exempt) | Gross Revenue (Base Case) | Gross Revenue Delta (%) |
|---|---|---|---|---|
| **2018** | 32% | $9,789 | $11,460 | -15% |
| **2025** | 22% | $19,806 | $22,114 | -10% |
| **2035** | 20% | $29,736 | $32,021 | -7% |

**Note:** Values shown in the above exhibit are expressed in 2015 dollars; gross revenues do not include ramp-up, toll collection costs, leakage, or other adjustments associated with an investment grade financing analysis.

*Exhibit 3: Comparison of Gross Base Case and HOV3+ Exemption Revenue (2015 $)*




**Note:** Values shown in the above exhibit are expressed in 2015 dollars. However, the impacts cited in the following discussion are expressed in nominal terms.

While the overall share of Express Lane toll-exempt trips is anticipated to decline over the forecast horizon, LBG also indicated that HOV3+ trips (by volume) are projected to grow by approximately 1% per year between 2018 and 2035 – well below the rate of growth in toll trips, which is anticipated to be 5% per year over the same period.

| | | |
|---|---|---|
| **2035 Nominal Cash Flow Impact:** | **-$3.2mm** | **-7%** |

## b. Revenue Leakage

Based on a survey of all-electronic toll facilities across the U.S., a baseline revenue leakage assumption of 10% per year was established for the Base Case (i.e., where HOVs do not receive a toll exemption in the Express Lanes) cash flows. This amount reflects a variety of factors that may result in revenue leakage, including toll equipment errors, non-payment by customers, weather-related events, etc.

As noted in the prior section, the introduction of HOV3+ exemptions would create additional opportunity for leakage resulting from occupancy violations. Data for existing CDOT HOV facilities suggests that occupancy violation rates can reach as high as 25% without routine enforcement (this is reduced to 15% with enforcement.

For the purpose of this analysis, it is assumed that an HOV3+ exemption policy would increase the 10% Base Case leakage rate to 15% per year.

| | | |
|---|---|---|
| **2035 Nominal Cash Flow Impact:** | **-$2.2mm** | **-5%** |

## c. Toll Collection O&M

### Transaction Processing

The process of collecting tolls requires a complex system of in-lane toll equipment and back office software to record and collect the applicable toll from customers using the corridor. As an all-electronic system, customers will be encouraged to establish a prepaid transponder account, whereby readers placed throughout the corridor will automatically detect the customer's transponder and deduct the appropriate toll from that account. In cases where a transponder is not present, cameras at each toll location will automatically record the customer's license plate number and either match that license plate to a pre-registered account, or generate an invoice for non-account customers.

To handle these transactions, a third-party vendor will be procured to operate and maintain the toll collection system, interface with customers, and provide back office support. For the purpose of this analysis, it is assumed that the cost of such services will be transaction-based, whereby the selected vendor will charge CDOT each time a transaction in the C-470 Express Lanes is processed (similar to existing contracts for the US-36 and I-25 Express Lanes with the E-470 Public Highway Authority). Depending on the type of transaction that is incurred (i.e., transponder or license plate), a different price will be charged to CDOT.

Toll rates on C-470 will be designed, at a minimum, to offset transaction processing costs to remain "net revenue neutral," even during periods of low usage. This pricing methodology is only possible when all vehicles in the Express Lanes are required to pay a toll. In an HOV3+ exemption scenario, transaction processing would still be required, but a toll would not be collected to offset the cost. In effect, these transactions are net revenue negative, since they only generate a cost but not an offsetting revenue.

*Exhibit 4: Hypothetical Revenue of Base Case and HOV3+ Exemption Policy*

| Scenario | Transponder Toll (Hypothetical) | Transponder Processing Cost[2] | Net Revenue |
|---|---|---|---|
| Base Case (HOV3+ Tolled) | $1.00 | ($0.18) | **$0.82** |
| HOV3+ (Toll Free) | $0.00 | ($0.001) | **($0.001)** |

As illustrated in the above table, each HOV3+ toll transaction generates a net loss of $0.001 on a simple comparison of average revenue to average cost, before any losses (leakage) associated with intentional or unintentional occupancy violations.

| **2035 Nominal Cash Flow Impact:** | **+$0.1mm** | **<1%** |
|---|---|---|

### Enforcement

Similar to the US-36 and I-25 Express Lanes, customers who are eligible to receive an HOV3+ toll exemption would be required to install a multi-switch transponder in order to declare their HOV3+ status each time they use the corridor. By default, non-switchable transponders and license plate transactions would be treated as full toll customers, since the system would have no way to determine the occupancy of those vehicles.

However, by allowing customers to self-declare their HOV3+ status (and thus toll exemption), this introduces the risk that customers will intentionally or unintentionally select the incorrect transponder occupancy setting.

[2] 2010 dollars (Parsons Brinckerhoff, 2015)

In the case of unintentional user error, a vehicle may travel as an HOV3+ in one direction, then re-enter the corridor as a single occupant vehicle (SOV) without changing the transponder setting. As a result, the toll is waved and revenue is not collected for that transaction.

To counteract these situations, visual enforcement at select locations throughout the corridor would be provided by Colorado State Patrol (CSP), the cost which would paid out of toll revenues. While the annual cost of CSP enforcement will vary according to violation trends, it is assumed that C-470 would allocate approximately $250,000 (2015 dollars) for targeted and routine enforcement activities within the corridor.

Although violators will be ticketed and fined for occupancy violations, it is not assumed that any violation revenue will flow back to the Project. Enforcement would be provided with the sole purpose of reducing losses (revenue leakage) attributed to occupancy violations.

| | | |
|---|---|---|
| **2035 Nominal Cash Flow Impact:** | **-$0.2mm** | **<1%** |

### d. Capital Costs

Beyond increased operating costs and financing adjustments, HOV3+ exemptions would also necessitate additional upfront capital to cover:

- Additional engineering/design/construction to accommodate “toll enforcement zones”
- Additional in-lane toll equipment to support visual enforcement efforts

The total combined cost of these items is estimated to be approximately $1 million (about 0.4% of the Project’s base capital costs), requiring additional upfront financing and associated debt service.

| | | |
|---|---|---|
| **2035 Nominal Cash Flow Impact:** | **-$0.1mm** | **<1%** |

## 4. Financing & Credit Impact

### a. Credit Rating Implications

Toll exemption policies are generally viewed as a credit negative due to the direct impact those vehicles have on lane performance, travel reliability, and available capacity for toll paying vehicles. In a November 2013 report titled *U.S. Managed Lanes: Empirical Data Steers Credit Analysis*, Fitch Ratings notes that the “nature of the HOV and transit policies can significantly impact revenues” and that “a key rating driver going forward will be the HOV policy and other policies governing access to [managed lanes].” The report further explains that exemption policies for HOV2+ vehicles are inherently more risky than facilities with HOV3+ policies; however, despite lower upfront revenue risk, it should be noted that as demand for the corridor increases with population and employment, an increasing number of toll-free HOV3+ vehicles will absorb Express Lane capacity, thus decreasing capacity available for toll-paying vehicles.

A similar outlook report by Moody’s Investor Service in May 2013 suggests that “a small diversion of traffic onto tolled lanes frees up capacity on non-tolled alternative, hence decreasing the incentive for additional users to move to the tolled lane.” In the context of C-470, providing toll exemptions may cause a portion of those vehicles to shift to the Express Lanes, which would reduce capacity for toll paying vehicles and open capacity in the general purpose (GP) lanes. The increased capacity in the GP lanes could induce vehicles that would have otherwise paid to enter the Express Lanes.

To compensate for the increased revenue variability associated with the implementation of a toll exemption policy (e.g. the risk of additional HOV 3+ traffic above projected levels using the lanes, potential unforeseen impacts on overall corridor congestion and mobility), rating agencies and investors would be expected to take a slightly more conservative view on the credit (manifested through increased coverage ratios, additional liquidity measures, and/or an additional haircut to revenues). The total impact of these considerations has been assumed to be equivalent to a 5% additional reduction in toll revenues. This would result in a cash flow reduction of $2.2 million in 2035 for debt sizing purposes.

| | | |
|---|---|---|
| **2035 Nominal Cash Flow Impact:** | **-$2.2mm** | **-5%** |

## 5. Summary of Impacts

### a. Project Cash Flows

The table below summarizes all impacts to project cash flows in 2035.

*Exhibit 4: Revenue Impact Summary*

| 2035 Nominal Impacts | Amount ($mm) |
|---|---|
| Gross Revenue | -$3.2 |
| Rev. Adjustments: Leakage | -$2.2 |
| O&M: Transaction Processing | +$0.1 |
| O&M: Enforcement | -$0.2 |
| Additional Debt Service: Increase Capital Cost | -$0.1 |
| Credit: T&R Risk Adjustment | -$2.2 |
| Total of Individual Impacts | -$7.8 |
| **Total Combined Impacts*** | **-$7.3** |

*Nominal impacts noted above are not additive, given the interrelated nature of gross revenues, leakage, and the T&R risk adjustment factor. As such, the "total combined impacts" row provides a bottom line summary of all impacts in the HOV3+ exemption scenario.

### b. Funding Impact

Design and construction funding for the C-470 Express Lanes Project will be provided in the form of public monies (RAMP, FASTER, HSIP, and other public contributions) as well debt backed by toll revenues. The extent to which debt can be raised for the project is primarily a function of the near- and mid-term cash flow available for interest and principal payments on project debt. Based on the anticipated Project cash flow under an HOV3+ exemption policy, it is estimated that debt capacity could be reduced by as much as **$40 million**, requiring a substantial amount of additional funding to be identified to fully fund the Project (which is also based on an estimated capital cost of $269 million).

In addition, the HOV3+ financial structures would place added risks on CDOT in case of revenue shortfalls or cost overruns as the CDOT O&M loan amount increases and/or is repaid over a longer period of time.

Finally, In addition to the reduction of net proceeds available to fund project construction, the present value of excess toll revenues accruing to HPTE would diminish significantly – by as much as $100 million (assuming a 5% discount rate) – under an HOV3+ toll exemption policy. Excess cash flow, or surplus revenue after debt service and operating costs, is a key indicator of potential funding that could be contributed to future projects, including the second phase of the C-470 Express Lanes or other corridor improvements.

**Resolution #TC-~~3052~~XXXX**
Adopting a requirement that as of January 1, 2017, toll-free travel offered to High Occupancy Vehicles on all tolled managed lanes that are part of the state highway system shall be limited to vehicles with three or more occupants.

Adopting an approach for the consideration of toll-free travel for High Occupancy Vehicles with three or more occupants on all tolled managed lanes that are part of the state highway system; and

**Approved by the Transportation Commission on: ~~February~~ October 15~~21~~, 2015~~3~~**

WHEREAS the Transportation Commission is responsible, pursuant to C.R.S. 43-1-106(8), for formulating the general policy of the Colorado Department of Transportation (CDOT); and

WHEREAS the Transportation Commission recognizes the importance of consistency among tolled managed lane corridors with regard to High Occupancy Vehicle exceptions; and

WHEREAS the Transportation Commission recognizes the benefits of toll-free travel for vehicles carrying three or more occupants (HOV-3+) to increasing person throughput and encouraging carpooling and transit use, with resulting reductions in vehicle emissions, to reduce congestion, and improve the safety, capacity, and accessibility of the surface transportation system; and

WHEREAS the General Assembly created the Colorado High Performance Transportation Enterprise (HPTE) as a government-owned business within CDOT, pursuant to Section 43-4-806 C.R.S., to aggressively pursue innovative means of more efficiently financing important surface transportation projects that will improve the safety, capacity, and accessibility of the surface transportation system; and

WHEREAS to facilitate the financing of important transportation projects, the HPTE Board of Directors has recommended that the Transportation Commission require toll-free travel offered to High Occupancy Vehicles on tolled managed lanes that are part of the state highway system to be limited to ~~vehicles carrying three or more occupants (~~HOV-3+~~)~~; and~~.~~

WHEREAS, the Transportation Commission recognizes the benefits of toll-free HOV-3+ and the importance of considering toll-free HOV-3+ on all planned or future tolled managed lanes that are part of the state highway system; and

WHEREAS, the Transportation Commission recognizes that the feasibility of toll-free HOV-3+ must be considered with respect to its impacts on safety, the

ability to achieve established performance measures on tolled managed lanes, financial feasibility, and other factors that may be applicable.

NOW THEREFORE BE IT RESOVLED, the Transportation Commission hereby requires that as of January 1, 2017 toll-free travel offered to High Occupancy~~t~~ Vehicles on tolled managed lanes that are part of the state highway system shall be limited to ~~vehicles with three or more total occupants (~~HOV 3+~~)~~; and~~.~~

NOW THEREFORE BE IT FURTHER RESOLVED, the Transportation Commission hereby requires that all planned or future tolled managed lanes that are part of the state highway system consider the feasibility of offering toll-free HOV-3.

_____ _____

Herman Stockinger, Secretary
Transportation Commission of Colorado

Date

**Transportation Commission of Colorado**
**Regular Meeting Minutes**
**September 17, 2015**

**Chairwoman Kathy Connell convened the meeting at 9:04 a.m. in the auditorium of the headquarters building in Denver, Colorado.**

PRESENT WERE: Kathy Connell, Chairwoman, District 6
Gary Reiff, Vice Chair District 3
Shannon Gifford, District 1
Ed Peterson, District 2
Heather Barry, District 4
Kathy Gilliland, District 5
Sidny Zink, District 8
Bill Thiebaut, District 10
Steven Hofmeister, District 11

ALSO PRESENT: Shailen Bhatt, Executive Director
Josh Laipply, Chief Engineer
Debra Perkins-Smith, Director of Transportation Development
Amy Ford, Communications Director
Maria Sobota, CFO
Herman Stockinger, Government Relations Director
Debra Perkins-Smith, Director of Transportation Planning
Paul Jesaitis, Region 1 Transportation Director
Dave Eller, Region 3 Transportation Director
Johnny Olson, Region 4 Transportation Director
Kerrie Neet, Region 5 Transportation Director
Kathy Young, Chief Transportation Counsel
Barb Gold, Audit Director
Scott McDaniel, Staff Services Director
Mike Cheroutes, HPTE Director
Kyle Lester, Director, Division of Highway Maintenance
Ryan Rice, Operations Division Director
Tony DeVito, I-70 East Project Director
Vince Rogalski, STAC Chairman
David Ulane, Director of Aeronautics

AND: Other staff members, organization representatives, the public and the news media

An electronic recording of the meeting was made and filed with supporting documents in the Transportation Commission office.

**Swearing in of New Commissioners**

Commission Secretary Herman Stockinger swore in new Commissioners Kathy Hall and Nolan Schriner.

**Audience Participation**

Carter Sales of the Highlands Ranch Neighborhood Coalition (HRNC) addressed the commission regarding the Environmental Assessment (EA) of the C-470 express lanes project. Mr. Sales stated the EA removed 2 miles of sound mitigation measures from the original 2006 EA. Mr. Sales stated that the HRNC believes that CDOT is not following the correct guidelines and protocols for noise mitigation in the most recent EA. Mr. Sales presented independent collected noise data that the HRNC believes shows that the EA used flawed data, and the sound mitigation measures from the 2006 EA should be reinstated. A letter corresponding to his comments was passed out to the commission.

Mr. Sales contends that CDOT is not following NEPA guidelines by not appropriately listening to the public on the C-470 project. He presented an email from CDOT dismissive of the public concerns. Mr. Sales is hoping the commission reads and consider the public comments. Additionally, he challenges the commission to follow the technical and procedural guidelines mandated by PD 1900.0.

Bill Antico, the president of the Gleneagles Homeowners Association in Highlands Ranch addressed the Commission. Mr. Antico stated that in 2006 CDOT told the homeowners association that to mitigate noise, walls would be erected in the area. After the studies had been redone, the walls have been removed. He is concerned this is impacting the property values in the area, as well as the quality of life in the community. They would like the walls put back into the C-470 plan.

**Individual Commissioner Comments**

Commissioner Zink stated that the fall County Commissioner visits have begun. At these meetings, the County Commissioners will be asked to come together to meet more of them in less time. So far the meetings have gone very well. Commissioner Zink said she is proud of how well the difficult highways of southwest Colorado are maintained. She notes how Red Mountain pass is closed during the day, with rockslide areas rebuilt within the month.

Commissioner Peterson had the opportunity to attend the West Connect meeting that looks at how the C-470 beltway can be created through Jefferson County completing the loop around Denver. Additionally, at the JeffTAC meeting he was able to share some good information in Jefferson County and hear from a number of different agencies. Finally he went to the dedication of the Veterans Memorial Twin Tunnels, which was a great end to a very helpful project for the I-70 Mountain Corridor.

Commissioner Thiebaut congratulated and welcomed the new commissioners. Additionally he complemented the citizens who came and talked to the commission, and assured them the commission is listening. Commissioner Thiebaut complemented the staff for their vision on the three peaks (Technology, a healthy intermodal system, and people) that will help CDOT become the best in the nation. Finally, he mentioned that Region 2 Director Karen Rowe is facing some health challenges, and that the commission extends to her their thoughts.

Commissioner Hofmeister is looking forward to Pedal the Plains taking place in his area. He will be working with some of the host communities for the event.

Commissioner Gifford attended a town hall at the Swansea Rec. Center to discuss the I-70 East Project. She thought the staff did a great job answering questions at a very productive meeting.

Commissioner Hall expressed how happy she is to serve on the commission. Being on the western slope, transportation is a very important issue to her and the area. She looks forward to working with the state of Colorado, the staff, and the citizens. She thanked the public for coming to speak to the commission.

Commissioner Schriner has been meeting with various councils of governments, Mayors and others in his first month as commissioner. He is excited to be on the commission, and has learned a lot over the past few days with staff, and is looking forward to learning more as he serves on the commission.

Commissioner Barry thanked the City and County of Broomfield for hosting Bagels with Barry, which had a great discussion this month. She thanked the Highlands Ranch group for speaking to the commission, it's very important for the commission to hear their comments so they can best work through the issues. She also welcomed the new commissioners and looks forward to working with them. Finally she complemented Chairwoman Connell on a good Commission retreat that took place earlier in the week.

Commissioner Gilliland welcomed the new commissioners, and looks forward to working with them. She attended the I-70 Town Hall at the Swansea Rec Center last month and complemented staff for their job describing the project and answering questions from the public. She stated how valuable it is to hear the concerns of the public, and thanks the C-470 group for expressing their concerns.

Vice Chair Reiff stated how much he appreciates the Highlands Ranch group for coming. He stated how complex the NEPA process is, and at is core it relies on citizen participation. He and Commissioner Gifford attended a meeting with the US 36 group with Plenary and elected officials that was very informative and productive. He thanked Commissioner Gifford for hosting dinner at her home for the Commission. Finally, Vice Chair Reiff stated how fond of Mike Cheroutes he is, and how CDOT has Mike to thank for the creation of HPTE and all the projects it has brought to the state. Vice Chair Reiff thanked Mike for his work, and wished him well in his next endeavor.

Chairwoman Connell thanked staff and commissioners for a productive staff retreat on Wednesday. She echoed the rest of the commission on encouraging public comment in all processes in CDOT to help make the best decision to help the greater good.

**Executive Director's Report**

Executive Director Shailen Bhatt made a commitment to follow the NEPA laws for the C-470 project and that the process will be followed the right way. He stated his goal is for people to feel like CDOT is doing transportation with them, rather than to them.

Executive Director Bhatt echoed Vice Chair Rieff in expressing how valuable Mike Cheroutes is to the CDOT team, and that he will be missed.

Governor Hickenlooper announced a decision to commit significant resources to cycling to make Colorado the most bike friendly state in the nation. To clarify, this plan does not redirect funds from existing projects towards cycling, rather it identifies funds that are already directed towards bicycling.

Director Bhatt noted Tony DeVito and the Central 70 team for their hard work on hitting deadlines that are essential to the project. Additionally, he extended an invitation to the Transportation Summit focusing on technology on Oct. 28.

**Chief Engineer's Report**

Chief Engineer Josh Laipply touched base on the FASTER Audit, and that the Commission should see a monthly update on how staff is addressing the audit. After the last Commission meeting Josh and Johnny Olson discussed with BNSF Railroad about the US 85 corridor. He believes they are making good progress on reaching an agreement with the railroad in the area. Finally, Mr. Laipply thanked the City of Idaho Springs and Clear Creek County for their patience during the construction on the Veterans Tunnels.

**HPTE Director's Report**

HPTE director Mike Cheroutes appreciated all the kind comments and expressed his thanks forthe collaborative efforts between the Commission and the Staff through his years.

In the I-70 Mountain Corridor town hall meetings will begin for setting the toll policy the Peak Period Shoulder Lanes. The goal is to have a reliable lane for people coming back from the mountains, and the policies must reflect this goal. After the first few months, the US 36 has had over a million toll transactions.

**FHWA Division Administrator Report**

FHWA Division Deputy Administrator Alicia Nolan noted that Sept. is the last month of the Federal fiscal year. This year, the planned end of year shutdown period of project allocation will be longer (4 weeks) to update software.

She went on to mention at the end of September, Congress must act on the Appropriations act, or the government will shut down, however, if this happens. FHWA will not shut down. At the end of October, if the appropriations act is not passed, then FHWA will shut down. Finally, on October 1, Colorado will be recognized nationally in a webinar that covers innovation.

**Act on Consent Agenda**

Chairwoman Connell entertained a motion to approve the Consent Agenda. Commissioner Gilliland moved for approval of the resolution, and Commissioner Thiebaut seconded the motion. In discussion, Commissioner Thiebaut expressed his support for the Safe Routes for School Program, and that he hopes the funding for the program will be increased in the future. Additionally, he asked for Staff to look at

the compilation of the Safe Routes to School Committee to make sure rural communities throughout the state are getting the pedestrian and bike paths the need. Upon vote of the Commission, the resolution passed unanimously.

**Resolution #TC-15-9-1**

BE IT HEREBY RESOLVED, that the Transportation Commission's Regular Meeting Minutes for Aug. 20, 2015, are approved.

**Resolution #TC-15-9-2**

**Resolution # TC-15-9-2**

Adopt Policy Directive 6.0 "Fuels Control for CDOT Fleet" (formerly known as "Vehicle Fuels Control")

**Approved by the Transportation Commission on Sept. 17, 2015**

**WHEREAS**, § 43-1-106 (8)(a), C.R.S. gives authority to the Transportation Commission of Colorado ("Commission") to formulate the general policy with respect to the management, construction, and maintenance of public highways and other transportation systems in the state; and

**WHEREAS**, current Policy Directive 6.0 was adopted by the Transportation Commission on February 21, 2013; and

**WHEREAS**, since that time, the Department has implemented improved processes with an ever-increasing reliance on technology to report fuel expenditures;

**WHEREAS**, the Department has developed a Fuel Control Protocol which sets forth in detail the required processes for tracking fuel expenditures; and

**WHEREAS**, updated Policy Directive 6.0 establishes the Commission's support of the Department's development of more efficient monitoring procedures as set forth in the Fuels Protocol.

**NOW THEREFORE BE IT RESOLVED**, the Commission herein approves Policy Directive 6.0 "Fuels Control for CDOT Fleet"

Herman F Stockinger III

Herman Stockinger, Secretary
Transportation Commission of Colorado

9-21-15

Date

# Resolution #TC-15-9-3

**Resolution # TC-15-9-3**

Disposal of property 46-Rev2-X in Region 3

**Approved by the Transportation Commission on Sept. 17, 2015**

**WHEREAS,** CDOT acquired Parcel 46 Rev .2 right of way for the purposes of the construction of Interstate 70 and associated frontage roads as part of project I70-2(10) Unit 1;

**WHEREAS,** the Department of Transportation, Region 3, has determined that a portion of Parcel 46 REV. 2, containing 0.771 acres, is excess land not needed for State transportation purposes;

**WHEREAS,** the 0.771 acres of excess land of Parcel 46 REV. 2 is named Parcel 46 Rev. 2-X;

**WHEREAS**, Parcel 46 Rev. 2-X contains 0.771 acres / 33,607 square feet;

**WHEREAS**, the adjacent property owner has requested to acquire Parcel 46 Rev. 2-X;

**WHEREAS,** the disposal of the property will not affect the operation, maintenance, safety, design, construction or utility of Interstate 70 or the adjacent Interstate 70 North Frontage Road;

**WHEREAS,** the Department of Transportation, Region 3 has declared through Joshua Laipply as Chief Engineer, that the 33,607 sf is not needed for transportation purposes;

**WHEREAS,** pursuant to Colorado Revised Statutes (C.R.S) 43-1-210(5)(a)(I) The Department of Transportation is authorized, subject to approving resolution of the Transportation Commission, to dispose of any property or interest therein which is no longer needed for transportation purposes;

**WHEREAS,** the Department has determined that the 33,607 sf of I70 right of way is of use only to the adjacent property owner;

**WHEREAS,** pursuant to Colorado Revised Statutes (C.R.S) 43-1-210(5)(a)(III) when a parcel that is no longer needed for transportation purposes has value to only one adjacent owner, that owner shall have first right of refusal to purchase said property for fair market value;

**WHEREAS,** the adjacent property owner desires to exercise its right of refusal to purchase Parcel 42 Rev. 2-X for fair market value;

**NOW THEREFORE BE IT RESOLVED,** pursuant to the provisions of the C.R.S, 43-1-210(5) and 23 CFR 710.403 the Department of Transportation shall be given authority to declare Parcel 46 Rev. 2-X as excess property and dispose of the 33,607 sf of I70 right of way which is no longer needed for transportation purposes for fair market value.

**FURTHER,** funds from the sale of the property shall be disbursed in accordance with Section 7.2.15 of the CDOT Right-of-Way Manual.

Herman J. Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

9-21-15
Date

## Resolution #TC-15-9-4

**Resolution # TC-15-9-4**

Relinquishment of Owl Creek Road to Pitkin County

**Approved by the Transportation Commission on Sept. 17, 2015**

**WHEREAS**, CDOT acquired Parcel 109A for Project NH 0821-051 to combine three separate accesses to SH82;

**WHEREAS**, CDOT entered into an Intergovernmental Agreement (IGA) with Pitkin County on August 9, 2000, for improvements to State Highway 82, including the realignment of three access points (Owl Creek Road, West Buttermilk Road and the Buttermilk Ski Area) to be combined with Owl Creek Road;

**WHEREAS**, CDOT is obligated by said IGA to convey to the County property CDOT acquired for the operation and maintenance of Owl Creek Road, a County facility in this location;

**WHEREAS**, Parcels 109A consists of 274,999 square feet;

**WHEREAS**, the Department of Transportation would like to relinquish Parcel 109A to the County of Pitkin;

**WHEREAS**, if the 274,999 sf comprising Parcel 109A to be conveyed to Pitkin County ever ceases to be used as a County transportation facility, it will revert back to CDOT ownership;

**WHEREAS**, the disposal of Parcel 109A will not affect the operation, maintenance, use or safety of SH 82;

**WHEREAS**, the Department of Transportation, Region 3 has declared through Joshua Laipply as Chief Engineer, that the 274,999 sf is not needed for State Highway purposes;

**WHEREAS**, pursuant to Colorado Revised Statutes (C.R.S) 43-2-106 The Department of Transportation is authorized, subject to approving resolution of the Transportation Commission, to relinquish a section of State Highway to a jurisdictional county or municipality;

**NOW THEREFORE BE IT RESOLVED**, pursuant to the provisions of the C.R.S, 43-2-106 the Department of Transportation be given authority to relinquish Parcel 109A to Pitkin County under the condition that if the Parcel ever ceases to be used as a County transportation facility title to the Parcel will revert to CDOT.

Herman J. Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

9-21-15
Date

## Resolution #TC-15-9-5

**Resolution # TC-15-9-5**

Repeal Policy Directive 1501.0, "Roadside Memorial Signing"

**Approved by the Transportation Commission on Sept. 17, 2015**

**WHEREAS**, § 43-1-106 (8)(a) C.R.S. gives authority to the Transportation Commission of Colorado ("Commission") to formulate the general policy with respect to the management, construction, and maintenance of public highways and other transportation systems in the state; and

**WHEREAS,** current Policy Directive 1501.0 was adopted by the Transportation Commission on September 24, 2009; and

**WHEREAS,** the review date for Policy Directive 1501.0 was August 2015; and

**WHEREAS,** Policy Directive 1501.0 set forth the requirements for signage on state highways to commemorate private citizens involved in an accident which resulted in a fatality; and

**WHEREAS,** the Executive Director approved updated Procedural Directive 1501.1 on August 7, 2015, which incorporates the guidance set forth in Policy Directive 1501.0; and

**WHEREAS,** the updated Procedural Directive 1501.1 meets the requirements of § 42-4-104 C.R.S., for overseeing a uniform system of traffic control devices for use upon highways within Colorado; and

**WHEREAS,** the Commission supports CDOT's goal of eliminating unnecessary Directives where possible and consolidate those that still provide value.

**NOW THEREFORE BE IT RESOLVED**, the Commission herein repeals Policy Directive1501.0 "Roadside Memorial Signing."

Herman F. Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

9-21-15
Date

**Resolution #TC-15-9-6**

**Resolution # TC-15-9-6**

43 CRS 1-1303 (2) Report to the TLRC for Prioritization of Railroad Corridors for Acquisition, Use & Preservation

**Approved by the Transportation Commission on Sept. 17, 2015**

**WHEREAS**, the abandonment of rail lines in Colorado is considered to be of statewide importance because of the impacts these abandonments may have on local communities as well as the "market", including shippers, receivers and consumers; and

**WHEREAS**, the Transportation Commission of Colorado has been given statutory responsibility by the State for approving the acquisition of rail lines or railroad right-of-way under 43 C.R.S. 1-1303(2); and

**WHEREAS**, the Colorado Department of Transportation (Department) has identified a list of criteria for prioritization of rail corridors for preservation in a Rail Corridor Preservation Policy, PD 1607, dated August 22, 2014; and

**WHEREAS**, preliminary analysis has been performed by Department staff to determine which rail lines are in jeopardy of being lost due to potential abandonment; and

**WHEREAS**, the Department has responded to the provisions set forth in Senate Bill 09-094 by establishing the Division of Transit and Rail which shall, in coordination with other transit and rail providers, plan, promote, and implement investments in transit and rail services statewide; and

**WHEREAS**, the Department, in conjunction with other interested parties, is in the process of updating a State Freight and Passenger Rail Plan, and has completed the Colorado Interregional Connectivity Study (ICS) and an Advanced Guideway Feasibility Study (AGS), and completed the North I-25 Commuter Rail plan update as a means of better planning passenger and freight rail improvements into the future; and

**WHEREAS**, C.R.S. 43-1-1303(3) requires the Executive Director of Colorado Department of Transportation to submit a prioritized list of proposed railroad acquisitions and their proposed uses to the Transportation Legislative Review Committee; and

**WHEREAS**, the Division of Transit and Rail has examined rail lines that meet the preservation criteria that have been abandoned, or have been proposed to be abandoned, during the past year and determined that none were Rail Corridors of Statewide Significance; and

**WHEREAS**, there are no rail lines of statewide significance that are at immediate risk of abandonment and in need of acquisition; and

**WHEREAS**, the Transportation Commission wishes to keep the TLRC informed of rail activities that could impact rail service in the State.

**NOW THEREFORE BE IT RESOLVED**, the Executive Director is hereby directed to submit the following list of recommendations to the Transportation Legislation Review Committee:

The **first priority** is to monitor the status of the Raton Pass line (re: Amtrak Southwest Chief) and to participate in the Southwest Chief Commission. Recent history suggests risk of the New Mexico segment being abandoned, but not the Colorado segment.

The **second priority** is to monitor the status of the Tennessee Pass line. While there is no indication that the UP will abandon this line in the near future, the line has not been used for over 15 years. If this line is abandoned, the State should purchase it to preserve it for freight service in the future.

Herman F. Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

9-21-15
Date

## Resolution #TC-15-9-7

**Resolution # TC-15-9-7**

Adopting a request to the Capital Development Committee of the General Assembly for FY 2016-17 Capital Construction Funds

**Approved by the Transportation Commission on Sept. 17, 2015**

**WHEREAS**, in accordance with C.R.S. 2-3-1304(1)(a.5) and C.R.S. 43-1-113(2.5), the Capital Development Committee of the General Assembly shall determine certain projects that may be funded with Capital Construction Fund monies for state highway reconstruction, repair, or maintenance projects; and

**WHEREAS** the Transportation Commission shall submit an annual request to the Capital Development Committee (CDC) for Capital Construction Fund monies; and

**WHEREAS**, such request shall consist of a prioritized list of recommended state highway reconstruction, repair, and maintenance projects; and

**WHEREAS**, the Department developed a project list which can utilize Capital Construction Fund monies during Fiscal Year 2016-17; and

**WHEREAS**, the Commission recognizes that approval and funding of this project list are contingent upon available revenue and other statewide priorities for Capital Construction Fund monies as determined by the Governor and the General Assembly.

**NOW THEREFORE BE IT RESOLVED**, that the Commission approves a request of:

- Priority 1: I-25 Pueblo to New Mexico Fiber and Connected Vehicle Infrastructure
- Priority 2: Mountain Pass Chain Up Station Improvements; and
- Priority 3: I-70 Frontage Road /Fall River Road Pedestrian Bridge.

**BE IT FURTHER RESOLVED**, that Department staff is instructed to submit the request to the Capital Development Committee for consideration and approval for funding.

Herman F. Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

9-21-15
Date

## Resolution #TC-15-9-8

**Resolution # TC-15-9-8**

Funding for Safe Routes to School

**Approved by the Transportation Commission on Sept. 17, 2015**

**WHEREAS**, in 2004, C.R.S. 43-1-1604 required the Transportation Commission of Colorado to establish and the Colorado Department of Transportation (CDOT) to administer a Safe Routes to School (SRTS) program to distribute funds to eligible projects that enable and encourage children K-8 to bicycle and walk to school; and

**WHEREAS**, since 2005, Colorado has been a national leader in SRTS; funding programs that have reached more than 790 schools and more than 300,000 students statewide; and

**WHEREAS,** a study of Colorado schools found SRTS programs or projects increased the number of students walking and biking to school from 21% to 25%; and

**WHEREAS,** schools with SRTS programs have also demonstrated a drop in the number of children arriving at school by car from 49% to 45% as compared to an increase nationally from 51% to 55%; and

**WHEREAS,** successful SRTS programs are designed around the 5 Es of engineering, education, encouragement, enforcement, and evaluation; and

**WHEREAS,** SRTS has been a strong component of CDOT's commitment to multi-modal transportation; and

**WHEREAS,** SRTS equitably supports the diverse transportation needs of Colorado youth at all abilities, income levels, races and national origins.

**WHEREAS,** SRTS contributes to Colorado's quality of life through healthier lifestyles, expanded commuting options, and easier access to schools and neighborhoods; and

**NOW THEREFORE BE IT RESOLVED**, the Transportation Commission approves the continuation of the SRTS program by committing to fund the program with $2 million for infrastructure projects and $0.5 million for non-infrastructure projects annually, beginning in FY 2016.

Herman F Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

9-21-15
Date

## Resolution #TC-15-9-9

BE IT SO RESOLVED, that the 3rd Supplement to the Fiscal Year 2015-2016 Budget as amended be approved by the Commission.

## Discuss and Act on 3rd Budget Supplement of 2016

Chief Financial Officer Maria Sobota explained the typical layout of the budget supplement for the benefit of the new commissioners. Mrs. Sobota opened the floor to questions on the budget supplement. Vice Chair Reiff noted there was a change in the cost of the Arapahoe and I-25 RAMP Project. This change will be included in the final resolution.

Chairwoman Connell entertained a motion to approve the Budget Supplement. Vice Chair Reiff moved for approval of the resolution, and Commissioner Thiebaut seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

## Resolution #TC-15-9-10

**Resolution # TC-15-9-10**

Adopt Amendments to the Rules Pertaining to Transport Permits for the Movement of Extra-Legal Vehicles or Loads ("OSOW Rules"), 2 CCR 601-4.

**Approved by the Transportation Commission on Sept. 17, 2015**

**WHEREAS**, § 42-4-510(1)(b)(I), § 42-4-510(1.7)(b)(II)(B), § 42-4-511(1) and § 43-1-106(8)(k) C.R.S. authorize the Transportation Commission of Colorado ("Commission") to promulgate rules regarding permits for extra-legal vehicles or loads; and

**WHEREAS**, by Resolution TC-15-6-3, dated June 23, 2015, the Commission delegated authority to an Administrative Hearing Officer for the purposes of conducting a rule making hearing, making a complete procedural record of the hearing, and submitting that record and any recommendations to the Commission for its review and action concerning proposed amendments to the OSOW Rules; and

**WHEREAS**, a hearing was held on July 31, 2015, with Administrative Hearing Officer Chris Frenz presiding; and

**WHEREAS**, Hearing Officer Frenz made findings after considering public comment recommending that the Commission adopt the OSOW rules; and

**WHEREAS**, the proposed amendments to the OSOW Rules are based on HB14-1160, codified at § 42-4-510(11)(a)(VII)(D), C.R.S., which established a new annual fleet permit for non-interstate overweight divisible loads with power units utilizing a trailer with two or three axles; and

**WHEREAS**, the proposed amendments include the Department's implementation of an electronic permitting system; and

**WHEREAS**, the proposed amendments conform Auxiliary Power Unit ("APU") requirements based on changes in the federal regulations made pursuant to MAP-21 found at 23 U.S.C. 127 which increased the weight allowance from 400 to 550 lbs. for permitted vehicles; and

**WHEREAS**, the proposed amendments clarify height restrictions in § 42-4-504(1), C.R.S.

**NOW THEREFORE BE IT RESOLVED,** after review and consideration of the rule making record and the findings of the Administrative Hearing Officer, the Commission herein adopts the proposed amendments to the Rules Pertaining to Transport Permits for the Movement of Extra-Legal Vehicles or Loads, 2 CCR 601-4.

Herman F. Stockinger III
Herman Stockinger, Secretary
Transportation Commission of Colorado

9-21-15
Date

## Discuss and Act on Adoption of OSOW Rules

Kyle Lester presented the new proposed Oversized Overweight Rules to the Transportation Commission. A hearing was held with members of the public to discuss the proposed rules. Using the findings from this hearing the rules in the packet were created. There are four main elements to the new rules:

- Legislation passed for a new annual permit
- Implementing a new electronic permitting system
- Confirming the rate on auxiliary power units to reduce idle time
- Rules denoting low clearance bridges

Chairwoman Connell entertained a motion to approve the adoption of the OSOW Rules. Commissioner Peterson moved for approval of the resolution, and Commissioner Gifford seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

**Introduction of RoadX**

Director of Communications Amy Ford walked the Commission through the new RoadX project. Transportation is transforming through cell phones, self-driving cars and other new technologies. If CDOT does not address and adapt to this new technology, it is impossible for the department to reach all of its goals. The RoadX proposal is an effort to make CDOT one of the most tech advanced department in the country. That means examining at every level how we operate and deploying projects throughout the department to bring a level of innovation to CDOT. RoadX will have different efforts in deployment, from projects on the road to planning projects.

Ryan Rice went further on what RoadX will look like. First off, the program focuses on public and private partnerships that will help support the department's technology initiatives. Next, roadway management is a huge aspect of the project. This area optimizes CDOT systems through technology to optimize traffic flow and safety. Third, connected vehicles offer a large portion of the project by utilizing all the information a single car can gather on a road condition and leveraging that information to understand what is happened on the roadways. Fourth, dedicated short range communication of vehicles will be mandated within the next 3-5 years. This is something that CDOT must begin to look at to deploy the complementary infrastructure for these rules. Additionally, CDOT's fleet can benefit for a number of reasons by being connected fully to the system. Finally, a wild card in all of RoadX is autonomous vehicles. This is the game changer that could change ownership models of vehicles and drastically improve vehicle safety and traffic operations.

Potential projects that have been identified by RoadX are:

- Working with industry to know what areas of technology are most mature and ready for deployment.
- Installing technology on I-25 and 1-70 to communicate with vehicles via smart phone and in vehicle information systems to improve safety.
- A freight pilot that utilizes freight platooning that increases fuel efficiency and reduces the space trucks occupy.
- Safety modifications in rural areas

Chairwoman Connell commented that the commission is very excited about this program, and stressed that RoadX are looking at solutions that work throughout the state, not just the urban areas.

Kathy Gilliland complemented staff on the work they've done. She believes this is a new step that will make the system better while managing the growth that is occurring in the state in both urban and rural areas. She is also encouraged in the safety gains that technology will help CDOT achieve.

Executive Director Bhatt echoed that safety is CDOT's number one priority. He noted that connected vehicles can help prevent up to 80% of crashes that currently occur.

**Adjournment**

Chairwoman Connell closed the September Transportation Commission meeting at 10:05 a.m.

COLORADO
Department of Transportation
Division of Administrative Services

**DATE:** October 15, 2015
**TO:** Transportation Commission
**FROM:** Joshua Laipply, P.E. Chief Engineer
**SUBJECT:** SH 24 ROW - DIsposal to James G. Weitzel and Janine Weitzel

Purpose
CDOT is proposing to dispose of four (4) square feet of SH 24 right of way that is no longer needed for transportation purposes. The property will be sold to the adjacent property owners, James G. Weitzel and Janine Weitzel.

Action
CDOT R3 is requesting a resolution approving the disposal of 4 square feet of SH 24 Right of Way that is no longer needed for State transportation purposes.

Background
The subject Parcel was originally acquired in conjunction with the construction of SH 24 in Leadville and unincorporated Lake County, from approximate Milepost 175.4 to approximate Milepost 180.0 as part of CDOT Projects NRH 248-F and NRM 248-H. The excess portion of this parcel is triangular in shape and contains approximately 4 square feet. The 4 square feet are outside of the right of way necessary for SH 24. The excess portion is encumbered by a single family residence built in 1966.

Details
The adjacent property owner is interested in acquiring excess property for the resolution of encroachment of their existing house, built in 1966. The sale of this property to the adjacent property owner will allow them to clear the title on their property so the house can be sold. CDOT Region 3 has determined that this property is not needed for highway purposes. The disposal of the subject parcel will have no effect upon the operation, use, maintenance or safety of the highway facility. This parcel is of use only to the adjacent property owner.

Key Benefits
CDOT does not need this property for Transportation purposes. The disposal of the property will be allow a private property owner to sell their home.

Next Steps
Upon approval of the Transportation Commission, CDOT will execute a quitclaim deed to convey the subject Parcel to James G. Weitzel and Janine Weitzel. The deed will be recorded in office of the Lake County Clerk and Recorder.

Attachments
Proposed Resolution
Exhibit Depicting the Exchange Parcels

Project #: NRH 248-F and NRM 248-H
Location: SH 24 in Leadville
Parcel #: Undesignated
Municipality: Lake County

**PROPOSED RESOLUTION**

**WHEREAS,** CDOT acquired undesignated subject Parcel as right of way for the purposes of SH 24 right of way as part of projects NRH 248-F and NRM 248-H;

**WHEREAS**, approximately four (4) square feet (sf) of a private single family residence extend into and encroaches upon the subject right-of-way;

**WHEREAS**, the adjacent property owner has requested to acquire the 4 square feet of the undesignated Parcel;

**WHEREAS,** the disposal of the subject Parcel, containing four 4 sf, will not affect the operation, maintenance, use, design, construction, utility or safety of CDOT's US24;

**WHEREAS,** the Department of Transportation, Region 3 has declared through Joshua Laipply as Chief Engineer, that the 4 sf is not needed for transportation purposes;

**WHEREAS,** pursuant to Colorado Revised Statutes (C.R.S) 43-1-210(5)(a)(I) The Department of Transportation is authorized, subject to approving resolution of the Transportation Commission, to dispose of any property or interest therein which is no longer needed for transportation purposes;

**WHEREAS,** the Department has determined that the 4 sf of SH 24 right of way is of use only to the adjacent property owner;

**WHEREAS,** pursuant to Colorado Revised Statutes (C.R.S) 43-1-210(5)(a)(III) when a parcel that is no longer needed for transportation purposes has value to only one adjacent owner, that owner shall have first right of refusal to purchase said property for fair market value;

**WHEREAS**, the Department of Transportation, Region 3, recommends disposing of a portion of the subject Parcel, containing four 4 sf, for a nominal sum of $100.00;

**WHEREAS,** the adjacent property owner desires to exercise its right of refusal to purchase the four 4 sf of SH 24 right of way which is no longer needed for transportation purposes;

**NOW THEREFORE BE IT RESOLVED,** pursuant to the provisions of the C.R.S, 43-1-210(5) and 23 CFR 710.403 the Department of Transportation be given authority to declare a portion of undesignated Parcel as excess property and dispose of the four 4 sf of SH 24 right of way, as shown on Exhibit A, which is no longer needed for transportation purposes for a nominal fee of $100.00.

**FURTHER,** funds from the sale of the property shall be disbursed in accordance with Section 7.2.15 of the CDOT Right-of-Way Manual.

# *Exhibit A*

Parcel Description:

A parcel of land being an easement for a portion of an existing one story frame house, said portion of house located southerly from the southerly line of Lot 20, Hills Addition to the City of Leadville and within the Highway 24 Right-of-Way as shown on Colorado Department of Transportation(CDOT) plans NRH-248, Sheet 6, said Lot 20 and Highway located in Section 26, Township 9 South, Range 80 West of the 6th Principal Meridian, Lake County, Colorado, said parcel being more particularly described as follows:

Beginning at the southeast corner said existing one story frame house whence the point of curvature on the northerly line Lot 4, Star-Hills Subdivision being a point on the southerly line said Right-of-Way and being a number 4 rebar bears N87°49'32"E 268.07 feet distance and the point of curvature on the northerly line Tract 1A, Spry Tracts Subdivision being a point on said southerly Right-of-Way line and being a number 4 rebar bears S33°26'43"W 238.09 feet distant; thence N15°57'47"W along the easterly line said house a distance of 1.41 feet to a point of intersection with the northerly line said Right-of-Way line; thence along the arc of a curve concave to the south being said northerly Right-of-Way line a distance of 5.28 feet to a point on the southerly line said house said curve having a radius of 1005.0 feet a central angle of 0°18'05" and a chord which bears S58°51'42"W 5.28 feet distant ; thence N74°20'15"E a distance of 5.10 feet to the point of beginning containing 4 square feet more or less.

Bearings are based on a line between said point of curvature northerly line Lot 4, Star-Hills Subdivision and said point of curvature northerly line of Tract 1A, Spry Tracts, S62°22'39"W calculated from said CDOT Right-of-Way Plans for Highway 24. Both monuments are also points on said southerly line of the Highway 24 Right-of-Way and are labeled as Station 16+00 and 20+67.4 respectively. The westerly end of said line is a Number 4 rebar. The easterly end of said line is a rebar with cap LS9023.

Curve 1 Table - Encroachment

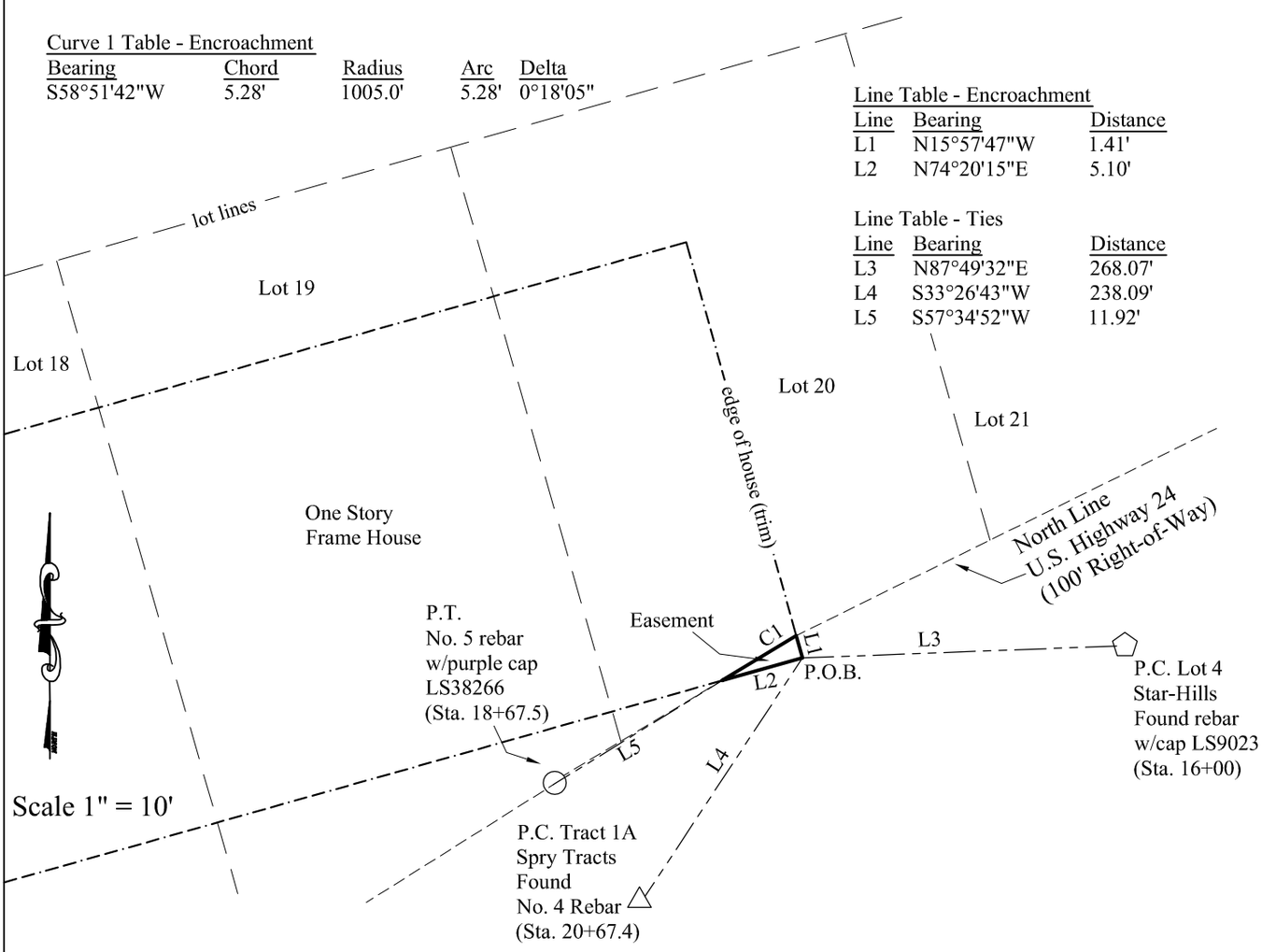
| Bearing | Chord | Radius | Arc | Delta |
|---|---|---|---|---|
| S58°51'42"W | 5.28' | 1005.0' | 5.28' | 0°18'05" |

Line Table - Encroachment

| Line | Bearing | Distance |
|---|---|---|
| L1 | N15°57'47"W | 1.41' |
| L2 | N74°20'15"E | 5.10' |

Line Table - Ties

| Line | Bearing | Distance |
|---|---|---|
| L3 | N87°49'32"E | 268.07' |
| L4 | S33°26'43"W | 238.09' |
| L5 | S57°34'52"W | 11.92' |




I Renee B. Parent, BEING A REGISTERED LAND SURVEYOR IN THE STATE OF COLORADO, DO HERBY CERTIFY THAT THIS PARCEL DESCRIPTION WAS WRITTEN BY ME FROM A SURVEY MADE BY ME AND UNDER MY SUPERVISION AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

COLORADO LICENSED
RENEE B. PARENT
38266
PROFESSIONAL LAND SURVEYOR

7-24-15

NOTICE: ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.


**Blue River Land Surveying**
**(970) 668-3730**
*www.blueriverlandsurveying.com*

*Renee B. Parent*
*P.O. Box 1800*
*Frisco, Colorado 80443*


13732

COLORADO
Department of Transportation
Division of Accounting and Finance

4201 East Arkansas Avenue, Room 262
Denver, CO 80222-3400
(303) 757-9793

**MEMORANDUM**

DATE: October 15, 2015
TO: Transportation Commission
FROM: Maria Sobota, Chief Financial Officer
SUBJECT: Fourth Supplement – FY 2016

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The project request included in the Supplement are consistent with the FY 2016 through FY 2019 STIP. Funds are available from the Regions' allocations unless otherwise indicated.

Per Transportation Commission direction, Emergency Relief project updates are included in the Budget Supplement.

As requested by the Transportation Commission, the current RAMP Partnership and Operations Master Summary Report is included with this supplement.

Transportation Commission Contingency Reserve Fund

**Region 2**

$125,000 – *US-50 NEAR PARKDALE, EMBANKMENT REPAIR* – **TCCRF-** Additional funds for project originally approved for Transportation Commission Contingency Reserve Funds in October 2013. During the construction time, heavy rains caused additional damage with the area receiving over 8 inches of rain in a 3 week period. This funding will repair/replace damaged embankment protector, curb, and asphalt shoulder, replace eroded embankment, additional embankment protector and curb, rock check dams and stabilization of downstream ditch and final seeding and stabilization of embankment. (19897/ 10001…)

**US-50 NEAR PARKDALE, EMBANKMENT REPAIR**

***Budget Components by Phase, Funding Program, Fiscal Year***

| Phase of Work | Program Area | Current Budget | Fourth Supplement Action | | | | Revised Budget | Expended To-Date |
|---|---|---|---|---|---|---|---|---|
| | | | Year of Budget | | | Total Request | | |
| | | | FY2016 | FY2017 | FY2018 | | | |
| Right of Way | *TCCRF* | $296 | $0 | $0 | $0 | $0 | $296 | $281 |
| | **Total Right of Way** | **$296** | $0 | $0 | $0 | $0 | **$296** | **$281** |
| Design | *TCCRF* | $103,762 | $0 | $0 | $0 | $0 | $103,762 | $84,808 |
| | **Total Design** | **$103,762** | $0 | $0 | $0 | $0 | **$103,762** | **$84,808** |
| Construction | *TCCRF* | $1,112,105 | $125,000 | $0 | $0 | $125,000 | $1,237,105 | $998,338 |
| | **Total Construction** | **$1,112,105** | **$125,000** | **$0** | **$0** | **$125,000** | **$1,237,105** | **$998,338** |
| **Total Project Budget** | | **$1,216,163** | **$125,000** | **$0** | **$0** | **$125,000** | **$1,341,163** | **$1,083,427** |
| | | | Year of Expenditure | | | Total Request | | |
| | | | FY2016 | FY2017 | FY2018 | | | |
| | | | $125,000 | $0 | $0 | $125,000 | | |

$11,431,000 – *Baptist Road Liability* – **TCCRF-**This action repays the Baptist Road Rural Transportation Authority for construction and construction management costs incurred during the 2009 construction.

*Please refer to Attachment A for more information.*

**Transportation Systems Management & Operations**

$2,085,000 – Tolled Express Lanes – **TCCRF** – Three tolling corridors contain over 850 ITS devices that are critical to the tolling revenue generation and the safe operations of the corridors. The division has identified the need for additional contracted staff to support ITS device maintenance, IT network management, Traffic Management Center operators and dispatchers, and additional equipment and vehicles. The funding request is to support these contracted staff through FY16.

**Property Management**

$546,321 – Pave 2 CDOT facilities – **TCCRF** – Combined cost to pave Platteville Yard and Greeley West Yard. This item was presented last month as part of the TCCRF reconciliation, now requesting formal approval.

RAMP

$20,000,000-**RAMP HPTE P3 Development Fund**- Request access to the RAMP HPTE P3 Development fund for C-470. The likely and preferred financial scenario (currently balanced) includes a TIFIA loan. However, a non-TIFIA dependent initial finance plan (IFP) is required in order for C-470 to go to construction Summer 2016 prior to TIFIA loan close scheduled for Fall 2016. The IFP is also referred to as the All Bonds scenario. While the TIFIA scenario is currently balanced, the non-TIFIA IFP or All Bonds scenario currently indicates a $20M funding gap. C-470 is requesting $20M from the HPTE Development Fund to support a worst case scenario of not receiving the TIFIA loan. While CDOT's capability to execute the IFP must be demonstrated for C-470 to go to construction prior to TIFIA close, the associated bonding is not planned prior to TIFIA close as remaining RAMP funding will be spent first.

*Please refer to Attachment B for more information.*

# COLORADO DEPARTMENT OF TRANSPORTATION

# STATE OF COLORADO

**Fourth**
**Supplement**

**Fiscal year 2015-2016**

**Dated: October 15, 2015**

# COLORADO DEPARTMENT OF TRANSPORTATION

# STATE OF COLORADO

**RESOLUTION NO. TC –**

**"BE IT RESOLVED, That the Fourth Supplement to the Fiscal Year 2015-2016 Budget be approved by the Commission"**

**Transportation Commission Contingency Reserve Fund Reconciliation**
**Fourth Supplement FY 2016 Budget**

| Transaction Date | Transaction Description | Amount | Balance | Reference Document |
|---|---|---|---|---|
| June-15 | *Final Balance 12S15* | | **$64,416,755** | |
| | *state match for ER permanent repair projects* | $ (1,682,770) | | 1000209366-1000210687 |
| | *FY16 Budget Allocation* | $ 1,972,914 | | 1000209249 |
| | *TREX Coping Panel Reenforcement* | $ (4,250,000) | | 1000211551 |
| | *SH139 in Garfield County roadway failure due to rainfall* | $ (400,000) | | 1000211551 |
| July-15 | *Balance 1S16* | | **$60,056,899** | |
| | *SH6 Devolution as approved by resolution in the June Commission meeting* | $ (6,606,196) | | 1000211883 |
| | *Savings from 2012 ER project K-16-W BRIDGE REPLACEMENT* | $ 162 | | 1000211198-1000211861 |
| | *state match for ER permanent repair projects* | $ 45,778 | | 1000211198-1000211861 |
| | *SH13 Stabillization Wall Failure* | $ (1,500,000) | | 1000212439 |
| August-15 | *Balance 2S16* | | **$51,996,643** | |
| | *Savings from 2009 Snowplow restoration* | $ 1,309 | | 1000212265 |
| | *state match for Emergency Repair and Permanent Repair projects* | $ 6,576 | | 10002123358-1000213730 |
| | *Transfer State funds to Safe Routes to School* | $ (2,500,000) | | 1000213834 |
| September-15 | *Balance 3S16* | | **$49,504,528** | |
| | *Savings from Region 2 SH67 ER project* | $ 3,134 | | 1000215459 |
| | *Savings from Region 5 US550 ER project* | $ 15,995 | | 1000215459 |
| | *Return savings from R2 SH139 Douglas Pass* | $ 111,082 | | 1000214577 |
| | *Payback of On the Job Training and Disadvantage Business Advancement* | $ 319,068 | | 1000214364 |
| | *state match for Emergency Repair and Permanent Repair projects* | $ (354,294) | | 1000214082-1000215243 |
| | *US-50 Near Parkdale Embankment Repair* | $ (125,000) | | Pending |
| | *Pave Platteville Yard Facility* | $ (79,540) | | Pending |
| | *Pave Greeley West Yard Facility* | $ (466,781) | | Pending |
| | *Tolled Express Lanes Operations and Maintenance* | $ (2,085,000) | | Pending |
| | *Baptist Road* | $ (11,431,000) | | Pending |
| October-15 | *Pending Balance 4S16* | | **$35,412,192** | |

**Transportation Commission Contingency Snow & Ice Fund Reconciliation**
**Fourth Supplement FY 2016 Budget**

| Transaction Date | Transaction Description | Amount | Balance | Reference Document |
|---|---|---|---|---|
| June-15 | *Carry forward from FY 2015* | | $0 | |
| | *FY 2016 allocation* | $10,000,000 | | 1000209249 |
| July-15 | *Balance 1S16* | | **$10,000,000** | |

**Transportation Commission Transition Fund Reconciliation**
**Fourth Supplement FY 2016 Budget**

| Transaction Date | Transaction Description | Amount | Balance | Reference Document |
|---|---|---|---|---|
| June-15 | *Balance 12S15* | | **$5,810,730** | |
| | *Region 4-SH52 at WCR 59 Intersection-return surplus* | $ 43,325 | | 1000210169 |
| July-15 | *Balance 1S16* | | **$5,854,055** | |
| | *Region 3-SH 24/50/348 Minturn/Montrose Culverts* | $ (995,000) | | 1000214263 |
| September-15 | *Balance 3S16* | | **$4,859,055** | |
| | *Region 3 - SH340 Kingsview Interesection, return savings* | $ 11,588 | | 10002015021 |
| October-15 | *Balance 4S16* | | **$4,870,643** | |

**Transportation Commission Contingency RAMP Reserve**
**Fourth Supplement FY 2016 Budget**

| Transaction Date | Transaction Description | Amount | Balance |
|---|---|---|---|
| December-14 | *Beginning Balance* | | **$0** |
| | *Transfer from TCCRF* | $40,000,000 | |
| | *Region 2-19039 I-25/CIMARRON EXPRESSWAY* | ($5,000,000) | |
| | *Region 3-19910 SH 9 CO River South Wildlife* | ($6,627,747) | |
| January-15 | *Balance 7S15* | | **$28,372,253** |
| February-15 | *Balance 8S15* | | **$28,372,253** |
| | *Region 2-19039 I-25/CIMARRON EXPRESSWAY* | $2,468,862 | |
| March-15 | *Balance 9S15* | | **$30,841,115** |
| April-15 | *Balance 10S15* | | **$30,841,115** |
| | *Region 3-19911 I-70 Exit 31 Horizon Drive (correction to previous month)* | ($423,000) | |
| May-15 | *Balance 11S15* | | **$30,418,115** |
| | *Region 3-19094 I-70 Vail Underpass* | ($6,570,000) | |
| June-15 | *Balance 12S15* | | **$23,848,115** |
| | *Region 3-19930 SH 9 - Frisco to Breckenridge* | ($4,489,815) | |
| July-15 | *Balance 1S16* | | **$19,358,300** |
| | *Region 4-12372 North College / US 287 Conifer to Laporte Bypass* | ($7,833,509) | |
| August-15 | *Balance 2S16* | | **$11,524,791** |
| | *Region 1-1-46 I-25 / Arapahoe Road Interchange* | ($6,000,000) | |
| September-15 | *Balance 3S16* | | **$5,524,791** |
| October-15 | *Balance 4S16* | | **$5,524,791** |

# Transportation Commission Contingency Reserve Fund
# September 11, 2013 Flood Related Monthly Activity Report

**Provides detail level information for any (disbursements from)/reimbursements to the TCCRF**

**Fourth Supplement 2016**

## Emergency and Permanent Repairs-Nonparticipating costs and state match (not reimbursable if expended)

| Reg | State Highway | Mileposts | Project Description | County | Total Budget TCCRF |
|---|---|---|---|---|---|
| 4 | 034A | 8.000-10.000 | ER US34 Bypass 18th Street | Grand | $ 2,950 |
| 4 | 119A | 26.000-41.000 | PR SH 119A Boulder Canyon | Boulder | $ (285,124) |
| 4 | 144A | 4.500-7.000/19.500-21.000 | PR SH 144 Flooding Repairs | Morgan | $ (91,519) |
| 1 | | | PRLA (ER) Chambers Rd in Aurora | Arapahoe, Boulder | $ (1) |
| 4 | 119C | 62.040-63.640 | ER SH119 DelCamino to D-16-CG | Weld | $ 19,400 |
| | | | Total | | $ (354,294) |
| | | | **Grand Total TCCRF Activity for Flood Relief Since Last Reporting** | | **$ (354,294)** |

| FY 2016 Contingency Balance Reconciliation | |
|---|---|
| September **FY 2015 TC Contingency Balance** | $49,504,528 |
| Savings from Region 2 SH67 ER Project | $3,134 |
| Savings from Region 5 US550 ER Project | $15,995 |
| Savings from R2 SH139 Douglas Pass | $111,082 |
| Payback of annual advancement of OJT and DBE | $319,068 |
| State Match for ER and Permanent Flood repairs | ($354,294) |
| US50 Near Parkdale Embankment Repair (pending) | ($125,000) |
| Pave Platteville Yard Facility (pending) | ($79,540) |
| Pave Greeley West Yard Facility (pending) | ($466,781) |
| Tolled Express Lanes Ops and Maintenance (pending) | ($2,085,000) |
| Repayment of Baptist Road liability (pending) | ($11,431,000) |

| | |
|---|---|
| Pending October FY 2016<br>TC Contingency Balance | $35,412,192 |

# FY 2016 Contingency Balance Projection

Please Refer to the Budget
Workshop for the FY 16 Projection

# RAMP Partnership and Operations Projects - Status Through September 2015 TC Meeting

Public-Private Partnership

| Key |
|---|
| TC Approved or Staff Recommends Budgeting Funds (Group 1) |
| Staff Recommends Budgeting Funds (Group 2) |
| Staff Recommends Further Development (Group 3) |
| Projects that have been Withdrawn or Removed (Group 4) |

| ** Numbers are shown as a COST VARIANCE | |
|---|---|
| -$4,800.00 | Numbers shown in red or with a negative represent an overage |
| $6,000.00 | Numbers shown in green represent an underage |

| | Tracking # | PCN | Project Name | Original TC Approved Total Project Cost | Current TC Approved Total Project Cost | ** Total Project Cost Delta | Original TC Approved RAMP Request | Current TC Approved RAMP Request | ** RAMP Request Delta | Local Contribution | In Kind Contributions | Local Delta | Other Funds | Other Funds Delta | Status through July TC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 1 | N/A | 19879<br>19880 | WB Twin Tunnels Expansion | $55,000,000 | $55,000,000 | $0 | $48,000,000 | $48,000,000 | $0 | $0 | $0 | $0 | $7,000,000 | $0 | RAMP Funding Approved by TC in February 2014;<br>Project Complete - Project Acceptance 4/15/15. |
| Group 1 | 4-5a* | 19626* | I-25: Tolled Express Lanes: 120th North to SH7 *<br>(Southern Segment / Segment 3) | $500,000,000 | $73,250,000 | $0 | $55,000,000 | $55,000,000 | $0 | $750,000 | $0 | $750,000 | $17,500,000 | $17,500,000 | RAMP Funding of 10% granted by TC in March 2014; Additional $2.85M RAMP Funding for the continuation of preconstruction activity was approved by TC in the 5th Supplement FY15 (November 2014) (#TC-3208).<br><br>* TC informed of I-25 Express Lanes Lanes project scope, schedule, and budget - including the reduction in scope and alternative advertisement packaging; Authority to budget all remaining RAMP Funds ($55.0M) granted by TC in the PMO Workshop (April 2015) and resolved via the 10th Supplement FY15 (April 2015)(#TC-15-4-5). |
| Group 1 | 4-5b** | 20575** | I-25: Tolled Express Lanes: SH7 North to SH14 **<br>(Northern Segment / Crossroads Interchange) | $540,000,000 | $35,000,000 | $0 | $35,000,000 | $35,000,000 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding of 10% granted by TC in March 2014 for continued preconstruction activity;<br><br>** TC informed of the I-25 Crossroads Interchange project scope, schedule, and budget; Authority to budget the RAMP Funds ($35.0M) granted by TC in the RAMP Program Controls Workshop (December 2014) and resolved via the 6th Supplement FY15 (#TC-3214, walk-on). |
| Group 1 | 1-2 | 18999 | C-470 Managed Toll Express Lanes: Kipling to I-25 | $200,000,000 | $269,000,000 | -$69,000,000 | $100,000,000 | $100,000,000 | $0 | $10,000,000 | $5,500,000 | $0 | $153,500,000 | $69,000,000 | RAMP Funding and Additional Total Project Costs Approved by TC in the 8th Supplement FY15 (February 2015) (#TC-15-2-4, walk-on);<br><br>TC informed of C-470 Express Lanes project scope, schedule, and budget - including the results of Level 3 tolling & revenue studies, loan finance options, and additional revenue and construction costs elements of the project. |
| 4 | TC Approved or Staff Recommends Budgeting Funds (Group 1) | | | $1,295,000,000 | $432,250,000 | -$69,000,000 | $238,000,000 | $238,000,000 | $0 | $10,750,000 | $5,500,000 | $750,000 | $178,000,000 | $86,500,000 | |

| | Tracking # | PCN | Project Name | Original TC Approved Total Project Cost | Current TC Approved Total Project Cost | ** Total Project Cost Delta | Original TC Approved RAMP Request | Current TC Approved RAMP Request | ** RAMP Request Delta | Local Contribution | In Kind Contributions | Local Delta | Other Funds | Other Funds Delta | Status through July TC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 2 | | | | | | | | | | | | | | | None |
| | Staff Recommends Budgeting Funds (Group 2) | | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | |

| | Tracking # | PCN | Project Name | Original TC Approved Total Project Cost | Current TC Approved Total Project Cost | ** Total Project Cost Delta | Original TC Approved RAMP Request | Current TC Approved RAMP Request | ** RAMP Request Delta | Local Contribution | In Kind Contributions | Local Delta | Other Funds | Other Funds Delta | Status through July TC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 3 | N/A | - | HTPE P3 Development Fund | $200,000,000 | $200,000,000 | $0 | $40,000,000 | $40,000,000 | $0 | $0 | $0 | $0 | $160,000,000 | $0 | Staff Recommends Further Development;<br>$4.6M of HPTE RAMP Funds approved by TC in the 2nd Supplement FY15 (August 2014)(#TC-3188), for the I-70 EB PPSL (RAMP Ops Project #1-09). |
| 1 | Staff Recommends Further Development (Group 3) | | | $200,000,000 | $200,000,000 | $0 | $40,000,000 | $40,000,000 | $0 | $0 | $0 | $0 | $160,000,000 | $0 | |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5 | SUB-TOTAL Public-Public Partnership Projects | | | $1,495,000,000 | $632,250,000 | -$69,000,000 | $278,000,000 | $278,000,000 | $0 | $10,750,000 | $5,500,000 | $750,000 | $338,000,000 | $86,500,000 | |

| | Tracking # | PCN | Project Name | Original TC Approved Total Project Cost | Current TC Approved Total Project Cost | ** Total Project Cost Delta | Original TC Approved RAMP Request | Current TC Approved RAMP Request | ** RAMP Request Delta | Local Contribution | In Kind Contributions | Local Delta | Other Funds | Other Funds Delta | Status through July TC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 4 | | | | | | | | | | | | | | | None |
| | Projects that have been Withdrawn (Group 4) | | | $0 | $0 | $0 | $0 | $0 | $0 | | | | | | |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5 | TOTAL Partnership Projects: HTPE P3 Projects | | | $1,495,000,000 | $632,250,000 | -$69,000,000 | $278,000,000 | $278,000,000 | $0 | $10,750,000 | $5,500,000 | $750,000 | $338,000,000 | $86,500,000 | |
| | Percentage over Transportation Commission Approved Amount | | | | | 4.62% | | | 0.00% | | | | | | |

RAMP Program totals are within currently approved program total plus 3.5%. Staff may make individual authorizations per PD 703.0

# RAMP Partnership and Operations Projects - Status Through September 2015 TC Meeting

| Key |
|---|
| TC Approved or Staff Recommends Budgeting Funds (Group 1) |
| Staff Recommends Budgeting Funds (Group 2) |
| Staff Recommends Further Development (Group 3) |
| Projects that have been Withdrawn or Removed (Group 4) |

| ** Numbers are shown as a COST VARIANCE | |
|---|---|
| -$4,800.00 | Numbers shown in red or with a negative represent an overage |
| $6,000.00 | Numbers shown in green represent an underage |

Public-Public Partnership

| | Tracking # | PCN | Project Name | Original TC Approved Total Project Cost | Current TC Approved Total Project Cost | ** Total Project Cost Delta | Original TC Approved RAMP Request | Current TC Approved RAMP Request | ** RAMP Request Delta | Local Contribution | In Kind Contribution | Local Delta | Other Funds | Other Funds Delta | Status through July TC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 1 | 1-7 | 17810 | Eisenhower-Johnson Memorial Tunnels (EJMT) Fire Suppression System | $25,000,000 | $25,000,000 | $0 | $9,000,000 | $9,000,000 | $0 | $5,000,000 | $0 | $0 | $11,000,000 | $0 | RAMP Funding Approved by TC in February |
| | 1-14 | 19969<br>19970 | SH 2 in Commerce City Widening and Devolution | $20,800,000 | $20,800,000 | $0 | $13,600,000 | $13,600,000 | $0 | $5,100,000 | $0 | $0 | $2,100,000 | $0 | RAMP Funding Approved by TC in February<br>Devolution resolution approved by TC in Dec 2014 (#TC-3206). |
| | 1-15 | 19896 | US 6 and 19th St. Intersection Grade Separation | $25,000,000 | $25,000,000 | $0 | $20,000,000 | $20,000,000 | $0 | $5,000,000 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 1-19 | 17219 | Colorado Blvd. in Idaho Springs Final Phase and Devolution | $21,900,000 | $21,900,000 | $0 | $21,900,000 | $21,900,000 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February<br>Devolution resolution approved by TC in April 2014 (#TC-15-3-9). |
| | 1-37 | 19957 | Federal Blvd: 6th to Howard Reconstruction and Multimodal Improvements | $29,203,881 | $29,181,821 | $22,060 | $23,363,105 | $23,341,821 | $21,284 | $5,840,000 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 1-46 | 19192 | I-25 and Arapahoe Rd. Interchange | $74,000,000 | $80,000,000 | -$6,000,000 | $50,400,000 | $56,400,000 | -$6,000,000 | $16,400,000 | $0 | $0 | $7,200,000 | $0 | RAMP Funding Approved by TC in February;<br>Additional RAMP Funding Approved by TC for ROW phase in the 3rd Supplement FY16 (Sept 2015). |
| | 2-1 | 19964 | SH 67 in Victor Devolution *(cash payment)* | $307,702 | $307,702 | $0 | $307,702 | $307,702 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February;<br>Devolution resolution approved by TC in Nov 2014 (#TC-3198);<br>Approval of Time Extension granted by TC in April 2015 ( #TC-15-3-5). |
| | 2-5 | 19954 | US 160 Turnouts | $1,015,000 | $1,015,000 | $0 | $840,000 | $840,000 | $0 | $0 | $175,000 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 2-7 | 19965 | US 24 Business Route Devolution *(cash payment)* | $2,602,475 | $2,602,475 | $0 | $2,602,475 | $2,602,475 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February;<br>Devolution resolution approved by TC in Dec 2014 (#TC-3204). |
| | 2-20 | 19906 | US 50 / Dozier / Steinmeier Intersection / Signal Improvements *(companion project to 2-9)* | $1,500,000 | $1,500,000 | $0 | $1,200,000 | $1,200,000 | $0 | $300,000 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 2-21 | 18331<br>19039 | I-25 and Cimarron Interchange Reconstruction | $95,000,000 | $113,624,588 | -$18,624,588 | $24,000,000 | $26,531,138 | -$2,531,138 | $8,050,000 | $0 | $2,050,000 | $79,043,450 | $14,043,450 | RAMP Funding Approved by TC in March; RAMP Contingency, RPP, LA Funding approved by TC in RAMP Program Controls Workshop (December 2014) and resolved in the 6th Supplement FY15 (#TC-3214, walk-on). |
| | 2-22 | 18367 | I-25 Fillmore Interchange Diverging Diamond Interchange (DDI) Conversion | $21,300,000 | $23,300,000 | -$2,000,000 | $11,000,000 | $11,700,000 | -$700,000 | $1,300,000 | $7,000,000 | $1,300,000 | $3,300,000 | $0 | RAMP Funding Approved by TC in February |
| | 2-23 | 19522 | SH 21 / Old Ranch Rd. Interchange Completion | $9,266,000 | $10,333,779 | -$1,067,779 | $600,000 | $600,000 | $0 | $8,600,000 | $0 | $600,000 | $1,133,779 | $467,779 | RAMP Funding Approved by TC in February |
| | 2-31 | 19205<br>19208<br>19408 | I-25 Ilex to 1st St. in Pueblo *(includes devolution match in RAMP request)* | $33,200,000 | $42,153,270 | -$8,953,270 | $22,000,000 | $30,953,270 | -$8,953,270 | $1,200,000 | $0 | $0 | $10,000,000 | $0 | RAMP Funding Approved by TC in February;<br>Additional RAMP Funding Approved by TC in the 5th Supplement FY15 (November 2014) (#TC-3208). |
| | 2-33 | 19056<br>19751 | US 50 / SH 45 Interchange, Wills to Purcell-Pueblo *(companion project 2-10)* | $10,000,000 | $10,075,452 | -$75,452 | $5,000,000 | $5,000,000 | $0 | $0 | $0 | $0 | $5,075,452 | -$75,452 | RAMP Funding Approved by TC in February;<br>Awarded bid includes companion FY16 Surface Treatment project ($1.6M). |
| | 3-6 | 20087 | SH 6/SH13 in Rifle Devolution | $5,600,000 | $5,600,000 | $0 | $5,600,000 | $5,600,000 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February;<br>Devolution resolution approved by TC in Dec 2014 (#TC-3203). |
| | 3-9 | 19094 | I-70 Vail Underpass (Simba Run) | $20,800,000 | $30,100,000 | -$9,300,000 | $14,600,000 | $21,170,000 | -$6,570,000 | $6,000,000 | $0 | $0 | $2,930,000 | $0 | RAMP Funding Approved by TC in February;<br>RAMP Contingency Funding & Local Cash match approved by TC in PMO Workshop and resolved in the 12th Supplement FY15 (June 2015). |
| | 3-12/29 | 19930 | SH 9 - Frisco to Breckenridge: Iron Springs Phase and Vail Pass Multi-Use Path Devolution | $21,985,000 | $27,487,269 | -$5,502,269 | $17,500,000 | $21,989,815 | -$4,489,815 | $1,012,454 | $4,485,000 | $1,012,454 | $0 | $0 | RAMP Funding Approved by TC in February;<br>RAMP Contingency Funding & Local Cash match approved by TC in PMO Workshop and resolved in the 1st Supplement FY16 (July2015). |
| | 3-14 | 19459 | I-70 Eagle Interchange Upgrade | $9,887,365 | $9,887,365 | $0 | $3,500,000 | $3,500,000 | $0 | $3,437,364 | $0 | $0 | $2,950,001 | $0 | RAMP Funding Approved by TC in February |
| | 3-24 | 19911 | I-70 Exit 31 Horizon Drive | $5,000,000 | $6,312,300 | -$1,312,300 | $4,000,000 | $4,423,000 | -$423,000 | $1,624,300 | $0 | $624,300 | $265,000 | $0 | RAMP Funding Approved by TC in February;<br>RAMP Contingency Funding & Local Cash match approved by TC in PMO Workshop and resolved in the 11th Supplement FY15 (May 2015);<br>Additional Local Contribution Funds added in July 2015 to award the project. |
| | 3-31 | 19874 | US 40 Improvements in Fraser | $1,950,390 | $2,145,320 | -$194,930 | $1,267,754 | $1,394,458 | -$126,704 | $750,862 | $0 | $68,226 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 3-40 | 19910 | SH 9 Grand County Safety Improvement Project | $46,000,000 | $52,627,747 | -$6,627,747 | $36,222,000 | $42,849,747 | -$6,627,747 | $9,200,000 | $0 | -$522,000 | $578,000 | $522,000 | RAMP Funding Approved by TC in February; RAMP Contingency Funding approved by TC in RAMP Program Controls Workshop (December 2014) and resolved in the 6th Supplement FY15 (#TC-3214, walk-on). |
| | 4-6 | 19893 | US 34 in Estes Park Improvements and Devolution | $16,000,000 | $16,005,000 | -$5,000 | $4,200,000 | $4,200,000 | $0 | $0 | $0 | $0 | $11,805,000 | $5,000 | RAMP Funding Approved by TC in February;<br>Devolution resolution approved by TC in Nov 2014 (#TC-3199). |

# RAMP Partnership and Operations Projects - Status Through September 2015 TC Meeting

| | Tracking # | PCN | Project Name | Original TC Approved Total Project Cost | Current TC Approved Total Project Cost | ** Total Project Cost Delta | Original TC Approved RAMP Request | Current TC Approved RAMP Request | ** RAMP Request Delta | Local Contribution | In Kind Contribution | Local Delta | Other Funds | Other Funds Delta | Status through July TC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 1 (cont.) | 4-20 | 12372<br>18401<br>19561<br>20632 | North College / US 287 Conifer to Laporte Bypass | $36,000,000 | $43,833,509 | -$7,833,509 | $17,500,000 | $25,333,509 | -$7,833,509 | $4,648,500 | $0 | $248,500 | $13,851,500 | -$90,818 | RAMP Funding Approved by TC in February;<br>Additional RAMP Funding Approved by TC in the 2nd Supplement FY16 (Aug 2015)(#TC-15-8-7). |
| | 4-25 | 19889 | SH 14 / Greenfields Ct. - Frontage Rd. Relocation and Intersection Improvements | $2,100,000 | $2,100,000 | $0 | $1,680,000 | $1,680,000 | $0 | $420,000 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in March |
| | 4-28 | 19891 | SH 392 & CR 47 Intersection Safety Improvements | $3,685,180 | $3,685,180 | $0 | $1,842,590 | $1,842,590 | $0 | $1,842,590 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 4-29 | 19890 | US 34 & CR 49 Intersection Safety Improvements | $2,200,000 | $2,200,000 | $0 | $1,500,000 | $1,500,000 | $0 | $700,000 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 4-30 | 19892 | SH 392 & CR 74 Intersection Safety Improvements | $2,249,875 | $2,249,875 | $0 | $1,000,000 | $1,000,000 | $0 | $1,249,875 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 4-34/51/52 | 19894<br>20204<br>20203<br>20700 | Turning Lanes at US 34 and County Road H / US 385 & YCR 33.6 / US 34 & YCR J | $1,752,000 | $1,591,000 | $161,000 | $944,200 | $944,200 | $0 | $0 | $627,000 | $0 | $19,800 | -$161,000 | RAMP Funding Approved by TC in February |
| | 4-54 | 18397 | SH 119 Diagonal: 30th to Foothills Parkway Multi-modal Improvements Project | $5,570,000 | $5,570,000 | $0 | $4,456,000 | $4,456,000 | $0 | $1,114,000 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 4-58 | 19888 | SH 119 Boulder Canyon Trail Extension | $5,466,350 | $5,466,350 | $0 | $4,373,080 | $4,373,080 | $0 | $1,093,270 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in March |
| | 5-6 | 19909 | US 550 Sky Rocket Box Culvert Replacement | $2,000,000 | $2,000,000 | $0 | $1,600,000 | $1,600,000 | $0 | $400,000 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 5-8 | 19908 | SH 172 / 151 Signalization | $1,800,000 | $1,800,000 | $0 | $1,430,000 | $1,430,000 | $0 | $370,000 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 5-10 | 19902 | US 160 / Wilson Gulch Road Extension | $6,400,000 | $6,400,000 | $0 | $4,288,000 | $4,288,000 | $0 | $2,112,000 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 5-13 | 19397 | SH 145 at CR P Safety Improvements | $1,660,194 | $1,660,194 | $0 | $1,577,185 | $1,577,185 | $0 | $83,036 | $0 | $0 | -$27 | $0 | RAMP Funding Approved by TC in February |
| | 5-14 | 18972 | US 285 Antonito Storm Drain System Replacement | $2,742,429 | $3,343,337 | -$600,908 | $2,193,944 | $2,794,852 | -$600,908 | $100,000 | $448,485 | $0 | $0 | $0 | RAMP Funding Approved by TC in February;<br>Additional RAMP Funding approved by TC in 6th Supplement FY15 (December 2014);<br>Awarded bid includes approved Surface Treatment project ($7.02M). |
| | 5-15 | 19411 | SH 62 Ridgway Street Improvements *(pending approval of local match)* | $13,791,257 | $13,291,257 | $500,000 | $10,494,509 | $10,494,509 | $0 | $2,000,000 | $796,748 | $0 | $0 | -$500,000 | RAMP Funding Approved by TC in February |
| | 5-18 | 19643 | US 24 Enhancement Project in Buena Vista | $2,497,090 | $2,497,090 | $0 | $1,997,090 | $1,997,090 | $0 | $500,000 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| 38 | TC Approved or Staff Recommends Budgeting Funds (Group 1) | | | $587,232,188 | $654,646,880 | -$67,414,692 | $349,579,634 | $394,414,441 | -$44,834,807 | $95,448,251 | $13,532,233 | $5,381,480 | $151,251,955 | $14,210,959 | |

| | Tracking # | PCN | Project Name | Original TC Approved Total Project Cost | Current TC Approved Total Project Cost | ** Total Project Cost Delta | Original TC Approved RAMP Request | Current TC Approved RAMP Request | ** RAMP Request Delta | Local Contribution | In Kind Contribution | Local Delta | Other Funds | Other Funds Delta | Status through July TC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 2 | | | | | | | | | | | | | | | None |
| | Staff Recommends Budgeting Funds (Group 2) | | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | |

| | Tracking # | PCN | Project Name | Original TC Approved Total Project Cost | Current TC Approved Total Project Cost | ** Total Project Cost Delta | Original TC Approved RAMP Request | Current TC Approved RAMP Request | ** RAMP Request Delta | Local Contribution | In Kind Contribution | Local Delta | Other Funds | Other Funds Delta | Status through July TC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 3 | | | | | | | | | | | | | | | None |
| | Staff Recommends Further Development (Group 3) | | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 38 | SUB-TOTAL Public-Public Partnership Projects | $587,232,188 | $654,646,880 | -$67,414,692 | $349,579,634 | $394,414,441 | -$44,834,807 | $95,448,251 | $13,532,233 | $5,381,480 | $151,251,955 | $14,210,959 | |

| | Tracking # | PCN | Project Name | Original TC Approved Total Project Cost | Current TC Approved Total Project Cost | ** Total Project Cost Delta | Original TC Approved RAMP Request | Current TC Approved RAMP Request | ** RAMP Request Delta | Local Contribution | In Kind Contribution | Local Delta | Other Funds | Other Funds Delta | Status through July TC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 4 | 2-27 | - | I-25A Exit 18 NW Frontage Rd Devolution | $110,544 | $0 | $110,544 | $110,544 | $0 | $110,544 | | | | | | Local Agency Withdrew Project in December 2013 |
| | 2-29 | - | I-25 Exit 11 SW Frontage Rd Devolution | $155,307 | $0 | $155,307 | $155,307 | $0 | $155,307 | | | | | | Local Agency Withdrew Project in December 2013 |
| 2 | Projects that have been Withdrawn (Group 4) | | | $265,851 | $0 | $265,851 | $265,851 | $0 | $265,851 | | | | | | |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 40 | TOTAL Public-Public Partnership Projects | $587,498,039 | $654,646,880 | -$67,148,841 | $349,845,485 | $394,414,441 | -$44,568,956 | $95,448,251 | $13,532,233 | $5,381,480 | $151,251,955 | $14,210,959 | |
| | Percentage over Transportation Commission Approved Amount | | | 11.43% | | | 12.74% | | | | | | |

Program totals are currently in excess of original TC approved program total plus 3.5%. The TC must budget additional project funds per PD 703.0 and resolution TC#-3209, Establishment of RAMP Program Project Controls.

# RAMP Partnership and Operations Projects - Status Through September 2015 TC Meeting

| Key |
|---|
| TC Approved or Staff Recommends Budgeting Funds (Group 1) |
| Staff Recommends Budgeting Funds (Group 2) |
| Staff Recommends Further Development (Group 3) |
| Projects that have been Withdrawn or Removed (Group 4) |

| ** Numbers are shown as a COST VARIANCE | |
|---|---|
| -$4,800.00 | Numbers shown in red or with a negative represent an overage |
| $6,000.00 | Numbers shown in green represent an underage |

Operations

| | Tracking # | PCN | Project Name | Original TC Approved Total Project Cost | Current TC Approved Total Project Cost | ** Total Project Cost Delta | Original TC Approved RAMP Request | Current TC Approved RAMP Request | ** RAMP Request Delta | Local Contribution | In Kind Funds | Local Delta | Other Funds | Other Funds Delta | Status through July TC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 1 | 1-09 | 19474<br>19984<br>20092<br>20306<br>20307<br>20308<br>~~20309~~ | I-70 Eastbound Peak Period Shoulder Lanes | $34,000,000 | $78,487,480 | -$44,175,026 | $20,000,000 | $26,998,000 | -$6,998,000 | $500,000 | $0 | $0 | $50,989,480 | $37,489,480 | RAMP Funding Approved for Construction Pkg 2 by TC in 2nd Supplement FY15 (August 2014) (#TC-3188); Other Funds includes $4.6M from HPTE RAMP Funding which may be returned upon closure of commercial loan;<br><br>Included as an informational item in the 5th Supplement FY15 (November 2014); Other Funds includes HPTE Loan funding for Construction Package 3 design services and procurement of long lead time items (backed by RPP funds until closure of HPTE loan);<br><br>Included as an informational item in the 6th Supplement FY15 (December 2014); Other Funds includes HPTE Loan, Safety, and ITS funding for Construction Package 3; CMGC execution date estimated February 2015 (in conjunction with CBE project).<br><br>Other Funding Approved for Construction Pkg 3 by TC in the PMO Workshop and resolved in the 9th Supplement FY15 (March 2015)(#TC-15-3-11); |
| | 1-27 | 20063 | SH-74 South of El Rancho Safety Shoulders | $57,947 | $55,000 | $2,947 | $57,947 | $55,000 | $2,947 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 1-41 | 19978 | State Highway Signal Upgrades: Phase I - Colfax Signals | $2,495,000 | $3,486,615 | -$991,615 | $2,200,000 | $2,200,000 | $0 | $0 | $1,286,615 | $991,615 | $0 | $0 | RAMP Funding Approved by TC in February;<br>Local Partner has committed additional funds; |
| | 1-42 | 19979 | State Highway Signal Upgrades: Phase III - Denver Slipfit | | | | | | | | | | | | |
| | 1-44 | 19980 | State Highway Signal Upgrades: Phase I - Santa Fe and Evans | | | | | | | | | | | | |
| | 1-51 | 20070 | Continuous Flow Metering (CFM), Weight-in-Motion (WIM), and Relocated Portal Attendant Stations at Eisenhower-Johnson Memorial Tunnel (EJMT) | $2,575,000 | $2,529,035 | $45,965 | $2,575,000 | $2,529,035 | $45,965 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 1-53 | 20182 | New Traffic Signal Controllers for Congested Corridors in the Denver Metropolitan Area | $1,060,000 | $1,060,000 | $0 | $1,060,000 | $1,060,000 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in March |
| | 1-54 | 19958 | I-76 at 88th Ave. Interchange Improvements (MP 10) | $1,050,000 | $2,633,693 | -$1,583,693 | $1,050,000 | $1,583,693 | -$533,693 | $0 | $0 | $0 | $1,050,000 | $1,050,000 | RAMP Funding Approved by TC in March<br>Additional RAMP Funding and Other CDOT Program Funds Approved by TC in the 10th Supplement FY15 (May 2015)(#TC-15-4-5). |
| | 1-63 | 20089 | I-70 at Grapevine Rd. (MP 256.0) | $189,000 | $344,342 | -$155,342 | $189,000 | $296,091 | -$107,091 | $0 | $0 | $0 | $48,251 | $0 | RAMP Funding Approved by TC in February<br>Additional RAMP Funding Approved by TC in 5th Supplement FY15 (November 2014) (#TC-3208); An additional $20K added for Safety concerns post-award in June 2015. |
| | 1-77 | 20202 | New Ramp Meters and Ramp Meter Upgrades | $965,000 | $998,639 | -$33,639 | $965,000 | $998,639 | -$33,639 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in 1st Supplement FY15 (July2014) (#TC-3177, walk-on);<br>Additional RAMP Funding Approved by TC in the 3rd Supplement FY15 (September 2014) (#TC-3194). |
| | 1-81 | 19086 | US 40 Berthoud Pass Remote Avalanche Control System Pilot Program | $1,000,000 | $1,275,000 | -$275,000 | $1,000,000 | $1,000,000 | $0 | $225,000 | $0 | $225,000 | $50,000 | $50,000 | RAMP Funding Approved by TC in1st Supplement FY15 (July 2014) (#TC-3177);<br>Local Partner committed to providing additional funds;<br>RAMP ID # changed from 3-51 to 1-81. |
| | 2-08 | 19905 | US 24 / Judge Orr Rd. Intersection Improvement | $2,000,000 | $200,000 | $1,800,000 | $2,000,000 | $200,000 | $1,800,000 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February;<br>RAMP Funding Withdrawn with TC Approval in the 9th Supplement 2015 (March 2015)(#TC-15-3-11);<br>Project will be shelved until other funding is made available. |
| | 2-09 | 19906 | US 50 / Dozier Ave. Intersection Improvement *(companion project Partnership 2-20)* | $1,000,000 | $1,000,000 | $0 | $1,000,000 | $1,000,000 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 2-10 | 19751 | US 50 / Purcell and US 50 / McCulloch Intersection Improvement (companion project Partnership 2-33) | $1,200,000 | $1,200,000 | $0 | $1,200,000 | $1,200,000 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 2-17 | 19884 | US 50 / 32nd Ln., US 50 / Cottonwood Ave., US 50 / 34th Ln. Intersection Improvements | $1,500,000 | $5,800,000 | -$4,300,000 | $1,500,000 | $3,300,000 | -$1,800,000 | $0 | $0 | $0 | $2,500,000 | $2,500,000 | RAMP Funding Approved by TC in February;<br>Additional RAMP Funding and Other Funds Approved by TC in the 9th Supplement FY15 (March 2015)(#TC-15-3-11). |
| | 3-33 | 19490 | I-70 Vail Chain Station Improvements | $4,500,000 | $6,535,000 | -$2,035,000 | $4,500,000 | $6,535,000 | -$2,035,000 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February;<br>RAMP Funding withdrawn from RAMP Ops project #3-34; Approved by TC in the 12th Supplement FY15 (June 2015)(#TC-15-6-6); Additional RAMP Funding reallocated from RAMP Ops project #3-34; Approved by the TC in the 3rd Supplement FY16 (Sept 2015). |
| | 3-34 | 19875 | I-70 Glenwood Canyon Variable Speed Signing | $2,200,000 | $165,000 | $2,035,000 | $2,200,000 | $165,000 | $2,035,000 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February;<br>RAMP Funding Withdrawn with TC Approval in the 12th Supplement FY15 (June 2015)(#TC-15-6-6);<br>Additonal RAMP Funding reallocated to RAMP Ops project #3-33 with TC Approval in the 3rd Supplement FY16 (Sept 2015); Project to remain shelved until other funding is made available. |
| | 4-13 | 19960 | Adaptive Signal Control - US 85 Greeley | $750,000 | $750,000 | $0 | $600,000 | $600,000 | $0 | $0 | $150,000 | $0 | $0 | $0 | RAMP Funding Approved by TC in February;<br>Bundled project advertisement with RAMP Ops #4-41 (see below). |
| | 4-35 | 19886 | Loveland I-25 and Crossroads Blvd. Anti-Icing Spray System | $250,000 | $250,000 | $0 | $200,000 | $200,000 | $0 | $50,000 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 4-36 | 19887 | Loveland Road Weather Information System (RWIS) Update / Expansion | $380,000 | $380,000 | $0 | $304,000 | $304,000 | $0 | $76,000 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | 4-41 | 19959 | Adaptive signals on US 34 Bypass in Greeley | $500,000 | $646,448 | -$146,448 | $400,000 | $546,448 | -$146,448 | $0 | $100,000 | $0 | $0 | $0 | RAMP Funding Approved by TC in February;<br>Bundled with RAMP Ops #4-13; TC Approved additional RAMP Funding via the 3rd Supplement FY16 (Aug 2015). |
| | 4-42 | 19963 | Fiber Optics and ITS Devices on I-76 | $11,000,000 | $4,475,000 | $6,525,000 | $5,000,000 | $4,475,000 | $525,000 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February;<br>Partial RAMP Funds reallocated to RAMP Ops roject #4-50 with TC Approval in the 9th Supplement FY15 (March 2015)(#TC-15-3-11). |
| | 4-44/4-49 | 19961 | Adaptive Signals on SH 119 Airport Rd. to Zlaten Dr. in Longmont / Adaptive Signals on SH 119: I-25 to WCR 3.5 | $1,850,000 | $1,850,000 | $0 | $1,680,000 | $1,680,000 | $0 | $0 | $170,000 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |

# RAMP Partnership and Operations Projects - Status Through September 2015 TC Meeting

## Operations

| | Tracking # | PCN | Project Name | Original TC Approved Total Project Cost | Current TC Approved Total Project Cost | ** Total Project Cost Delta | Original TC Approved RAMP Request | Current TC Approved RAMP Request | ** RAMP Request Delta | Local Contribution | In Kind Funds | Local Delta | Other Funds | Other Funds Delta | Status through July TC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 1 (cont.) | 4-50 | 19962 | Fiber Optic Communication from I-25 to CDOT West Yard | $1,700,000 | $2,225,000 | -$525,000 | $1,700,000 | $2,225,000 | -$525,000 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February; Additional RAMP Funds reallocated from RAMP Ops project #4-42 with TC Approval in the 9th Supplement FY15 (March 2015)(#TC-15-3-11). |
| | 4-66 | 20059 | Adaptive Traffic Signals System along US 287 (Main St.) in Longmont | $1,760,000 | $1,760,000 | $0 | $1,100,000 | $1,100,000 | $0 | $0 | $600,000 | -$60,000 | $60,000 | $60,000 | RAMP Funding Approved by TC in February |
| | 5-03 | 20061 | US 160 Corridor Signalized Intersection Improvements and Signal Coordination | $3,757,844 | $3,753,865 | $3,979 | $3,757,844 | $3,753,865 | $3,979 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | O-01 | 20179 | Fiber Optic Backbone - I-25 (Pueblo to Walsenburg); and US 285 (C-470 to Conifer) | $7,000,000 | $7,000,000 | $0 | $3,500,000 | $3,500,000 | $0 | $0 | $0 | $0 | $3,500,000 | $0 | RAMP Funding Approved by TC in February |
| | O-02 | - | I-70 Mountain Corridor Wireless Improvement | $5,300,000 | $5,300,000 | $0 | $1,700,000 | $1,700,000 | $0 | $0 | $0 | $0 | $3,600,000 | $0 | RAMP Funding Approved by TC in February |
| | O-03 | 20378 | CDOT ITS Information Kiosks- Pilot Project | $480,000 | $480,000 | $0 | $480,000 | $480,000 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | O-04 | 20222 | Regional Satellite Solar Powered Cameras (LiveView) | $1,750,000 | $1,750,000 | $0 | $1,750,000 | $1,750,000 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in February |
| | O-06 | 20181 | Enhanced Traffic Incident Management Software - Phase I | $3,700,000 | $3,700,000 | $0 | $3,000,000 | $3,000,000 | $0 | $0 | $0 | $0 | $700,000 | $0 | RAMP Funding Approved by TC in February |
| | O-07 | 20234 | Enhanced Incident Management Software - Phase II | $2,000,000 | $2,000,000 | $0 | $2,000,000 | $2,000,000 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in June (#TC-3168) |
| | O-08 | 20233 | Integration of CAD Dispatch Systems - Phase I | $250,000 | $250,000 | $0 | $250,000 | $250,000 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in June (#TC-3168) |
| | O-09 | 20249 | Upgrade Snow Plows with Advanced Instrumentation | $300,000 | $300,000 | $0 | $300,000 | $300,000 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in June (#TC-3168) |
| | O-10 | 20251 | Maintenance Decision Support System (MDSS) | $250,000 | $250,000 | $0 | $250,000 | $250,000 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in June (#TC-3168) |
| | O-11 | 19782<br>20166 | I-25: Expansion of Traffic and Weather Surveillance | $2,200,000 | $5,200,000 | -$3,000,000 | $2,200,000 | $2,200,000 | $0 | $0 | $0 | $0 | $3,000,000 | $3,000,000 | RAMP Funding Approved by TC in June (#TC-3168) |
| | O-12 | 20236 | I-70: Expansion of Traffic and Weather Surveillance | $2,500,000 | $7,900,000 | -$5,400,000 | $2,500,000 | $2,500,000 | $0 | $0 | $0 | $0 | $5,400,000 | $5,400,000 | RAMP Funding Approved by TC in June (#TC-3168) |
| | O-13 | 20232 | Enhancing Incident Detection Capabilities | $300,000 | $300,000 | $0 | $300,000 | $300,000 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in June (#TC-3168) |
| | O-14 | 20238 | Operation Data Integration | $500,000 | $900,000 | -$400,000 | $500,000 | $500,000 | $0 | $0 | $0 | $0 | $400,000 | $400,000 | RAMP Funding Approved by TC in June (#TC-3168) |
| | O-15 | 20250 | On-Scene Incident Command Vehicles Communication Equipment | $182,000 | $182,000 | $0 | $182,000 | $182,000 | $0 | $0 | $0 | $0 | $0 | $0 | RAMP Funding Approved by TC in June (#TC-3168) |
| 40 | Staff Recommends Budgeting Funds (Group 1) | | | $104,451,791 | $157,372,117 | -$52,607,872 | $75,150,791 | $82,916,771 | -$7,765,980 | $851,000 | $2,306,615 | $1,156,615 | $71,297,731 | $49,949,480 | |

| | Tracking # | PCN | Project Name | Original TC Approved Total Project Cost | Current TC Approved Total Project Cost | ** Total Project Cost Delta | Original TC Approved RAMP Request | Current TC Approved RAMP Request | ** RAMP Request Delta | Local Contribution | In Kind Funds | Local Delta | Other Funds | Other Funds Delta | Status through July TC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 2 | | | | | | | | | | | | | | | None |
| | Staff Recommends Budgeting Funds (Group 2) | | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | |

| | Tracking # | PCN | Project Name | Original TC Approved Total Project Cost | Current TC Approved Total Project Cost | ** Total Project Cost Delta | Original TC Approved RAMP Request | Current TC Approved RAMP Request | ** RAMP Request Delta | Local Contribution | In Kind Funds | Local Delta | Other Funds | Other Funds Delta | Status through July TC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 3 | | | | | | | | | | | | | | | None |
| | Staff Recommends Further Development (Group 3) | | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 40 | SUB-TOTAL Operations Projects | | $104,451,791 | $157,372,117 | -$52,607,872 | $75,150,791 | $82,916,771 | -$7,765,980 | $851,000 | $2,306,615 | $1,156,615 | $71,297,731 | $49,949,480 | |

| | Tracking # | PCN | Project Name | Original TC Approved Total Project Cost | Current TC Approved Total Project Cost | ** Total Project Cost Delta | Original TC Approved RAMP Request | Current TC Approved RAMP Request | ** RAMP Request Delta | Local Contribution | In Kind Funds | Local Delta | Other Funds | Other Funds Delta | Status through July TC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 4 | 1-56 | ~~20071~~<br>20302 | US 285 at Mount Evans Blvd./Pine Valley Rd. (MP 229) | $422,000 | $0 | $422,000 | $422,000 | $0 | $422,000 | $0 | $0 | $0 | $0 | $0 | CDOT Staff Recommends Withdrawing Project; TC Informed in November 2015 |
| | 1-59 | 20090 | SH 86 Intersection Improvement at Crowfoot Valley Rd. (MP 101.53) | $516,000 | $0 | $516,000 | $516,000 | $0 | $516,000 | $0 | $0 | $0 | $0 | $0 | CDOT Staff Recommends Withdrawing Project; TC Informed in March 2014 |
| 2 | Projects that have been Withdrawn (Group 4) | | | $938,000 | $0 | $938,000 | $938,000 | $0 | $938,000 | | | | | | |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 42 | TOTAL Operations | | $105,389,791 | $157,372,117 | -$51,669,872 | $76,088,791 | $82,916,771 | -$6,827,980 | $851,000 | $2,306,615 | $1,156,615 | $71,297,731 | $49,949,480 | |
| | | Percentage over Transportation Commission Approved Amount | | | 49.03% | | | 8.97% | | | | | | |

| | | | |
|---|---|---|---|
| Program | $156,139,550 | Program | $85,706,243 |
| Remainder | -$1,232,567 | Remainder | $2,454,472 |

Proposed Total Program Funding Amount per the 4th Supplement FY15 (October 2014). When approved funding amount (by TC and staff action) is below this amount, staff may budget additional project funds per PD 703.0 and per resolution TC#-3209, Establishment of RAMP Program Project Controls.

# STATE OF COLORADO

**DEPARTMENT OF TRANSPORTATION**
Region 2 – South Program Engineering
902 N. Erie Avenue
Pueblo, CO 81001
(719) 546-5429 FAX (719) 546-5702

**MEMORANDUM**

**TO:** **COLORADO TRANSPORTATION COMMISSION**

**FROM:** **AJIN HU, ACTING REGIONAL TRANSPORTATION DIRECTOR**

**CC:** **JOSH LAIPPLY, CHIEF ENGINEER**
**MARIA SOBOTA, CHIEF FINANICAL OFFICER**
**RICHARD ZAMORA, DIRECTOR. OFFICE OF PROGRAM MANAGEMENT**
**MARK ANDREW, REGION 2 NORTH PROGRAM ENGINEER**

**DATE:** **OCTOBER 15, 2015**

**SUBJECT:** **PAYBACK OF LOAN TO THE BAPTIST ROAD REGIONAL TRANSPORTATION AUTHORITY**

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Purpose
The purpose of this memorandum is to request $11,431,169 of Transportation Contingency Funds to reimburse the Baptist Road Rural Transportation (BRRTA) for the construction cost on the I-25 Baptist Road Interchange that was completed in the Fall of 2009.

Action
Per Policy Directive 703.0, dated August 27, 2014, Appendix C states that Transportation Commission approval is needed for requests of Transportation Commission Contingency Reserve Funds. As such, the Transportation Commission is being asked to approve this funding request that will pay the remaining balance for the construction costs that is due to BRRTA.

Background
Originally, this project was funded by BRRTA using Revenue Bonds to pay for the reconstruction of the interchange construction. In May 2008, CDOT and BRRTA entered into an Inter-Governmental Agreement (IGA) which states CDOT will reimburse BRRTA costs related to the reconstruction of the interchange. At the time the IGA was executed, the construction cost was estimated to be around $16,000,000. However, when the interchange was completed in the Fall of 2009 the actual cost of construction was $13,364,389.

Details
On June 24, 2015, the Regional Transportation Director for Region 2 indicated that $10,364,400 was the remaining balance on the project. However, this amount did not include construction management costs. Taking this into account, the total amount of project reimbursement cost is $11,431,169 which includes the contractors bid, change orders, construction management, and utility relocations. In May 2011 CDOT paid $3,000,000 toward the balance and $1,083,000 is currently budgeted and STIPed through the Pikes Peak Area Council of Governments for use toward the remaining balance. Taking these into consideration, Table 1 below is a summary of current obligations and payments.

Table 1: Project Summary

| | |
|---|---|
| Construction Costs | $13,364,389 |
| Utility Costs | $526,726 |
| Construction Management | $1,623,054 |
| May 2011 Payment | ($3,000,000) |
| Metro Funds within STIP | ($1,083,000) |
| **Balance Outstanding** | **$11,431,169** |

Key Benefits
Funding will satisfy CDOT's obligation under its current IGA with BRRTA.

Recommendations
1.) Approve funding to pay the remaining balance due to BRRTA. (Staff Recommendation)
2.) Deny funding and request additional information to be provided at a future TC meeting.
3.) Deny funding request.

Next Steps
If the Transportation Commission approves the funding request, the Resident Engineer will submit a Budget Action Request to the Region 2 Business Office who will work with OFMB to complete the necessary steps to encumber the funds and complete the reimbursement to BRRTA.

# STATE OF COLORADO

**DEPARTMENT OF TRANSPORTATION**
Region 1 – South Program Engineering
2000 South Holly Street
Denver, CO 81001
(303) 757-9295

**MEMORANDUM**

| | |
|---|---|
| **TO:** | **COLORADO TRANSPORTATION COMMISSION** |
| **FROM:** | **MARIA SOBOTA, CHIEF FINANICAL OFFICER** |
| **CC:** | **PAUL JESAITIS, REGION 1 TRANSPORTATION DIRECTOR** |
| | **JOSH LAIPPLY, CHIEF ENGINEER** |
| | **RICHARD ZAMORA, DIRECTOR. OFFICE OF PROGRAM MANAGEMENT** |
| | **CARRIE DEJIACOMO-WIEDNER, REGION 1 SOUTH PROGRAM ENGINEER** |
| **DATE:** | **OCTOBER 15, 2015** |
| **SUBJECT:** | **C-470 EXPRESS LANES $20M REQUEST OF HPTE DEVELOPMENT FUND** |

Purpose
The purpose of this memorandum is to request $20,000,000 of the HPTE Development Fund for Segment 1 of the C-470 Express Lanes Project from I-25 to Wadsworth.

Action
The Transportation Commission is being asked to approve this funding request that will allow C-470 to begin construction Summer 2016 rather than after TIFIA financial close scheduled for Fall 2016.

Background
Request access to the RAMP HPTE P3 Development fund for C-470. The likely and preferred financial scenario (currently balanced) includes a TIFIA loan. However, a non-TIFIA dependent initial finance plan (IFP) is required in order for C-470 to go to construction Summer 2016 prior to TIFIA loan close scheduled for Fall 2016. The IFP is also referred to as the All Bonds scenario. While the TIFIA scenario is currently balanced, the non-TIFIA IFP or All Bonds scenario currently indicates a $20M funding gap. C-470 is requesting $20M from the HPTE Development Fund to support a worst case scenario of not receiving the TIFIA loan. While CDOT's capability to execute the IFP must be demonstrated for C-470 to go to construction prior to TIFIA close, the associated bonding is not planned prior to TIFIA close as remaining RAMP funding will be spent first.

Details
Table 1: Balanced TIFIA Scenario

| Capital Sources ($ millions) | No Development Loan |
|---|---|
| RAMP Funding | 100.0 |
| FASTER + Douglas County Funding | 12.0 |
| HSIP Funding | 6.3 |
| O&M Loan Proceeds | 5.8 |
| Development Fund Loan | - |
| Tax Exempt CIB Proceeds | 87.1 |
| Tax Exempt CAB Proceeds | - |
| TIFIA Loan Proceeds | 106.5 |
| **Total Capital Sources** | **317.7** |
| **Capital Uses ($ millions)** | |
| Construction | 276.0 |
| Financial Closing & Issuance Costs | 3.5 |
| Reserve Deposits | 28.5 |
| Capitalized Interest | 9.7 |
| **Total Capital Uses** | **317.7** |
| *Funding Surplus (Deficit)* | *0.0* |

Table 2: All Bonds Scenario

| Capital Sources ($ millions) | No Development Fund Contribution | $20M Development Fund Contribution |
|---|---|---|
| RAMP Funding | 100.0 | 100.0 |
| FASTER + Other Local Funding | 12.0 | 12.0 |
| HSIP Funding | 6.3 | 6.3 |
| Development Fund Proceeds | - | 20.0 |
| Tax Exempt CIB Proceeds | 205.1 | 205.1 |
| Tax Exempt CAB Proceeds | - | - |
| TIFIA Loan Proceeds | - | - |
| **Total Capital Sources** | **323.4** | **343.4** |
| | | |
| **Capital Uses ($ millions)** | | |
| Construction | 276.0 | 276.0 |
| Financial Closing & Issuance Costs | 3.0 | 3.0 |
| Reserve Deposits | 50.5 | 50.5 |
| Capitalized Interest | 13.9 | 13.9 |
| **Total Capital Uses** | **343.4** | **343.4** |
| *Funding Surplus (Deficit)* | *(20)* | -- |

Key Benefits

Granting this request will enable the Project to take advantage of as much of the 2016 construction season as possible by not precluding construction prior to TIFIA loan close. This will provide the public beneficial use of the improved facility as soon as possible also accelerating commencement of Express Lane toll collection.

Recommendations

Access to $20M of the HPTE Development Fund has been discussed with HPTE Director, Michael Cheroutes and the RAMP Governance Committee. Staff recommends approving the needed funding request.

Next Steps

If the Transportation Commission approves the funding request, the Project will move forward with showing the $20M of HPTE Development funding in the demonstrative IFP or All Bonds scenario.

Date: October 15, 2015

To: The Colorado Transportation Commission

From: Nicholas Farber, HPTE Operations Manager

Subject: Second Amendment to the HPTE US36 Concession Project IAA

Purpose
The purpose of this memorandum is to summarize HPTE's recommendation regarding the Second Amendment to the CDOT / HPTE US 36 Concession Agreement Intra-Agency Agreement (IAA).

Action
The Board is asked to consider a resolution that supports the staff recommendation.

Background
The March 30, 2015 HPTE Legislative Audit cited that HPTE and CDOT had not executed a project-specific agreement outlining their respective roles and responsibilities for monitoring operations and maintenance for the US-36 P3 Project as required by the September 2013 Memorandum of Understanding that created OMPD. The Project Specific Agreement must "outline detailed responsibilities, and identify the responsible organizational units and key personnel required to perform those responsibilities, so that each agency's monitoring responsibilities are clear."

Details
The Second Amendment to the June 27, 2013 CDOT HPTE IAA puts HPTE in charge of the contract administration for the current HDR Engineering Contract with respect to O&M Oversight Activities and any future consultant contracts, requires HPTE to coordinate monthly meetings between the Concessionaire, CDOT staff and consultants; requires HPTE to develop a Monitoring Management Plan to ensure timely coordination between the HPTE, CDOT, and the concessionaire during the operating period of the Project; requires HPTE to develop Processes for managing changes and claims related to operations and maintenance; and requires HPTE staff to review all invoices from McGladrey LLP, HDR Engineering or LS Gallegos & Associates to confirm accuracy.

CDOT staff, through OMPD, work with HPTE and consultants to participate in necessary meetings, adhere to its roles and responsibilities set forth in the Monitoring Management Plan, and review documents in order to facilitate Concessionaire's maintenance and operations activities on the US 36 Concession Project.

The IAA also adds a provision that any payment CDOT makes to Plenary of any amounts payable under the Concession Agreement be a discharge of HPTE's obligation to make the relevant payment. This was added to facilitate the US 36 General Purpose Routine Maintenance, Snow and Ice and Courtesy Patrol payments due on a monthly basis.

Recommendations
The staff recommends that the Transportation Commission approve a resolution authorizing CDOT to execute the Second Amendment to the June 27, 2013 IAA with HPTE to clarify each other's roles and responsibilities as it applies to the oversight of the Concessionaire's operations and maintenance work on US 36.

Attachments
Second Amendment to the HPTE US 36 Concession Project IAA; US 36 P3 Audit relative recommendation; McGladrey High Level Compliance Monitoring Approach and Detailed Compliance and Performance Requirements

**SECOND AMENDMENT TO**
**HPTE US36 CONCESSION PROJECT**
**INTRA-AGENCY AGREEMENT**

THIS SECOND AMENDMENT ("Amendment") is made this _____ day of _____, 2015 by and between the STATE OF COLORADO for the use and benefit of THE COLORADO DEPARTMENT OF TRANSPORTATION, hereinafter referred to as "CDOT", and the COLORADO HIGH PERFORMANCE TRANSPORTATION ENTERPRISE, a government-owned business and a division of CDOT, hereinafter referred to as the "Enterprise" or "HPTE."

***FACTUAL RECITALS***

A. CDOT and HPTE entered into that certain HPTE US36 Concession Project Intra-Agency Agreement dated June 27, 2013 ("Original Agreement"), and entered into the First Amendment to the Original Agreement on October 17, 2013 ("First Amendment") pursuant to which CDOT agreed (among other things) to perform the CDOT Service Funding Obligations, provide for a CDOT Backup Loan to HPTE, and fulfill the CDOT Performance Obligations, all relating to the Concession Agreement and the US 36 Concession Project. All capitalized terms used in this Amendment but not otherwise defined in this Amendment shall have the meaning for such terms as set forth in the Original Agreement.

B. The Enterprise entered into a Concession Agreement, dated June 27, 2013, with Plenary Roads Denver ("Concessionaire"), which agreement was subsequently amended and restated in that certain Amended and Restated Concession Agreement, dated February 25, 2014 (the "Concession Agreement"), obligating the parties thereto to perform certain tasks, many of which were outlined in the Original Agreement. Specifically, Concessionaire is required to perform snow and ice removal services and routine maintenance services for the general purpose lanes in the US 36 Corridor, for which the Concessionaire is to be compensated by the Enterprise which will in turn be reimbursed for those expenses related to the general purpose lanes by CDOT. Concessionaire is also required to operate and maintain the US 36 and I-25 managed lanes.

C. The Colorado Office of the State Auditor undertook a performance audit of the US-36 Public-Private Partnership and issued its audit report to members of the Colorado Legislative Audit Committee on March 11, 2015 . In its audit report, the State Auditor recommended, in part, that the Enterprise should work with CDOT to develop a comprehensive monitoring framework and systematic mechanisms for managing and monitoring the Concessionaire during the 50-year operations phase of the Concession Agreement. Specifically, the audit recommended that the Enterprise execute a project-specific agreement for the US-36 P3 Project specifying in detail HPTE's, CDOT's, and their contractors' respective roles and responsibilities for operations and maintenance monitoring.

D. To perform its responsibilities under the Concession Agreement and as advised by the State Auditor's audit report, HPTE retained McGladrey LLP to develop a detailed compliance monitoring plan to monitor and verify Concessionaire's compliance and performance under the Concession Agreement. McGladrey delivered its report to the Enterprise on July 15, 2015 and in its report, McGladrey outlined a compliance monitoring approach and compliance performance requirements in order to monitor and

measure Concessionaire's performance under the Concession Agreement, including maintenance and operations activities.

E. On May 29, 2014, CDOT entered into a long-term contract with HDR Engineering, Inc. to perform a variety of tasks for the US 36 Concession Project including providing for comprehensive oversight services for Concessionaire's maintenance and operations activities for the entire Concession Project ("O&M Oversight"). This contract was amended on March 25, 2015, to add the Enterprise as a party. HDR Engineering, Inc. has subcontracted all O&M Oversight activities under its contract with CDOT and HPTE to LS Gallegos & Associates.

F. Using the framework established in the McGladrey report, HDR Engineering and its subcontractor LS Gallegos & Associates will provide comprehensive O&M Oversight services to both the Enterprise and CDOT for the US 36 Concession Project.

G. The purpose if this Amendment is to create the recommended US 36 Project-specific agreement to outline and memorialize HPTE's, CDOT's and any current or future contractors' respective roles for operations and maintenance monitoring during the Concession Agreement's 50-year term.

H. This Amendment is executed under the authority of Section 29-1-203, C.R.S., as amended.

**NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING FACTUAL RECITALS, IT IS HEREBY AGREED AS FOLLOWS:**

1. HPTE Responsibilities. With regard to HPTE's respective role and responsibility for operations and maintenance monitoring, HPTE shall manage and oversee present and future CDOT and HPTE consultants who have been tasked with Concessionaire and Concession Project oversight activities. This management shall include, but not be limited to, the following:

   a. HPTE staff shall act as Contract Administrator for the current HDR Engineering Contract with respect to O&M Oversight Activities and any future consultant contracts;
   b. HPTE staff shall coordinate monthly meetings between Concessionaire, CDOT staff, HPTE staff, and consultants to report on Concession Project maintenance and operations activities and concerns;
   c. HPTE staff and consultants shall develop:
      i. A Monitoring Management Plan to ensure timely coordination between the HPTE, CDOT, and the concessionaire during the operating period of the Project and,
      ii. Processes for managing changes and claims related to operations and maintenance
   d. HPTE staff shall review all invoices from McGladrey LLP, HDR Engineering or LS Gallegos & Associates to confirm accuracy.

2. CDOT Responsibilities. CDOT obligations with respect to the Original Agreement and the First Amendment shall remain unchanged. With regard to CDOT's respective role and responsibility for

operations and maintenance monitoring, CDOT staff shall work with HPTE and consultants to participate in necessary meetings, adhere to its roles and responsibilities set forth in the Monitoring Management Plan, and review documents in order to facilitate Concessionaire's maintenance and operations activities on the US 36 Concession Project. The organizational unit that shall direct CDOT staff shall be the Office of Major Project Development.

3. Payments by CDOT. To the extent that CDOT makes payments to the Concessionaire of any amounts payable under the Concession Agreement, such payment shall, to the extent of the amount paid by CDOT, be deemed to have discharged the obligation of HPTE to make the relevant payment under the Concession Agreement.

4. General Provisions. With the exception of those terms and conditions specifically modified and amended herein, the Original Contract shall remain in full force and effect in accordance with all of its terms and provisions. In the event of any conflict between the terms and provisions of the Original Agreement and the term and provisions of this Amendment, the terms and provisions of this Amendment shall supersede and control. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, and all of such counterparts shall constitute one agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

STATE OF COLORADO
JOHN HICKENLOOPER, Governor

By _____
SHAILEN BHATT
Executive Director
DEPARTMENT OF TRANSPORTATION

COLORADO HIGH PERFORMANCE
TRANSPORTATION ENTERPRISE

By _____
DAVID SPECTOR
HPTE Director

APPROVED:
CYNTHIA H. COFFMAN
Attorney General

By _____
First Assistant Attorney General

# WHY DID THE PROBLEMS OCCUR?

HPTE and CDOT have not established a comprehensive monitoring framework for monitoring the concessionaire during the operations phase of the concession agreement. Specifically:

- **HPTE AND CDOT HAVE NOT EXECUTED A PROJECT-SPECIFIC AGREEMENT** outlining their respective roles and responsibilities for monitoring operations and maintenance for the US-36 P3 Project as required by the MOU. The project-specific agreement should outline detailed responsibilities, and identify the responsible organizational units and key personnel required to perform those responsibilities, so that each agency's monitoring responsibilities are clear. The project-specific agreement is a necessary first step in establishing a monitoring framework.

- **HPTE HAS NOT ESTABLISHED MECHANISMS TO ENSURE ADEQUATE TECHNICAL REVIEW** of the concessionaire's monitoring plans and reports. HPTE contracted with an external accounting firm to monitor the concessionaire's compliance with requirements to provide monitoring plans and reports as outlined in the concession agreement. Additionally, CDOT's Office of Major Project Development (OMPD) hired an engineering firm to assist in supporting OMPD and HPTE with technical reviews on a task order basis. Although these contracted services are available to provide monitoring support, HPTE and CDOT will need to identify the respective roles and responsibilities of HPTE, CDOT, and the contractors with respect to monitoring the technical requirements outlined in the concessionaire's plans and reports over the 50-year term of the agreement. Further, since the contracted engineering firm that is providing OMPD with technical monitoring support is a member of the concessionaire consortium and is responsible for engineering design for the US-36 P3 Project, HPTE and CDOT will need to ensure that appropriate firewalls and other contractual controls are in place to ensure that the engineering firm is not monitoring its own work.

Both HPTE and CDOT lack experience with complex P3 projects and the long-term obligations that are present during the operations phases. To form a basis for a monitoring framework and address the knowledge and experience gap, HPTE and CDOT could hold a series of workshops with experienced CDOT operations and maintenance personnel to train them on contract requirements, work through sample scenarios, and identify ways these scenarios should be monitored. A "scenario workshop," would allow participants to see how the contract mechanisms work and help identify the elements that need to be included in the monitoring management plan and framework. Prioritizing issues identified through the scenario workshop would also help with determining timelines for addressing issues in the monitoring management plan. HPTE and CDOT could also use the scenario workshops to develop processes for claims review and to identify any HPTE or CDOT obligations that were overlooked when developing the Project Management Plan for the Federal Highway Administration or the MOU for the concession agreement.

McGladrey LLP

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McGladrey

Writer's Direct Line
312 634-4729

July 15, 2015

Mr. Nicholas Farber
Enterprise Specialist
High Performance Transportation Enterprise
4201 E Arkansas Ave, Rm 200
Denver, Co 80222

**Re: High Level Compliance Monitoring Approach and Detailed Compliance and Performance Requirements under the US 36 / I 25 Concession Agreement**

Dear Mr. Farber:

As requested, McGladrey has developed a high level approach to be used as a basis for developing a detailed compliance monitoring plan to monitor and verify Concessionaire's compliance and performance under the US 36/I 25 Concession Agreement (the "Concession Agreement"). In the following report, we have summarized the purpose of the compliance monitoring plan (the "Plan"), the scope of expected monitoring activities, the organization and structure of the team responsible for the performance of monitoring the concessionaire's compliance and performance (the "Compliance Monitoring Team"), the methodology we are utilizing to develop the Approach and Plan, the roles and responsibilities of the members of the Compliance Monitoring Team, the detailed requirements of the Concession Agreement and our high level approach to monitoring the Concessionaire's Compliance and performance under the Concession Agreement (our "Approach"). The information contained within this report presents a summary of the aforementioned items. Additional detail, information and work product has been communicated to High Performance Transportation Enterprise ("HPTE") management for the duration of the performance of our work related to the development of our high level approach. Additional detail related to the requirements of the Concession Agreement and to our Approach are provided in Exhibits A and B following this Report.

## COMPLIANCE MONITORING PURPOSE

McGladrey, HDR and LS Gallegos (collectively referred to as the "Compliance Monitoring Team" or the "Team") have been engaged to monitor the Concessionaire's compliance with and performance under the US 36/I 25 Concession Agreement. The purpose for monitoring the Concessionaires performance is to both verify that the Concessionaire is adhering to the terms and conditions of the Concession Agreement and to monitor the Concessionaire's performance to assess whether or not the Concessionaire is performing in a manner consistent with the requirements and intent of the Concession Agreement. To the extent that the Concessionaire is not fully adhering to the terms and conditions of the Concession Agreement or is not performing in a manner consistent with the requirements or the intent of the Concession Agreement, the purpose of the monitoring activities include identifying areas of any

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significant noncompliance in a timely manner for the purposes of taking corrective active action to remediate significant non-compliance to the extent that it is found to exist. An ancillary benefit of our compliance monitoring activities is to observe potential opportunities for clarification or modification of requirements, performance measures, reporting or record keeping related to requirements and performance measures that will improve the efficiency and effectiveness of monitoring the Concessionaire's adherence and performance under the Concession Agreement. To the extent that the Compliance Monitoring Team identifies any such opportunities, the Team will communicate them to HPTE along with any related recommendations. Accordingly, the general purpose of compliance monitoring under the US 36 / I 25 Concession Agreement is to verify the Concessionaire's compliance and performance or identify noncompliance or nonperformance in a timely, effective and efficient manner.

## SCOPE OF COMPLIANCE MONITORING ACTIVITIES

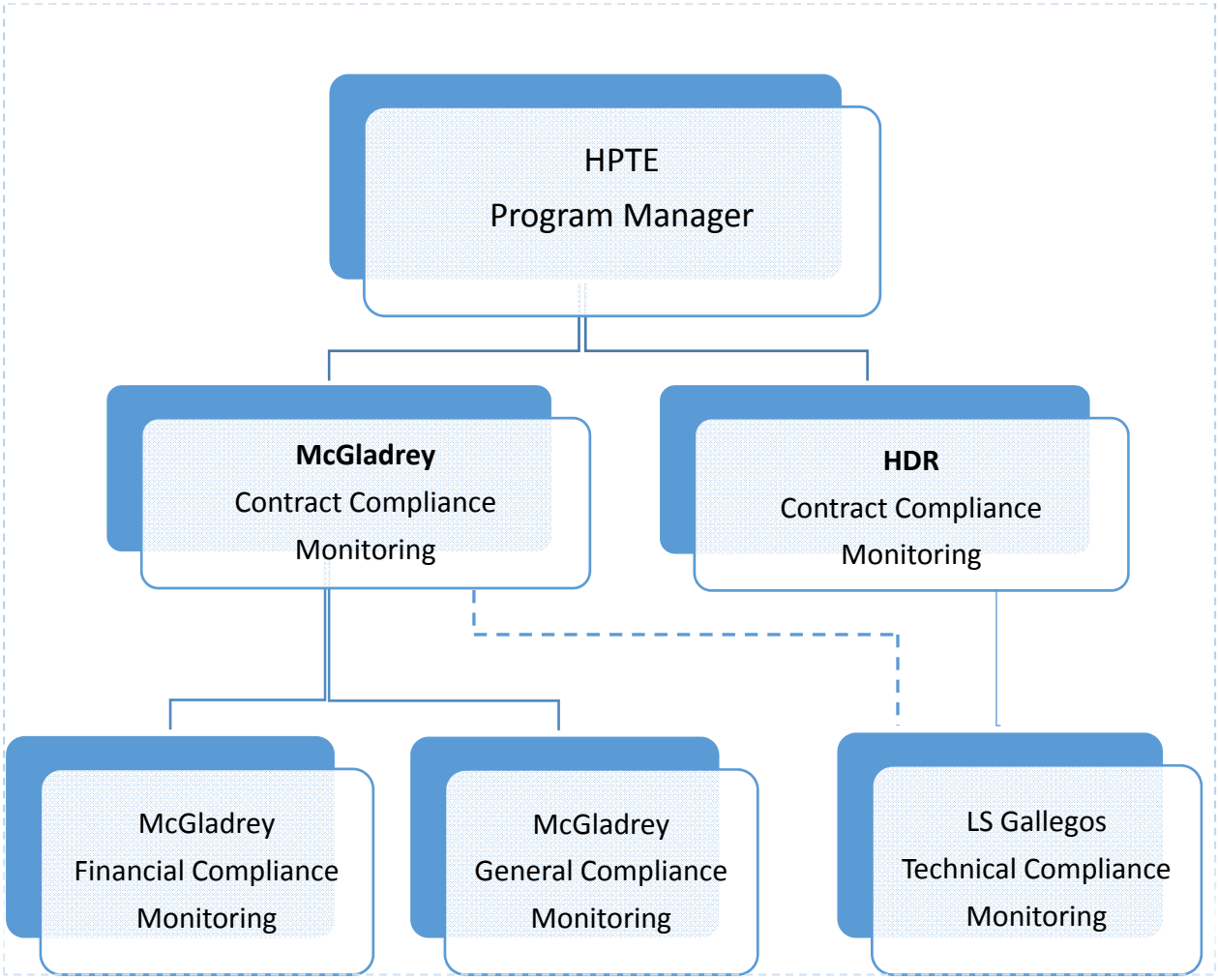
McGladrey was engaged to monitor the Concessionaire's performance and financial results to ensure that the Concessionaire operates and maintains the concession in an appropriate manner, in compliance with the terms and conditions of the Concession Agreement and of HPTE in accordance with the Concession Agreement.

Based upon the needs identified by CDOT and HPTE and based upon McGladrey's review and understanding of the US 36/I 25 Concession Agreement, McGladrey understands that it is CDOT's and HPTE's intent to develop a risk-based, cost effective approach to identify and monitor the Concessionaire's Compliance and performance under the Concession Agreement. McGladrey understands that it is CDOT's and HPTE's intent to develop and implement a monitoring plan that considers the various degrees of risk related to the various terms and conditions of the Concession Agreement and focuses efforts and resources on the more significant risks of non-compliance or non-performance.

Included in McGladrey's scope of work is developing a Plan to be used as a guide to monitor the Concessionaire's compliance with key Concession Agreement requirements and performance measures. As the Concession Agreement requirements consist of financial, compliance and operational requirements and performance measures, monitoring the scope of McGladrey's monitoring activities encompasses financial, compliance and technical monitoring activities. While McGladrey is primarily responsible for monitoring financial and compliance requirements and performance, McGladrey is not directly responsible for monitoring the technical aspects of the Concessionaire's adherence and performance under the Concession Agreement (LS Gallegos "LSG" has been engaged to provide monitoring of the technical aspects of the Concessionaire's performance). However, McGladrey has been asked to provide an additional level of monitoring of LSG's technical monitoring of the Concessionaire, providing HPTE with an additional layer of oversight of the Concessionaire's adherence to technical requirements. Accordingly, high level monitoring of LSG's technical monitoring is included within McGladrey's scope of work. This provides HPTE with both single point of reporting of Concessionaire's compliance, as well as full independent oversight of all Concessionaire compliance monitoring activities.

## COMPLIANCE MONITORING ORGANIZATION AND STRUCTURE

The structure established by HPTE to monitor compliance and performance of the Concessionaire under the terms of the US 36 / I 25 Concession Agreement is depicted in the chart below.




As a result of the diverse and distinct expertise required to effectively monitor the various requirements of the Concession Agreement (Financial, Compliance and Technical), HPTE has engaged the services of McGladrey as financial consultants and HDR, Inc. as technical (transportation/engineering) consultants. In order to fulfill the requirements of their scope of work, HDR Inc. has subcontracted the technical monitoring of the Concession Agreement to LS Gallegos who will perform all technical monitoring activities. Although formally contracted by HDR, Inc., LSG will coordinate and report its activities with and to McGladrey, and McGladrey will provide monitoring of LSG's technical monitoring activities.

In order to fulfill our obligations under our scope of work to oversee and monitor the Concessionaire's compliance and performance, McGladrey will both consolidate the efforts and results of LSG's technical monitoring and will also provide monitoring, verification and reporting of LSG's technical monitoring activities to HPTE. Through this team structure, HPTE receives both centralized reporting of all Concessionaire Monitoring activities, as well as independent monitoring and oversight of LSG's technical monitoring activities.

## METHODOLOGY USED TO DEVELOP COMPLIANCE MONITORING APPROACH

The methodology used to develop the US 36 / I 25 Compliance Monitoring approach included the following key activities. First, the Team reviewed and abstracted all significant requirements of the US 36 / I 25 Concession Agreement. The review included a review of the terms and conditions of the general requirements of the Concession Agreement as well as a review of the requirements and performance measures of the various agreement schedules and attachments. As part of the review, the Team identified and listed both the significant requirements and the significant performance measures of the Concession Agreement. After listing all of the significant requirements and performance measures of the Concession Agreement, the Team then assessed the degree of risk presented by each requirement or performance measure into two categories. The risk categories assigned to each requirement or performance measure included “Low” and “Moderate” and “Above”.

For the Low risk items, the Team assessed HTPE’s ongoing monitoring activities and concluded that the ongoing day to day monitoring activities performed by HPTE were sufficient to effectively monitor Concessionaire adherence and that no additional or supplemental monitoring activities were required. For the items deemed Moderate or Above, the Team concluded that additional monitoring activities would be prudent based upon the level of risk considering the requirement, performance measure and anticipated ongoing day to day monitoring activities anticipated to be performed by HPTE on the Concessionaire.

For the items where additional monitoring activities were deemed appropriate, the Team assigned a “General Monitoring Category” and a “Requirement Type” to each requirement or performance measure. General Monitoring Categories included Financial, Compliance and Technical. In instances where requirements were a hybrid, a hybrid category was assigned. Requirement types were assigned based upon the nature of the requirement of performance measure. The General Monitoring Categories and Requirement Types were then used to determine and assign oversight responsibility for each requirement or performance measure to Team members based upon required expertise to best monitor the requirement or performance measure. The Team then assigned a minimum of two levels of oversight responsibility to each Moderate or Above risk level item.

After identifying the requirements and performance measures for additional monitoring, categorizing them and assigning the appropriate Team member for monitoring the various levels of oversight, the Team then developed a High Level Monitoring Approach for each requirement or performance measure for use in developing a detailed Compliance Monitoring Plan.

## ROLES AND RESPONSIBILITIES OF COMPLIANCE MONITORING TEAM

The primary roles and responsibilities of the Compliance Monitoring Team included the following:

## COLLECTIVE ROLES AND RESPONSIBILITIES OF TEAM

Collectively, the Compliance Monitoring Team’s role is to monitor the Concessionaire’s performance and financial results to ensure the Concessionaire operates and maintains the Concession Agreement in an appropriate manner and complies with the terms and conditions set by HPTE as well as the Project’s debt holders for the existing Concessionaire and Project. As part of this, the Team will develop a framework/regime and provide ongoing compliance monitoring services relative to the Plenary Roads

Denver LLC Amended and Restated Concession Agreement for US 36 and the I-25 Managed Lanes. Significant deliverables include:

1) a high level outline of Concession Agreement monitoring and compliance approach,

2) a detailed itemization of key monitoring and compliance issues for incorporation into the Project Plan,

3) the identification of performance metrics for key monitoring and compliance issues,

4) a Project Plan for ongoing contract monitoring and compliance review,

5) a timeline for performing ongoing compliance monitoring activities,

6) ongoing compliance and performance monitoring,

7) periodic reporting of compliance monitoring activities,

8) ongoing project management activities, and

9) additional compliance monitoring services as required or requested.

The financial and compliance aspects of the above will be performed by McGladrey, while the technical aspects will be performed by LSG. Reporting will be consolidated and reported to HPTE in an integrated and consolidated manner.

## MCGLADREY'S ROLE AND RESPONSIBILITIES

McGladrey is primarily responsible for monitoring and verifying the Concessionaire's adherence to the financial and compliance requirements, as well as monitoring Concessionaire performance in comparison to performance measures outlined in the Concession Agreement. McGladrey's role and responsibilities for monitoring the Concession Agreement include 1) developing contract compliance monitoring activities, 2) performing ongoing compliance monitoring services, and 3) performing project management and reporting services related to contract monitoring activities.

McGladrey's role in developing contract compliance monitoring activities includes identifying the Concession Agreement requirements, assessing the levels of significance and risk presented by each requirement, determining those requirements that require additional ongoing monitoring activities, establishing a framework and regime for monitoring the Concessionaire's compliance and performance, and developing a Contract Compliance Monitoring Project Plan.

On an ongoing basis, McGladrey's role includes the performance compliance monitoring services in accordance with the developed Contract Compliance Monitoring Project Plan. In addition, McGladrey's role also includes monitoring of the completion of operational (technical) oversight activities performed by HDR / LS Gallegos and the integration of HDR/LS Gallegos' operational (technical) monitoring reporting into McGladrey's compliance monitoring reporting, and to provide HPTE with a central source of consolidated oversight reporting. Finally, McGladrey's role also includes various project management and other ad hoc compliance monitoring services as required to effectively monitor the Concessionaire's compliance to Concession Agreement requirements.

More specifically, McGladrey's key responsibilities include the following:

- Developing a high level approach for monitoring Concessionaire's compliance to the Concession Agreement,
- Preparing a detailed itemization of key monitoring and compliance performance measures,
- Developing a detailed itemization of key monitoring and compliance issues for incorporation into project plan,
- Identifying key performance measures under the Concession Agreement for monitoring,
- Developing a contract monitoring and compliance review project plan for the ongoing monitoring of Concessionaire compliance,
- Preparing a detailed timeline for ongoing monitoring activities,
- Preparing detailed review procedures for the ongoing monitoring of Concessionaire's compliance,
- Delivering a formalized framework/regime for compliance monitoring and review,
- Providing ongoing monitoring of the Concessionaire in accordance with the developed project plan,
- Provide ongoing compliance monitoring reporting of financial, compliance and operational oversight activities,
- Provide issue resolution support as needed,
- Provide ongoing project management activities relative to compliance monitoring activities.

## HDR/LS GALLEGOS ROLE AND RESPONSIBILITIES

LS Gallegos' role in monitoring the Concession Agreement includes identifying the performance requirements and the frequency of performance monitoring activities related to the operational (technical) requirements and performance measures detailed in the Concession Agreement (particularly Schedules 6, 8, 25, and 26 of the Concession Agreement) as well as those related to the Concessionaire's various required plans (Operational Plan, Maintenance Plan, Safety Plan, Quality Plan, etc.). LSG's role also includes oversight and quality assurance of the Concessionaire's execution of the service performance requirements for roadway, toll, operations, and snow and ice control.

LSG will also monitor the Concessionaire's reporting and response to noncompliance occurrences and associated cure periods and track non-compliance points assessed as detailed in the Concession Agreement (specifically Schedule 10 of the Concession Agreement). As applicable, LSG will also review remedial plans to verify that the non-compliance events have been addressed as required in Schedule 10.

More specifically, LSG's role in overseeing and monitoring Concessionaire's compliance and performance under the Concession Agreement includes the following activities:

- Conduct a kickoff meeting with OMPD, HPTE, CDOT, McGladrey and the Concessionaire to initiate a basis for HPTE's goal of transparency and accountability related to the maintenance and operation of the US 36 / I25 corridors.
- Conduct a workshop(s) with OMPD, HPTE, CDOT, McGladrey and the Concessionaire to provide a summary of HDR's approach to developing and implementing the Quality Assurance Oversight Plan and expectations regarding the Concessionaire's maintenance and operations activities.

- Review Concessionaire's Quality Assurance Oversight Plan, Concessionaire's Maintenance Management Plan, Operations Management Plan, Safety Plan, and Environmental Compliance Plan in accordance with CDOT, HPTE, other subject matter experts and the requirements of the Concession Agreement.

- The draft plan will include a list of service requirement tasks that will be monitored by HDR, as well as a risk-based matrix for the roadway, toll, operations, and snow and ice control service requirements.

- Monitor, review and assess Concessionaire's compliance with and performance of Concessionaire's maintenance activities under the Maintenance Plan and the requirements of the Concession Agreement.

- Monitor, review, and assess Concessionaire's compliance with and performance of Concessionaire's operating activities under the Operating Plan and the requirements of the Concession Agreement.

- Monitor, review and assess Concessionaire's compliance with and performance of quality assurance activities under the Concessionaire's Quality Plan and the requirements of the Concession Agreement.

- Monitor, review and assess Concessionaire's compliance with and performance of safety activities under the Concessionaire's Safety Plan and the requirements of the Concession Agreement.

- Review and assess the adequacy of Concessionaire's application of resources needed to operate and maintain the US 36 /I 25 asset in accordance with the requirements and performance standards established by the Concession Agreement.

- Perform project management activities necessary to execute and complete the services required to facilitate and execute the services contracted for.

- Design, establish and generate monthly quality assurance oversight reporting related to the oversight of the operational (technical) activities of the Concessionaire.

- Report, facilitate and coordinate operational (technical) oversight activities with the financial and compliance oversight provider (McGladrey).

- Other technical monitoring activities required from time to time to effectively monitor Concessionaire's compliance and performance under the Concession Agreement.

Throughout the project, McGladrey and HDR will coordinate oversight activities to verify that all key performance requirements and measures identified in the Concession Agreement are being monitored. Additionally, McGladrey and HDR will develop detailed requirement oversight plans and coordinate monitoring activities to ensure consistency and efficiency in the monitoring of Concessionaire's compliance with the Concession Agreement.

## DETAILED REQUIREMENTS OF THE AGREEMENT

Based upon the review and assessment of the terms and conditions of the US 36 / I25 Concession Agreement, the Team has identified and listed the significant requirements of the Concession Agreement. The process of doing so included McGladrey abstracting the general requirements of the Concession Agreement, performing an initial risk assessment of each requirement (as being "Low" or "Moderate" or

“Above”), presenting, discussing and adjusting the requirements and risk levels with LSG, and presenting, discussing and adjusting the requirements and risk assessments to/with HPTE to obtain validation and concurrence. McGladrey also understands that HPTE consulted with various CDOT personnel as part of HPTE’s process of validating McGladrey’s assessment of Concession Agreement requirements.

Through this process, McGladrey has drafted a listing of detailed requirements of the US 36 / I 25 Concession Agreement that will be used as a basis for ongoing compliance monitoring of the Concession Agreement. While the Team has prepared a detailed listing of Concession Agreement requirements, the Team also understands that the risk levels assigned to the various requirements, or the requirements themselves, may change over time based upon project and program events or changes to the Concession Agreement. Additionally, refinement of various operational and technical requirements and performance measures remains in progress. Accordingly, ongoing refinement to the detailed requirements will take place in the near future, as well as over the term of the Concession Agreement. The detailed listing of Concession Agreement requirements as of the date of this letter are contained in Exhibit A following this letter. It is expected that the list will be modified over the duration of the monitoring activity performance period based upon any changes to the Concession Agreement and based upon program events.

## HIGH LEVEL COMPLIANCE MONITORING APPROACH

In order to monitor the US 36 / I 25 Concession Agreement Concessionaire’s adherence to Agreement requirements and performance measures, McGladrey HDR and LS Gallegos have identified key Agreement requirements and key performance measures identified in the agreement that will be used to monitor the concessionaire’s compliance and performance with the Agreement. In addition, McGladrey, HDR and LS Gallegos have also formulated a high level approach we anticipate will be used as a basis for the developing a detailed compliance monitoring project plan for monitoring the concessionaire’s compliance and performance under the Agreement. The requirements, performance measures and anticipated high level approach to monitoring is detailed in Exhibits B and C following this Report. While the approach for each item is current as of the date of this letter, it is anticipated that the high level approach for monitoring each item will be may also be modified or amended over the duration of the compliance monitoring performance period.

If you have questions or comments related to this high level compliance monitoring approach, please advise.

Sincerely,

**McGladrey LLP**

Larry W. Schaedel, CPA
Partner
National Contract Compliance Lead

Attachments: Exhibit A
Exhibit B

**Detailed Listing of Concession Agreement Requirements and Performance Measures** **EXHIBIT A**

**Prepared by McGladrey, LLP – As of July 15, 2015**

Revsion date 7/15/2015

| Agreement Section | | | Agreement Requirement | Performance Metric(s) (if applicable) | Page # | Risk Level (if applicable) | Additional Monitoring Conclusion |
|---|---|---|---|---|---|---|---|
| **PART 1: GENERAL PROVISIONS** | | | | | 2 | | |
| **1.** | **INTERPRETATION OF THE CONTRACT** | | | | 2 | | |
| | 1.1 | Definitions | | | 2 | Low | Ongoing is Sufficient |
| | 1.2 | Interpretation | | | 2 | Low | Ongoing is Sufficient |
| | 1.3 | Obligations to be Performed and exercise of rights at Each Party's Sole | | | 3 | Low | Ongoing is Sufficient |
| | 1.4 | Conflicts | | | 3 | Low | Ongoing is Sufficient |
| | 1.5 | Reference Documents | | | 3 | Low | Ongoing is Sufficient |
| | 1.6 | Acceptance | | | 3 | Low | Ongoing is Sufficient |
| | 1.7 | Indexation | Financial Model is required to be indexed each year to reflect changes in the Consumer Price Index. | Requirement | 4 | Moderate or Above | Provide Addt'l Monitoring |
| | 1.8 | Related Parties | | | 4 | Low | Ongoing is Sufficient |
| | 1.9 | Unreasonable withholding of Consent etc. | | | 5 | Low | Ongoing is Sufficient |
| | 1.10 | Status of Amendment No.1 to the Concession Agreement | | | 5 | Low | Ongoing is Sufficient |
| **2.** | **CONTRACT PERIOD, CONDITIONS PRECEDENT AND FINANCIAL CLOSE** | | | | 6 | | |
| | 2.1 | Contract Date | | | 6 | Low | Ongoing is Sufficient |
| | 2.2 | Contract Period | | | 6 | Low | Ongoing is Sufficient |
| | 2.3 | Concessionaire Responsibility for Project Financing | | | 6 | Low | Ongoing is Sufficient |
| | 2.4 | Financial Close Procedures | | | 7 | Low | Ongoing is Sufficient |
| | 2.5 | Project Financing Contracts; HPTE's Rights, Protections and Obligations | | | 9 | Low | Ongoing is Sufficient |
| | 2.6 | Financial Close Deadline Date and Outside Date | | | 11 | Low | Ongoing is Sufficient |
| | 2.7 | Financial Close Adjustment | | | 13 | Low | Ongoing is Sufficient |
| | 2.8 | The Direct Agreement | | | 14 | Low | Ongoing is Sufficient |
| | 2.9 | Conditions Precedent to the Commencement Date | | | 15 | Low | Ongoing is Sufficient |
| | 2.10 | Commencement of Phase 2 Work and I-25 Services | | | 15 | Low | Ongoing is Sufficient |
| | 2.11 | Conditions Precedent to the Phase 1 Services Commencement Date | | | 15 | Low | Ongoing is Sufficient |
| | 2.12 | Commencement of Phase 1 Services | Upon completion of Phase 1, Concessionaire will commence snow and ice removal services | Requirement | 15 | Moderate or Above | Provide Addt'l Monitoring |
| | 2.13 | Conditions Precedent to the Full Services Commencement Date | HPTE will deliver notice of Conditions Precedent before concessionaire will commence Snow and Ice removal services. | Requirement | 15 | Moderate or Above | Provide Addt'l Monitoring |
| | 2.14 | Commencement of the Services in Full | | | 15 | | Ongoing is Sufficient |
| | 2.15 | Waiver Rights | | | 16 | Low | Ongoing is Sufficient |
| **PART 2: INFORMATION AND ADMINISTRATION** | | | | | 17 | | |
| **3.** | **UNDERTAKINGS, REPRESENTATIONS AND WARRANTIES** | | | | 17 | | |
| | 3.1 | The Concessionaire's Undertakings | Concessionaire undertakes to HPTE that it will a) carry out business activities related to the Project, b) inform HPTE of pending litigation, c) provide all Necessary Consents, d) provide personnel who are duly authorized to execute documents, e) provide project documentation that is complete, f) not commit Prohibited Acts | Requirement | 17 | Moderate or Above | Provide Addt'l Monitoring |
| | 3.2 | The Concessionaire's Warranties | | | 17 | Low | Ongoing is Sufficient |
| | 3.3 | HPTE's Warranties | | | 19 | Low | Ongoing is Sufficient |
| | 3.4 | False or Fraudulent Statements and Claims | | | 20 | Low | Ongoing is Sufficient |
| **4.** | **INFORMATION PROVIDED BY HPTE** | | | | 20 | Low | Ongoing is Sufficient |
| | 4.1 | Disclosed Data | | | 20 | Low | Ongoing is Sufficient |
| | 4.2 | The Concessionaire's Investigation | | | 20 | Low | Ongoing is Sufficient |
| **5.** | **ESCROWED BASE CASE FINANCIAL MODEL AND SOURCE CODE** | | | | 21 | | |
| | 5.1 | Submittal of Base Case Financial Model | Concessionaire will submit base case Financial Model in accordance with part 2, Schedule 11. | | 21 | Low | Ongoing is Sufficient |
| | 5.2 | Source Code Escrow | Concessionaire will escrow software source codes with Escrow Agent. | Requirement | 21 | Moderate or Above | Provide Addt'l Monitoring |
| | 5.3 | Confidentiality | | | 22 | Low | Ongoing is Sufficient |
| **6.** | **AMENDMENT OF DOCUMENTS** | | | | 22 | | |
| | 6.1 | Delivery of Documents | | | 22 | Low | Ongoing is Sufficient |

| | Agreement Section | Agreement Requirement | Performance Metric(s) (if applicable) | Page # | Risk Level (if applicable) | Additional Monitoring Conclusion |
|---|---|---|---|---|---|---|
| | 6.2 New Funding Agreements and Changes to Funding Agreements | Concessionaire will not enter into new, or amend existing funding agreements without HPTE approval. | Requirement | 23 | Moderate or Above | Provide Addt'l Monitoring |
| | 6.3 Changes to Project Documents or Funding Agreement Not to Affect HPTE Liability | | | 24 | Low | Ongoing is Sufficient |
| | 6.4 Copies of New or Amended Project Documents or Funding Agreements to be Provided | In the event of a new or changed funding agreement, concessionaire will deliver executed copy to HPTE within 10 days. | Requirement | 24 | Moderate or Above | Provide Addt'l Monitoring |
| **7.** | **REPRESENTATIVES OF THE PARTIES AND THE CONCESSIONAIRE'S PERSONNEL** | | | 24 | | |
| | 7.1 HPTE's Representative | | | 24 | Low | Ongoing is Sufficient |
| | 7.2 The Concessionaire's Representative | | | 25 | Low | Ongoing is Sufficient |
| | 7.3 Delegation of Representatives' Authority | | | 25 | Low | Ongoing is Sufficient |
| | 7.4 Key Personnel | | | 25 | Low | Ongoing is Sufficient |
| | 7.5 The Concessionaire's Design Staff | | | 26 | Low | Ongoing is Sufficient |
| | 7.6 Refusal of Access (list of approved access) | Concessionaire will maintain a list of parties with approved access to facilities and will refuse entry to parties refused access by HPTE. | Requirement | 26 | Moderate or Above | Provide Addt'l Monitoring |
| **PART 3:** | **PROPERTY** | | | 27 | | |
| **8.** | **OWNERSHIP AND USE OF PROPERTY** | | | | | |
| | | | | 27 | Low | Ongoing is Sufficient |
| | 8.1 Concessionaire's License to Enter Land | | | 27 | Low | Ongoing is Sufficient |
| | 8.2 The Site | | | 27 | Low | Ongoing is Sufficient |
| | 8.3 The Site and the Managed Lanes | | | 28 | Low | Ongoing is Sufficient |
| | 8.4 The Node 1 Building | | | 28 | Low | Ongoing is Sufficient |
| | 8.5 70th Avenue Maintenance Facility | | | 29 | Low | Ongoing is Sufficient |
| | 8.6 Additional Property | | | 29 | Low | Ongoing is Sufficient |
| | 8.7 Protests and Trespassers | | | 29 | Low | Ongoing is Sufficient |
| **9.** | **ENVIRONMENTAL REQUIREMENTS** | | | 29 | | |
| | 9.1 Environmental Requirements | TBD by LSG | Requirement | 29 | Moderate or Above | Provide Addt'l Monitoring |
| | 9.2 Environmental Manager | Concessionaire will provide a qualified environmental manage over the duration of the contract period. | Requirement | 29 | Moderate or Above | Provide Addt'l Monitoring |
| | 9.3 Prevention | | | 29 | Low | Ongoing is Sufficient |
| | 9.4 Responsibility for Certain Hazardous Substances | | | 30 | Low | Ongoing is Sufficient |
| | 9.5 Comprehensive Environmental Response, Compensation, and Liability Act Agreement | | | 31 | Low | Ongoing is Sufficient |
| **PART 4:** | **CONSTRUCTION** | | | 32 | | |
| **10.** | **PROVISIONS APPLICABLE TO THE PERFORMANCE OF THE PHASE 2 WORK** | | | 32 | Low | Ongoing is Sufficient |
| **11.** | **CONSTRUCTION** | | | 32 | | |
| | 11.1 Obligation to Complete | | | 32 | Low | Ongoing is Sufficient |
| | 11.2 Overall Responsibility | | | 33 | Low | Ongoing is Sufficient |
| | 11.3 Phase 2 Work Stipulations | | | 33 | Low | Ongoing is Sufficient |
| **12.** | **SITE AND SITE CONDITIONS** | | | 34 | | |
| | 12.1 Site Investigation | | | 34 | Low | Ongoing is Sufficient |
| | 12.2 Site Condition Claims | | | 34 | Low | Ongoing is Sufficient |
| | 12.3 Cost Associated with Maintaining Compliance of the Site | | | 34 | Low | Ongoing is Sufficient |
| | 12.4 Governing and Adjoining Dimensions and Conditions | | | 35 | Low | Ongoing is Sufficient |
| | 12.5 Process to be Followed for Discovery of Certain Site Conditions | | | 35 | Low | Ongoing is Sufficient |
| | 12.6 Differing Site Conditions | | | 36 | Low | Ongoing is Sufficient |
| **13.** | **REINSTATEMENT AND NECESSARY CONSENTS** | | | 36 | | |
| | 13.1 Reinstatement | | | 36 | Low | Ongoing is Sufficient |

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| | Agreement Section | Agreement Requirement | Performance Metric(s) (if applicable) | Page # | Risk Level (if applicable) | Additional Monitoring Conclusion |
|---|---|---|---|---|---|---|
| 13.2 | Necessary Consents | Concessionaire is responsible to 1) provide a list of necessary consents, 2) facilitate obtaining necessary consents from HPTE and 3) obtaining all necessary consents form HPTE. | Requirement | 37 | Moderate or Above | Provide Addt'l Monitoring |
| **14.** | **PROJECT DOCUMENTATION** | | | 37 | | |
| 14.1 | Existing Design and Design Responsibility | | | 37 | Low | Ongoing is Sufficient |
| 14.2 | Design Documents | | | 38 | Low | Ongoing is Sufficient |
| 14.3 | Rectification of Construction Proposals | | | 38 | Low | Ongoing is Sufficient |
| 14.4 | Obligations Unaffected by Review, Acceptance etc. | | | 39 | Low | Ongoing is Sufficient |
| 14.5 | Previous Design and Phase 2 Construction Work | | | 39 | Low | Ongoing is Sufficient |
| 14.6 | No Change to the Concessionaire's Proposals | | | 39 | Low | Ongoing is Sufficient |
| 14.7 | Utilities | | | 39 | Low | Ongoing is Sufficient |
| 14.8 | Federal Requirements | | | 39 | Low | Ongoing is Sufficient |
| 14.9 | Disadvantaged Business Enterprises and Emerging Small Businesses | | | 39 | Low | Ongoing is Sufficient |
| **15.** | **MANAGEMENT OF THE SITE** | | | 39 | | |
| 15.1 | Cooperation with CDOT employees and Utilities | | | 39 | Low | Ongoing is Sufficient |
| 15.2 | Permitting processes | | | 40 | Low | Ongoing is Sufficient |
| 15.3 | Facilities and Equipment | | | 40 | Low | Ongoing is Sufficient |
| 15.4 | Coordination with the Phase 1 Construction Work | | | 40 | Low | Ongoing is Sufficient |
| **16.** | **SUPERVISION AND REPORTING** | | | 41 | | |
| 16.1 | Technical Representative | | | 41 | Low | Ongoing is Sufficient |
| 16.2 | Phase 2 DB Schedule | | | 41 | Low | Ongoing is Sufficient |
| 16.3 | Notification of Delays in Progress of the Phase 2 Work | | | 41 | Low | Ongoing is Sufficient |
| 16.4 | Monthly Progress Reports | | | 42 | Low | Ongoing is Sufficient |
| 16.5 | Construction Period | | | 42 | Low | Ongoing is Sufficient |
| **17.** | **MONITORING AND INSPECTION** | | | 42 | | |
| 17.1 | Right of Inspection | | | 42 | Low | Ongoing is Sufficient |
| 17.2 | Right to Open Up | | | 43 | Low | Ongoing is Sufficient |
| 17.3 | Health and Safety Requirements | | | 44 | Low | Ongoing is Sufficient |
| 17.4 | Supply of Information | | | 44 | Low | Ongoing is Sufficient |
| 17.5 | Increased Monitoring | | | 44 | Low | Ongoing is Sufficient |
| 17.6 | Inspection of the Facilities | | | 44 | Low | Ongoing is Sufficient |
| 17.7 | The Concessionaire's Reasonable Assistance | | | 44 | Low | Ongoing is Sufficient |
| **18.** | **DELAYS** | | | 44 | | |
| 18.1 | Notice | | | 44 | Low | Ongoing is Sufficient |
| 18.2 | Supply of Information concerning Delays | | | 45 | Low | Ongoing is Sufficient |
| 18.3 | Duty to Mitigate | | | 45 | Low | Ongoing is Sufficient |
| 18.4 | Time for Completion of the Phase 2 Work | | | 45 | Low | Ongoing is Sufficient |
| **PART 5:** | **COMMISSIONING AND COMPLETION** | | | 46 | | |
| **19.** | **COMPLETION OF THE PHASE 2 CONSTRUCTION WORK** | | | 46 | | |
| 19.1 | Notice by The Concessionaire | The concessionaire will provide advance notice of Phase 2 Completion to HPTE at least 20 business days prior to its expected completion date of Phase 2 requirements. | Requirement | 46 | Moderate or Above | Provide Addt'l Monitoring |
| 19.2 | Correction of Non-Conformance | Concessionaire will correct non-conforming Phase 2 work and provide written notice to HPTE of correction until all preliminary requirements have been met. | Requirement | 46 | Moderate or Above | Provide Addt'l Monitoring |
| 19.3 | Conditions to Issuance of Notice of Phase 2 Work Completion | Concessionaire will provide HPTE with a sworn affidavit of completion for Phase 2 work in accordance with the requirements of 19.3. | Requirement | 47 | Moderate or Above | Provide Addt'l Monitoring |
| 19.4 | Requirements of Affidavit of Phase 2 Work Completion | Concessionaire's sworn affidavit of completion of Phase 2 work shall contain the specific verbiage contained in Part 5, section 19.4. | Requirement | 47 | Moderate or Above | Provide Addt'l Monitoring |

| | Agreement Section | Agreement Requirement | Performance Metric(s) (if applicable) | Page # | Risk Level (if applicable) | Additional Monitoring Conclusion |
|---|---|---|---|---|---|---|
| 19.5 | Inspection and Issuance of Notice of Phase 2 Work Completion | Upon receipt of Concessionaire's sworn affidavit of completion of Phase 2 work, HPTE will perform a final inspection and issue a Notice of Phase 2 Work Completion once all requirements have been satisfied. | Requirement | 48 | Moderate or Above | Provide Addt'l Monitoring |
| 19.6 | Overpayments; No relief from continuing obligations | | | 48 | Low | Ongoing is Sufficient |
| 19.7 | Effect of issue of Notice of Phase 2 Work Completion | | | 49 | Low | Ongoing is Sufficient |
| 19.8 | Punch List Items | | | 49 | Low | Ongoing is Sufficient |
| **20.** | **LIQUIDATED DAMAGES AND FIRST SHARE OF I-25 AND PHASE 1 REVENUES** | | | 50 | | |
| 20.1 | Delay in Achieving Phase 2 Work Completion | Concessionaire must obtain completion of Phase 2 work by the Full services commencement date (or liquidated damages will be due to HPTE). | Requirement | 50 | Moderate or Above | Provide Addt'l Monitoring |
| 20.2 | Obligation to pay Liquidated Damages and first share of Toll Revenues | In the event that concessionaire fails to achieve Phase 2 Completion by the Planned Full services commencement date, Concessionaire shall pay HPTE liquidated damages as prescribed in 20.2 of the Agreement. | Requirement | 50 | Moderate or Above | Provide Addt'l Monitoring |
| 20.3 | Capped Amounts | In the event that Concessionaire does not achieve completion of Phase 2 Work by the full services commencement date and liquidated damages are due to HPTE, such liquidated damages shall not exceed $1,095,000 in relation to Section 20.2a or $5,475,000 in relation to Section 20.2b. | Requirement | 51 | Moderate or Above | Provide Addt'l Monitoring |
| 20.4 | Reasonableness of Liquidated Damage Amounts | | | 51 | Low | Ongoing is Sufficient |
| 20.5 | No Waiver | | | 51 | Low | Ongoing is Sufficient |
| 20.6 | Sums recoverable by deduction or by invoice | In the event that liquidated damages are due to HPTE for failure to complete phase 2 Work by the full services commencement date, amounts due shall be deducted from amount due from HPTE, or paid within 10 business days of receipt of invoice from HPTE. | Requirement | 51 | Moderate or Above | Provide Addt'l Monitoring |
| **21.** | **WARRANTIES IN RELATION TO PHASE 2 GP LANES** | | | 52 | | |
| 21.1 | Phase 2 GP Lane Warranties | | | 52 | Low | Ongoing is Sufficient |
| 21.2 | Phase 2 GP Lane Warranty Term | | | 52 | Low | Ongoing is Sufficient |
| 21.3 | Corrective Work | Concessionaire has 7 Business Days to agree with HPTE when and how corrective work will be accomplished; if not performed according, HPTE can hire a third party. | Requirement | 52 | Moderate or Above | Provide Addt'l Monitoring |
| 21.4 | List of Warranty Work Items | | | 53 | Low | Ongoing is Sufficient |
| 21.5 | Costs of Correction of Work | | | 53 | Low | Ongoing is Sufficient |
| 21.6 | Warranty of Corrected Work | | | 53 | Low | Ongoing is Sufficient |
| 21.7 | Sub-Contractor Warranties for Phase 2 GP Lanes | | | 53 | Low | Ongoing is Sufficient |
| 21.8 | Bikeways | | | 54 | Low | Ongoing is Sufficient |
| 21.9 | Intelligent Transportation Systems Maintenance | Intelligent Transportation Systems Maintenance must be performed as specified in Section 19 of Schedule 5. | Requirement | 54 | Moderate or Above | Provide Addt'l Monitoring |
| 21.10 | No Limitation of Liability | | | 54 | Low | Ongoing is Sufficient |
| 21.11 | Warranty Beneficiaries | | | 54 | Low | Ongoing is Sufficient |
| 21.12 | Disputes | | | 55 | Low | Ongoing is Sufficient |
| **PART 6:** | **PROVISION OF SERVICES** | | | 56 | | |
| **22.** | **OPERATION AND MAINTENANCE** | | | 56 | | |

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| | Agreement Section | Agreement Requirement | Performance Metric(s) (if applicable) | Page # | Risk Level (if applicable) | Additional Monitoring Conclusion |
|---|---|---|---|---|---|---|
| | 22.1 Services | Concessionaire shall make the managed lanes available for use by vehicles and provide services and snow and ice removal in accordance with Agreement terms: A) From commencement date forward for the I-25 managed lanes and I-25 Shared Bridge decks, B) from Phase 1 services commencement date forward for the Phase 1 managed lanes and Phase 1 GP Lanes, and C) from the full services commencement date forward for the managed lanes and US 36 General purpose lanes. | Requirement | 56 | TBD by LSG | Provide Addt'l Monitoring |
| | 22.2 Requirements for Maintenance and Operating Procedures | Concessionaire at all times shall remain compliant with all Schedule 6 operational and maintenance requirements. | Requirement | 57 | TBD by LSG | Provide Addt'l Monitoring |
| | 22.3 Independent Obligations | Concessionaire shall meet each and every obligation, independent of each other. (Failure to meet one obligation shall not be an excuse for not meeting another obligation). | Requirement | 57 | TBD by LSG | Provide Addt'l Monitoring |
| | 22.4 The Maintenance Management Plan, Transition Management Plan, the Operations Management Plan, the Safety Plan and the Communications and Marketing Plan | Concessionaire must submit project Plans at the specified intervals for review and comment by HPTE. HPTE may decline the plan for the specified reasons. | N/A | 58 | Moderate or Above | Provide Addt'l Monitoring |
| | 22.5 Compliance with Plans | Concessionaire will perform Services in accordance with the Maintenance Management Plan, Operations Management Plan, and the Safety Plan accepted by HPTE. | Requirement | 59 | TBD by LSG | Provide Addt'l Monitoring |
| | 22.6 Survey/Audit Right | | | 59 | Low | Ongoing is Sufficient |
| | 22.7 Stipulations Applicable to the Performance of the Services | Concessionaire will performance Services using materials and equipment in accordance with the HPTE Service Requirements and Good Industry Practice. Concessionaire will ensure that Services are provided by appropriately skilled and experienced personnel, and personnel are paid at least equivalent to the CDOT Employee Rates and benefits. Concessionaire will ensure all subcontractors perform Services in accordance with the Agreement. Concessionaire shall provide access to the sites to the appropriate HPTE and outside (i.e., utility) personnel. Concessionaire shall ensure land is used only for Services. | Requirement | 60 | Moderate or Above | Provide Addt'l Monitoring |
| | 22.8 Failure to make Managed Lanes available | If Concessionaire fails to make Managed Lanes available for a period of 5 days following notice, HPTE is entitled to take steps to make Managed Lanes available for use at the Concessionaire's cost. | Requirement | 63 | TBD by LSG | Provide Addt'l Monitoring |
| | 22.9 Performance of the Services through the Concessionaire's own work force or through sub-contractors | | | 63 | Low | Ongoing is Sufficient |
| | 22.10 Transitional arrangements in respect of I-25 Managed Lanes | If Defects in I-25 Managed Lanes are noted and remain after the Commencement Date, Concessionaire will correct defects as required by Schedule 6.<br>If damage occurs prior to Commencement Date and are not repaired prior to CD and would cause a failure to comply with Service Requirements, damage shall be treated as if it were caused by Compensation Event. | Requirement | 63 | TBD by LSG | Provide Addt'l Monitoring |
| **23.** | **THE PHASE 1 SERVICES COMMENCEMENT DATE AND INTERFACE WITH THE PHASE 1 DB CONTRAC** | | | 64 | | |

| | Agreement Section | Agreement Requirement | Performance Metric(s) (if applicable) | Page # | Risk Level (if applicable) | Additional Monitoring Conclusion |
|---|---|---|---|---|---|---|
| | 23.1 The Concessionaire's knowledge of the Phase 1 DB Contract and of the Phase 1 ETCS Installation Contract | | | 64 | Low | Ongoing is Sufficient |
| | 23.2 Consultation in relation to Phase 1 Change Orders and amendments to the Phase 1 ETCS Installation Contract | | | 64 | Low | Ongoing is Sufficient |
| | 23.3 Process in relation to the Phase 1 DB Contract and the Phase 1 ETCS Installation Contract leading to the Phase 1 Services Commencement Date | | | 64 | Low | Ongoing is Sufficient |
| | 23.4 Collaboration in Operation of Phase 1 Acceptance Procedures | | | 67 | Low | Ongoing is Sufficient |
| | 23.5 Delay in acceptance of Phase 1 DB Contract and Phase 1 ETCS | | | 70 | Low | Ongoing is Sufficient |
| | 23.6 Phase 1 Latent Defects | | | 70 | Low | Ongoing is Sufficient |
| **24.** | **PROCEDURES RELATING TO LIFE CYCLE MAINTENANCE WORK** | | | 70 | | |
| | 24.1 Rolling Life Cycle Maintenance Plan | Within 90 days before the beginning of each calendar year, Concessionaire will prepare and submit a 5 year Life Cycle Maintenance Plan for review, comment, and approval by HPTE. | Requirement | 70 | Moderate or Above | Provide Addt'l Monitoring |
| | 24.2 Disputes relating to Life Cycle Maintenance Plan | HPTE and Concessionaire shall resolve disputes around Life Cycle Maintenance Plan within 60 days after it is provided to HPTE, or Dispute Resolution Procedures will be enacted. | Requirement | 70 | Moderate or Above | Provide Addt'l Monitoring |
| | 24.3 Failure to comply with Life Cycle Maintenance Plan | Concessionaire will complete with Life Cycle Maintenance Plan, or HPTE shall give notice that it will carry out tasks using own equipment and personnel at Concessionaire's cost. | Requirement | 71 | Moderate or Above | Provide Addt'l Monitoring |
| | 24.4 Performance of Non-Separable Tasks | Concessionaire will perform Non-Separable Tasks per the Life Cycle Maintenance Plan as agreed to by HPTE. | Requirement | 71 | Moderate or Above | Provide Addt'l Monitoring |
| | 24.5 I-25 Bridges and I-25 Sub-Grade | HPTE / CDOT will maintain and repair I-25 Managed Lanes sub grade and bridge substructures. Concessionaire will close Managed Lanes, if necessary, to facilitate this work. Concessionaire will carry out preventative, routine, and life cycle maintenance on I-25 bridge deck and managed lanes. | Requirement | 74 | Moderate or Above | Provide Addt'l Monitoring |
| **PART 7: QUALITY, SAFETY AND HPTE INTERVENTION** | | | | 75 | | |
| **25.** | **QUALITY** | | | 75 | | |
| | 25.1 Quality Management | Concessionaire will prepare, implement, and continually maintain project quality management documentation. | Requirement | 75 | Moderate or Above | Provide Addt'l Monitoring |
| | 25.2 Quality Audit | | | 75 | Low | Ongoing is Sufficient |
| **26.** | **SAFETY** | | | 75 | | |
| | 26.1 Work Safety and Law | | | 75 | Low | Ongoing is Sufficient |
| | 26.2 Regulations regarding co-ordination of design, construction and safety | Concessionaire is responsible for 1) safety of design, operations, construction methods and other Phase 2 work, b) having designated person responsible for safety and maintain an accident book, c) ensuring safety in accordance with industry practices. | Requirement | 75 | Moderate or Above | Provide Addt'l Monitoring |
| | 26.3 Work Safety Cooperation | | | 76 | Low | Ongoing is Sufficient |
| **27.** | **HPTE STEP-IN** | | | 76 | | |
| | 27.1 HPTE Self-Help Rights | | | 76 | Low | Ongoing is Sufficient |
| | 27.2 Notice of Election of Self-Help Rights | | | 76 | Low | Ongoing is Sufficient |
| | 27.3 HPTE Required Actions | | | 77 | Low | Ongoing is Sufficient |
| | 27.4 Other Consequences of Exercise of Self-Help Remedies | | | 77 | Low | Ongoing is Sufficient |
| **PART 8: FINANCIAL MATTERS** | | | | 78 | | |
| **28.** | **HPTE CAPITAL PAYMENTS** | | | 78 | | |
| | 28.1 Application for an Interim Capital Payment | | | 78 | Low | Ongoing is Sufficient |

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| | 28.2 Maximum Interim Capital Payment | | | 78 | Low | Ongoing is Sufficient |
| | 28.3 Supporting Documentation Required for Interim Capital Payments | | | 78 | Low | Ongoing is Sufficient |
| | 28.4 Timing of Interim Capital Payment | HPTE has 15 business days from receipt to make payment of the Interim Capital Payment, as long as appropriate supporting documentation has been provided and Concessionaire has complied with all Plans. | Requirement | 78 | Moderate or Above | Provide Addt'l Monitoring |
| | 28.5 Application of Utility Works Payments and Aggregate Value of Interim Capital Payments | | | 78 | Low | Ongoing is Sufficient |
| | 28.6 Encumbrance of funds to pay the HPTE Capital Payment Maximum Amount | | | 79 | Low | Ongoing is Sufficient |
| **29.** | **TOLLING** | | | 79 | | |
| | 29.1 Tolling of the Managed Lanes | Concessionaire has exclusive right to receive toll revenues from HPTE in accordance with Section 29.1(b) and Toll Services Agreement. Schedule 16 shall have effect. | Requirement | 79 | Moderate or Above | Provide Addt'l Monitoring |
| | 29.2 Limitations on the Right to Impose Tolls | | | 80 | Low | Ongoing is Sufficient |
| | 29.3 Electronic Toll Collection System (ETCS) | Concessionaire will operate the ETCS. If Concessionaire wishes to change the ETCS, it will coordinate with HPTE and CDOT prior to implementation. | Requirement | 80 | Moderate or Above | Provide Addt'l Monitoring |
| | 29.4 Toll Collection Administration | Concessionaire is responsible for all toll transaction account management services pursuant to the Tolling Services Agreement. Concessionaire must have approval of HPTE to enter into new Tolling Services Agreement. | Requirement | 80 | | Provide Addt'l Monitoring |
| | 29.5 HOV Enforcement Services | | | 81 | Low | Ongoing is Sufficient |
| | 29.6 Toll Payment Violations | | | 81 | Low | Ongoing is Sufficient |
| | 29.7 Emergency and Other Suspension of Tolls or Closure of the Managed Lanes | If there are emergency or other suspensions of tolls or closures of the managed lanes, HPTE may have certain payment requirements, depending on the length and reason. In cases where payments are due to the Concessionaire, HPTE has three business days from the date the closure or suspension occurred, or 10 days after the actual data necessary to make the calculation is available. | Requirement | 82 | Moderate or Above | Provide Addt'l Monitoring |
| | 29.7 A I-25 North Managed Lanes Installation Project | | | 84 | Low | Ongoing is Sufficient |
| | 29.8 Other Transportation Developments | | | 84 | Low | Ongoing is Sufficient |
| | 29.9 Revenue Risk Related to Traffic Volume | | | 85 | Low | Ongoing is Sufficient |
| | 29.10 TSP Changes | Changes to the Toll Service Provider and the associated Agreement must be agreed to by both parties. | Requirement | 85 | Moderate or Above | Provide Addt'l Monitoring |
| **30.** | **HPTE PAYMENTS FOR GP ROUTINE MAINTENANCE SERVICES AND FOR SNOW AND ICE CONTROL SERVICES AND THE CONCESSIONAIRE'S PAYMENTS OF S** | | | 86 | | |
| | 30.1 Payment of the GP Routine Maintenance Fee, Snow and Ice Control Services Fee and reimbursement in relation to the I-25 Shared Bridge Decks | HPTE is responsible for payment of GP Routine Maintenance Fees, Snow and Ice Control Services Fees and reimbursement in relation to the I-25 shared bridge decks. | Requirement | 86 | Moderate or Above | Provide Addt'l Monitoring |
| | 30.2 Invoices from the Concessionaire to HPTE | | | 87 | Low | Ongoing is Sufficient |
| | 30.3 Payment | | | 87 | Low | Ongoing is Sufficient |
| | 30.4 The Concessionaire to pay Sub-Contractors | | | 87 | Low | Ongoing is Sufficient |
| | 30.5 Set-Off | | | 88 | Low | Ongoing is Sufficient |
| **31.** | REIMBURSEMENT OF HPTE COSTS | On July 1 of each Year the Concessionaire shall pay the HPTE Cost Reimbursement Amount to HPTE. | Requirement | 88 | Moderate or Above | Provide Addt'l Monitoring |
| **32.** | **HPTE-CDOT AGREEMENT** | | | 88 | Low | Ongoing is Sufficient |

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| **33.** | CASHFLOW SHARING | Cash flow sharing payments are due from Concessionaire to HPTE in accordance with Schedule 14. Concessionaire shall provide, and HPTE is responsible for reviewing, the Actual Equity IRR. | Requirement | 88 | Moderate or Above | Provide Addt'l Monitoring |
| **34.** | **BASE CASE FINANCIAL MODEL** | | | 89 | | |
| | 34.1 Provisions Applicable to the Base Case Financial Model, Including Updates and Revisions | Concessionaire will provide revisions and annual updates to the Base Case Financial Model. | Requirement | 89 | Moderate or Above | Provide Addt'l Monitoring |
| | 34.2 Grant of License to Base Case Financial Model | | | 89 | Low | Ongoing is Sufficient |
| **35.** | **PERFORMANCE MONITORING** | | | 89 | | |
| | 35.1 Performance Monitoring Reports | Concessionaire will prepare a Monthly Service Report and Annual Service Report, and provide corrections as necessary. | Requirement | 89 | Moderate or Above | Provide Addt'l Monitoring |
| | 35.2 Noncompliance Points | HPTE will assess noncompliance points to Concessionaire in accordance with and for the items detailed in Schedule 10. | Requirement | 90 | t | Provide Addt'l Monitoring |
| | 35.3 Monitoring by HPTE | | | 90 | Low | Ongoing is Sufficient |
| **PART 9: INSURANCE** | | | | 91 | | |
| **36.** | **NUMBER NOT USED** | | | 91 | | |
| **37.** | **REQUIRED INSURANCES** | | | 91 | | |
| | 37.1 Specific Insurance Requirements for Work | | | 91 | Low | Ongoing is Sufficient |
| | 37.2 Specific Insurance Requirements for Services | Concessionaire will cooperate with any checks HPTE may carry out in relation to the performance of its obligations under the Contract. HPTE will information Concessionaire of the results of such monitoring. | Requirement | 91 | Moderate or Above | Provide Addt'l Monitoring |
| | 37.3 No action to Prevent Payment of Claims | | | 91 | Low | Ongoing is Sufficient |
| | 37.4 Insurance Terms | Concessionaire will maintain proper insurance coverage. | Requirement | 91 | Moderate or Above | Provide Addt'l Monitoring |
| | 37.5 Evidence of Insurance and Payments | Concessionaire will provide HPTE evidence of proper insurance coverage and payments. | Requirement | 92 | Moderate or Above | Provide Addt'l Monitoring |
| | 37.6 Renewal Certificates | Concessionaire will provide HPTE proper renewal certificates for insurance no later than 10 business day before the renewal date. | Requirement | 92 | Moderate or Above | Provide Addt'l Monitoring |
| | 37.7 Self-Help Insurance Right | | | 92 | Low | Ongoing is Sufficient |
| | 37.8 Claims | Concessionaire will notify HPTE of any insurance claims in excess of $500,000 within 20 business days of the claim. | Requirement | 92 | Moderate or Above | Provide Addt'l Monitoring |
| | 37.9 Insurance is not a Relief from Underlying Liabilities | | | 92 | | Ongoing is Sufficient |
| | 37.10 Insurance Responsibility | | | 92 | Low | Ongoing is Sufficient |
| | 37.11 Insurance Providers | | | 92 | Low | Ongoing is Sufficient |
| | 37.12 Indexing of Indemnity and Deductibles | Insurance policy requirements will be indexed to CPI per Section 1.7 of the Agreement. | Requirement | 93 | Moderate or Above | Provide Addt'l Monitoring |
| | 37.13 Cross Claims | Concessionaire will make claims against insurances to reduce the amount of any claim Concessionaire may have against HPTE. | Requirement | 93 | Moderate or Above | Provide Addt'l Monitoring |
| **38.** | **REINSTATEMENT** | | | 93 | | |
| | 38.1 Use of Insurance Proceeds | All insurance proceeds received will be applied to repair, reinstate and replace each part of the assets of which such proceeds were received. | Requirement | 93 | Moderate or Above | Provide Addt'l Monitoring |
| | 38.2 Threshold Amount for Insurance Proceeds | All insurance proceeds paid in respect of a single event in excess of $500,000 will be paid into the Joint Insurance Account. | Requirement | 93 | Moderate or Above | Provide Addt'l Monitoring |

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| 38.3 | Occurrence of a Relevant Incident | In the case of a Relevant Incident, Concessionaire will promptly complete the work necessary to repair, reinstate or replace assets. Withdrawals may be made from the Joint Insurance Account to fund Reinstatement Work, in accordance with the Agreement. HPTE will assist Concessionaire in the carrying out of Reinstatement Work. | Requirement | 93 | Moderate or Above | Provide Addt'l Monitoring |
| 38.4 | Non-Separable Reinstatement Work | | | 94 | Low | Ongoing is Sufficient |
| 38.5 | Implementation of Non-Separable Reinstatement Work | | | 96 | Low | Ongoing is Sufficient |
| 38.6 | CDOT action under Emergency Contracting Procedures | | | 97 | Low | Ongoing is Sufficient |
| 38.7 | Compliance with HPTE's Requirements | Where insurance proceeds are used to repair, reinstate or replace any asset, Concessionaire will complete work in accordance with HPTE's Service Requirements and the Concessionaire's Proposals. | Requirement | 97 | Moderate or Above | Provide Addt'l Monitoring |
| **39. UNINSURABILITY** | | | | 98 | | |
| 39.1 | No Obligation to Insure an Uninsurable Risk | | | 98 | Low | Ongoing is Sufficient |
| 39.2 | Uninsurable Event | | | 98 | Low | Ongoing is Sufficient |
| 39.3 | Management of Risk | | | 98 | Low | Ongoing is Sufficient |
| 39.4 | Relevant Payment | | | 99 | Low | Ongoing is Sufficient |
| **40. UNAVAILABLE TERMS AND CONDITIONS** | | | | 99 | | |
| 40.1 | Applicability of Unavailable Insurance Terms or Payments | | | 99 | Low | Ongoing is Sufficient |
| 40.2 | Waiver Where Insurance Term Not Available | | | 100 | Low | Ongoing is Sufficient |
| 40.3 | Alternatives to Any Insurance Term | | | 100 | Low | Ongoing is Sufficient |
| 40.4 | Compensation to HPTE for Exercising Waiver of Unavailable Insurance Term | | | 100 | Low | Ongoing is Sufficient |
| 40.5 | Notice of Insurance Term Being Unavailable and Discussion on Risk Management | | | 100 | | Ongoing is Sufficient |
| 40.6 | Maintenance | | | 100 | Low | Ongoing is Sufficient |
| **PART 10: EXTERNAL EVENTS** | | | | 101 | | |
| **41. COMPENSATION EVENTS** | | | | 101 | | |
| 41.1 | Compensation Events and their consequences | | | 101 | Low | Ongoing is Sufficient |
| 41.2 | Compensation Events affecting the Phase 2 Work | | | 101 | Low | Ongoing is Sufficient |
| 41.3 | Obtaining Relief and Compensation for Compensation Event | To obtain relief and/or claim compensation, the Concessionaire must a) notify HPTE of its claim within 15 business days and b) give full details of the Compensation Event within 10 business days of notifying HPTE | Requirement | 101 | Moderate or Above | Provide Addt'l Monitoring |
| 41.4 | Compensation Events and Their Consequences | If the Compensation Event could not have been avoided by the Concessionaire, and the Concessionaire followed appropriate Compensation Event procedures, HPTE will compensate Concessionaire within 20 business days of receipt of claim, make Revenue Compensation Payments, or provide non-financial remedies, as appropriate. | Requirement | 101 | Moderate or Above | Provide Addt'l Monitoring |
| 41.5 | Failure to Provide Timely Information | | | 102 | Low | Ongoing is Sufficient |
| 41.6 | Further Information | | | 102 | Low | Ongoing is Sufficient |
| 41.7 | Applicability of Dispute Resolution Procedure | | | 102 | | Ongoing is Sufficient |
| **42. RELIEF EVENTS** | | | | 103 | | |
| 42.1 | Relief Events and their consequences | | | 103 | Low | Ongoing is Sufficient |
| 42.2 | Relief Events affecting the Phase 2 Work | | | 103 | Low | Ongoing is Sufficient |
| 42.3 | Obtaining Relief for Relief Event | In the occurrence of a Relief Event, Concessionaire will a) notify HPTE of its claim within 20 business days and b) give full details of the claim within 5 business days. | Requirement | 103 | Moderate or Above | Provide Addt'l Monitoring |

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| | 42.4 Right to Relief | | | 103 | Low | Ongoing is Sufficient |
| | 42.5 Failure to Provide Timely Information | | | 104 | Low | Ongoing is Sufficient |
| | 42.6 Further Information | | | 104 | Low | Ongoing is Sufficient |
| | 42.7 Reduction of Snow and Ice Services Fee and GP Routine Maintenance Fee for Force Majeure | If Relief Event prevents or diminishes Concessionaire's performance of Snow and Ice Services or Maintenance Services, HPTE is entitled to a fair and reasonable reduction in fees, as agreed by Concessionaire. | Requirement | 104 | Moderate or Above | Provide Addt'l Monitoring |
| | 42.8 Applicability of Dispute Resolution Procedure | | | 104 | Low | Ongoing is Sufficient |
| **43.** | **FORCE MAJEURE** | | | 104 | | |
| | 43.1 Occurrence of a Force Majeure Event | | | 104 | Low | Ongoing is Sufficient |
| | 43.2 Force Majeure Events affecting the Phase 2 Work | | | 104 | Low | Ongoing is Sufficient |
| | 43.3 Notice of Force Majeure Event | On the occurrence of a Force Majeure Event, affected party will notify other part as soon as possible, to include details and evidence and any mitigating actions and effects. | Requirement | 105 | Moderate or Above | Provide Addt'l Monitoring |
| | 43.4 Right to Relief | Concessionaire has a right to relief if Force Majeure Event was the cause of a breach and property mitigation steps were taken. | Requirement | 105 | Moderate or Above | Provide Addt'l Monitoring |
| | 43.5 Reduction of Snow and Ice Services Fee and GP Routine Maintenance Fee for Force Majeure | If Force Majeure Event prevents or diminishes Concessionaire's performance of Snow and Ice Services or Maintenance Services, HPTE is entitled to a fair and reasonable reduction in fees, as agreed by Concessionaire. | Requirement | 105 | Moderate or Above | Provide Addt'l Monitoring |
| | 43.6 Consultation After Force Majeure Event | | | 105 | Low | Ongoing is Sufficient |
| | 43.7 Termination Rights | | | 105 | Low | Ongoing is Sufficient |
| | 43.8 Termination Effects | | | 106 | Low | Ongoing is Sufficient |
| | 43.9 Termination Options | | | 106 | Low | Ongoing is Sufficient |
| | 43.10 Mitigation | | | 106 | Low | Ongoing is Sufficient |
| | 43.11 End of Force Majeure Event | | | 106 | Low | Ongoing is Sufficient |
| **44.** | **CHANGE IN LAW** | | | 106 | | |
| | 44.1 Qualifying Change in Law | Parties will notify each other of any changes in law and its effect on work, services, revenues, costs, or capital. | Requirement | 106 | Moderate or Above | Provide Addt'l Monitoring |
| | 44.2 Change Procedure | As soon as possible after receipt of notification of change in law, parties shall agree on mitigating actives and provide appropriate evidence of any effects on work, services, revenues, costs or capital. | Requirement | 107 | Moderate or Above | Provide Addt'l Monitoring |
| | 44.3 Capital Expenditures | | | 107 | Low | Ongoing is Sufficient |
| | 44.4 Failure to Obtain Funding | | | 108 | Low | Ongoing is Sufficient |
| | 44.5 Loss of Toll Revenues or Additional Recurring Costs | | | 108 | Low | Ongoing is Sufficient |
| **45.** | CHANGE PROCEDURE | HPTE and Concessionaire will follow designated change procedures as necessary, per Schedule 21. | Requirement | 108 | Moderate or Above | Provide Addt'l Monitoring |
| **46.** | **SUB-CONTRACTS** | | | 108 | | |
| | 46.1 Restriction on Sub-Contracting | Concessionaire will not subcontract or make changes to existing subcontracts without the written consent of HPTE. | Requirement | 108 | Moderate or Above | Provide Addt'l Monitoring |
| | 46.2 Sub-Contractors | | | 108 | Low | Ongoing is Sufficient |
| | 46.3 Sub-Contract Provisions | Subcontract agreements entered into by Concessionaire will contain the appropriate Flow down Provisions. | Requirement | 108 | Moderate or Above | Provide Addt'l Monitoring |
| | 46.4 Liability | | | 110 | Low | Ongoing is Sufficient |

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| | 46.5 HPTE-Sub-Contractor Agreements | Concessionaire will not engage any new or replacement subcontractors unless Concessionaire provides HPTE subcontractor Agreement (Schedule 19) prior to commencing any activities or obligations. | Requirement | 111 | Moderate or Above | Provide Addt'l Monitoring |
| **47.** | **CHANGE OF CONTROL** | | | 111 | | |
| | 47.1 Structure of the Concessionaire | Concessionaire will notify HPTE of any sale, transfer or disposal of any legal, beneficial, equitable or other interest in any or all of the shares in the Concessionaire. | Requirement | 111 | Moderate or Above | Provide Addt'l Monitoring |
| | 47.2 Lock Up Period | | | 111 | Low | Ongoing is Sufficient |
| | 47.3 Permitted Transactions During Lock Up Period | | | 112 | Low | Ongoing is Sufficient |
| | 47.4 Post Lock Up Period | | | 113 | Low | Ongoing is Sufficient |
| | 47.5 Disapproval of Change of Control | | | 113 | Low | Ongoing is Sufficient |
| **PART 11: HANDBACK AND TERMINATION OF THE CONTRACT** | | | | 114 | | |
| **48.** | **HANDBACK** | | | 114 | | |
| | 48.1 Hand back Requirements | | | 114 | Low | Ongoing is Sufficient |
| | 48.2 Hand back Plan | | | 114 | Low | Ongoing is Sufficient |
| | 48.3 Residual Life Inspections | | | 114 | Low | Ongoing is Sufficient |
| | 48.4 Initial Residual Life Inspection | | | 114 | Low | Ongoing is Sufficient |
| | 48.5 Intermediate Residual Life Inspection | | | 115 | Low | Ongoing is Sufficient |
| | 48.6 Final Residual Life Inspection | | | 115 | Low | Ongoing is Sufficient |
| | 48.7 Incorporating the Renewal Works into the Life Cycle Maintenance Plan and Subsequent Updates | | | 115 | Low | Ongoing is Sufficient |
| | 48.8 Hand back Reserve | | | 116 | Low | Ongoing is Sufficient |
| | 48.9 Hand back Certificate and Completion of Renewal Works | | | 116 | Low | Ongoing is Sufficient |
| | 48.10 Hand back Reserve Fund Use | | | 117 | Low | Ongoing is Sufficient |
| **49.** | **CONSEQUENCES OF TERMINATION OR EXPIRATION** | | | 117 | | |
| | 49.1 Transfer of Materials | | | 117 | Low | Ongoing is Sufficient |
| | 49.2 Service Requirements | | | 118 | Low | Ongoing is Sufficient |
| | 49.3 Assignment of Contracts and Intellectual Property | | | 118 | Low | Ongoing is Sufficient |
| | 49.4 Transfer of Assets | | | 118 | Low | Ongoing is Sufficient |
| | 49.5 Final Six Months | | | 119 | Low | Ongoing is Sufficient |
| | 49.6 Retender Notice | | | 119 | Low | Ongoing is Sufficient |
| | 49.7 Retender | | | 119 | Low | Ongoing is Sufficient |
| | 49.8 Election to Transfer to HPTE | | | 120 | Low | Ongoing is Sufficient |
| | 49.9 Transfer to HPTE or New Concessionaire | | | 120 | Low | Ongoing is Sufficient |
| | 49.10 Survival | | | 120 | Low | Ongoing is Sufficient |
| **50.** | **TERMINATION FOR CONCESSIONAIRE DEFAULT** | | | 120 | | |
| | 50.1 Termination Notice | | | 120 | Low | Ongoing is Sufficient |
| | 50.2 Rectification of Concessionaire Default | | | 121 | Low | Ongoing is Sufficient |
| | 50.3 Express Termination Rights | | | 121 | Low | Ongoing is Sufficient |
| | 50.4 Failure of Rectification | | | 121 | Low | Ongoing is Sufficient |
| | 50.5 Compensation | | | 121 | Low | Ongoing is Sufficient |
| **51.** | PERSISTENT BREACH | If a particular breach (other than a Schedule 10 noncompliance issue) has continued for more than 14 days or occurred more than 3 times in any 6 month period, HPTE may serve a Warning Notice on the Concessionaire.<br>If, following a warning notice the breach continues beyond 30 days or recurred 2 more times in the 6 month period following the notice, HPTE may service a Final Warning Notice. | Requirement | 122 | Moderate or Above | Provide Addt'l Monitoring |
| | 51.1 Continuation of Breach | | | 122 | Low | Ongoing is Sufficient |
| | 51.2 Final Warning Notice | | | 122 | Low | Ongoing is Sufficient |
| | 51.3 Termination Right | | | 122 | Low | Ongoing is Sufficient |

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| | 51.4 Compensation | | | 122 | Low | Ongoing is Sufficient |
| **52.** | **TERMINATION FOR COMMISSION OF PROHIBITED ACT** | | | 122 | Low | Ongoing is Sufficient |
| | 52.1 Entering Contract not a Prohibited Act | | | 122 | Low | Ongoing is Sufficient |
| | 52.2 Prohibited Act by Sub-Contractor or Similar Party | | | 123 | Low | Ongoing is Sufficient |
| | 52.3 Prohibited Act by the Concessionaire or Employee (Not Independently) | | | 123 | Low | Ongoing is Sufficient |
| | 52.4 Prohibited Act by the Concessionaire Employee (Independently) | | | 123 | Low | Ongoing is Sufficient |
| | 52.5 Prohibited Act by Sub-Contractor (Not Independently) | | | 123 | Low | Ongoing is Sufficient |
| | 52.6 Prohibited Act by the Sub-Contractor Employee (Independently) | | | 123 | Low | Ongoing is Sufficient |
| | 52.7 Prohibited Act by Non-Specified Party | | | 123 | Low | Ongoing is Sufficient |
| | 52.8 Notice of Termination | | | 123 | Low | Ongoing is Sufficient |
| | 52.9 Compensation | | | 124 | Low | Ongoing is Sufficient |
| **53.** | **VOLUNTARY TERMINATION BY HPTE** | | | 124 | | |
| | 53.1 HPTE's Right to Terminate | | | 124 | Low | Ongoing is Sufficient |
| | 53.2 Notice of Termination | | | 124 | Low | Ongoing is Sufficient |
| | 53.3 Transfer of Assets | | | 124 | Low | Ongoing is Sufficient |
| | 53.4 Timing of Termination | | | 124 | Low | Ongoing is Sufficient |
| **54.** | **TERMINATION FOR HPTE DEFAULT** | | | 124 | | |
| | 54.1 Termination Notice | | | 124 | Low | Ongoing is Sufficient |
| | 54.2 Specification of HPTE Default | | | 124 | Low | Ongoing is Sufficient |
| | 54.3 Timing of Termination | | | 125 | Low | Ongoing is Sufficient |
| | 54.4 Compensation | | | 125 | Low | Ongoing is Sufficient |
| **55.** | CONFIDENTIALITY | HPTE and Concessionaire shall not disclose any confidential information provided by the other party. | Requirement | 126 | Moderate or Above | Provide Addt'l Monitoring |
| | 55.1 Disclosure | | | 126 | Low | Ongoing is Sufficient |
| | 55.2 Receipt of Confidential Materials | | | 126 | Low | Ongoing is Sufficient |
| | 55.3 Applicability of Section 55.2 | | | 126 | Low | Ongoing is Sufficient |
| | 55.4 Information relating to the Public | | | 127 | | Ongoing is Sufficient |
| **56.0** | THE CONCESSIONAIRE'S RECORDS AND PROVISION OF INFORMATION; COLORADO OPEN RECORDS ACT | Concessionaire is required to maintain adequate records related to Work and Services and, upon request, will provide a written summary of any costs related to Work or Services. Concessionaire will allow HPTE to examine those records as needed. | Requirement | 127 | Moderate or Above | Provide Addt'l Monitoring |
| | 56.1 Maintenance of Records | | | 127 | Low | Ongoing is Sufficient |
| | 56.2 Accounting | | | 128 | Low | Ongoing is Sufficient |
| | 56.3 Phase 2 Work Records | | | 128 | Low | Ongoing is Sufficient |
| | 56.4 Worker Safety and Maintenance | | | 128 | Low | Ongoing is Sufficient |
| | 56.5 Examination and Retention | | | 129 | Low | Ongoing is Sufficient |
| | 56.6 Requested Records | | | 129 | Low | Ongoing is Sufficient |
| | 56.7 Colorado Open Records Act | | | 129 | Low | Ongoing is Sufficient |
| **57.** | **REMEDIES AND LIABILITY** | | | 130 | | |
| | 57.1 Sole Remedies in General; the Concessionaire | | | 130 | Low | Ongoing is Sufficient |
| | 57.2 Sole Remedy for Compensation Event | | | 130 | Low | Ongoing is Sufficient |
| | 57.3 Sole Remedy for Failure to Provide Services | | | 130 | Low | Ongoing is Sufficient |
| | 57.4 Remedies | | | 130 | Low | Ongoing is Sufficient |
| | 57.5 HPTE Breach | | | 130 | Low | Ongoing is Sufficient |
| | 57.6 Loss Payments | | | 131 | Low | Ongoing is Sufficient |
| | 57.7 Insurance Applicability | | | 131 | Low | Ongoing is Sufficient |
| | 57.8 Termination Only in Accordance with Terms of Contract | | | 131 | Low | Ongoing is Sufficient |
| | 57.9 Waiver of Consequential Damages | | | 131 | Low | Ongoing is Sufficient |
| **58.0** | THE CONCESSIONAIRE NOT AN AGENT OF HPTE | No partnership or similar relationship will be established between Concessionaire and HPTE. | Requirement | 131 | Moderate or Above | Provide Addt'l Monitoring |
| | 58.1 Concessionaire as an Independent Contractor | | | 131 | Low | Ongoing is Sufficient |
| | 58.2 No Partnership or Similar Relationship | | | 131 | Low | Ongoing is Sufficient |
| | 58.3 HPTE has no relationship with Concessionaire's Employees | | | 132 | Low | Ongoing is Sufficient |
| **59.** | **INTELLECTUAL PROPERTY RIGHTS** | | | 132 | | |
| | 59.1 HPTE Rights | | | 132 | Low | Ongoing is Sufficient |

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| | 59.2 Concessionaire Intellectual Property | | | 132 | Low | Ongoing is Sufficient |
| | 59.3 Purchase Right | | | 132 | Low | Ongoing is Sufficient |
| | 59.4 Third Party Rights | | | 133 | Low | Ongoing is Sufficient |
| | 59.5 Hold Harmless | | | 133 | Low | Ongoing is Sufficient |
| 60. | ASSIGNMENT | HPTE may transfer and assign its interest to any other public agency or entitle of the State as required by Law upon not less than 60 business days notice to Concessionaire. Concessionaire cannot assign its interests without prior written consent of HPTE. | Requirement | 133 | Moderate or Above | Provide Addt'l Monitoring |
| | 60.1 Assignment by HPTE | | | 133 | Low | Ongoing is Sufficient |
| | 60.2 Assignment by the Concessionaire | | | 134 | Low | Ongoing is Sufficient |
| 61. | INDEMNIFICATION | Concessionaire will release, defend, indemnify and hold harmless HPTE and CDOT from and against any and all claims and causes of action. | Requirement | 134 | Moderate or Above | Provide Addt'l Monitoring |
| | 61.1 General Indemnities | | | 134 | Low | Ongoing is Sufficient |
| | 61.2 Design Defects | | | 135 | Low | Ongoing is Sufficient |
| | 61.3 Losses Due to Negligence of Indemnified Parties | | | 135 | Low | Ongoing is Sufficient |
| | 61.4 Claims by Employees | | | 135 | Low | Ongoing is Sufficient |
| | 61.5 Reliance on the Concessionaire's Performance | | | 136 | Low | Ongoing is Sufficient |
| | 61.6 Indemnities in Connection with Utilities | | | 136 | Low | Ongoing is Sufficient |
| | 61.7 Indemnification Process | | | 136 | Low | Ongoing is Sufficient |
| **62.** | **ENTIRE AGREEMENT** | | | 137 | Low | Ongoing is Sufficient |
| **63.** | **WAIVER AND CONSEQUENCES OF REVIEW, ACCEPTANCE, ETC OF DOCUMENTS BY HPTE** | | | 137 | Low | |
| | 63.1 Waiver | | | 137 | Low | Ongoing is Sufficient |
| | 63.2 Review of Documents by HPTE | | | 138 | Low | Ongoing is Sufficient |
| 64. | NOTICES | Parties will notify each other via written notice whenever a notification is necessary. | Requirement | 138 | Moderate or Above | Provide Addt'l Monitoring |
| | 64.1 Notice Deliveries | | | 138 | Low | Ongoing is Sufficient |
| | 64.2 Changes to Notices; Physical Receipt | | | 139 | Low | Ongoing is Sufficient |
| **65.** | **SEVERABILITY** | | | 139 | Low | Ongoing is Sufficient |
| **66.** | **LIMITATION ON THIRD-PARTY BENEFICIARIES** | | | 139 | Low | Ongoing is Sufficient |
| **67.** | **FURTHER ASSURANCES** | | | 139 | Low | Ongoing is Sufficient |
| **68.** | **GOVERNING LAW** | | | 140 | Low | Ongoing is Sufficient |
| **69.** | **DISPUTE RESOLUTION AND JURISDICTION** | | | 140 | | |
| | 69.1 Application of Dispute Resolution | | | 140 | Low | Ongoing is Sufficient |
| | 69.2 Venue | | | 140 | Low | Ongoing is Sufficient |
| **70.** | **AMENDMENTS** | | | 140 | Low | Ongoing is Sufficient |
| **71.** | **COSTS AND EXPENSES OF THE PARTIES** | | | 140 | | |
| | 71.1 Contract and Project Document Costs | | | 140 | Low | Ongoing is Sufficient |
| | 71.2 Stipend | | | 140 | Low | Ongoing is Sufficient |
| **72.** | **NO PERSONAL LIABILITY** | | | 140 | Low | Ongoing is Sufficient |
| **73.** | **COPIES OF CORRESPONDENCE TO HPTE** | | | 141 | Low | Ongoing is Sufficient |
| **74.** | **DEFAULT INTEREST** | | | 141 | Low | Ongoing is Sufficient |
| **75.** | **SPECIAL PROVISIONS** | | | 141 | | |
| | 75.1 Governmental Immunity | | | 141 | Low | Ongoing is Sufficient |
| | 75.2 Independent Contractor | | | 141 | Low | Ongoing is Sufficient |
| | 75.3 Compliance with Law | | | 141 | Low | Ongoing is Sufficient |
| | 75.4 Software Piracy Prohibition | | | 142 | Low | Ongoing is Sufficient |
| | 75.5 Employee Financial Interest/Conflict of Interest | | | 142 | Low | Ongoing is Sufficient |
| | 75.6 Vendor Offset | | | 142 | Low | Ongoing is Sufficient |
| | 75.7 Public Contracts for Services | | | 142 | Low | Ongoing is Sufficient |
| **76.** | **COUNTERPARTS** | | | 143 | Low | Ongoing is Sufficient |
| **Schedule 10/** | **Schedule 6** | Issue information to the public through any means that is factually incorrect. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |

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| Agreement Section | Agreement Requirement | Performance Metric(s) (if applicable) | Page # | Risk Level (if applicable) | Additional Monitoring Conclusion |
|---|---|---|---|---|---|
| **Schedule 10/ Schedule 6** | Abide by all requirements of the Managed Lanes Communications Plan | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Concession Agreement** | Compliance with a requirement with regard to Key Personnel in the Concession Agreement, | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Disclose a policy regarding privacy of Customer Confidential Information to Customers in accordance with Schedule 6 Appendix 6-2. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6/25** | Produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (7) Managed Lane Communications Plan | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6/25** | Produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (4) Disaster Recovery Plan | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6/25** | Produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (6) Incident Response Plan | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6/25** | Produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (8) Life Cycle Maintenance Plan. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6/25** | Produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (1) Maintenance Management Plan; | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6/25** | Produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (3) Operations Management Plan; | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6/25** | Produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (5) Transition Plan; | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6/25** | Produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (2) Quarterly, One- Year and Five Year Work Plans; | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6,** | Produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Use, maintain and update the Maintenance Management Information System in accordance with paragraph 5.1 of Schedule 6. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |

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| Agreement Section | Agreement Requirement | Performance Metric(s) (if applicable) | Page # | Risk Level (if applicable) | Additional Monitoring Conclusion |
|---|---|---|---|---|---|
| **Schedule 10/ Concession Agreement** | Keep, maintain or make available to HPTE and its designated representative any book, record or document in accordance with Schedule 6 of the Concession Agreement. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 26** | Establish and fund the Handback Reserve when required and provide appropriate account information in accordance with Section 48.8 of the Concession Agreement | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6 – A6.2** | All ETCS equipment is fully functional and housing is functioning and free of defects. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6 – A6.2** | All beacons or other equipment associated with HOV enforcement are functioning as required when a vehicle passes through the lane declared as HOV. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6 – A6.2** | All antennas and readers are capturing 99.95% of transactions where a transponder is present in the vehicle. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6 – A6.2** | Lane controllers are up and running 99.99% of the time that the managed lanes are open. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6 – A6.2** | AVC system is classifying the correct number of axles on vehicles correctly 99.95% of the time a transaction is detected in the lane. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Transmit transactions that are not duplicates with the correct toll amounts to the Customer Service Center (to be determined on a per transmission basis). | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Upon notification of a duplicate transaction or an incorrect toll amount on a per transmissions basis, the Concessionaire shall reconcile or audit the data transmission within one Business Day to identify any and all other duplicate transactions or incorrect toll charges that may have occurred (to be determined on a per transmission basis). Upon identification, the Concessionaire shall transmit the correct information to the customer service center for rectification including appropriate correspondence and crediting/debiting of accounts within five days. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | The Concessionaire shall only request payment from an account on the list of current active tags transmitted by the customer service center (to be determined on a per transmission basis). | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 16** | Comply with the toll pricing requirements (including notification requirements) and vehicle usage/access requirements approved by the HPTE Board as well as those required by the IGA with Denver RTD. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Achieve a mean Asset Condition Score of 3.5 but at least 2 for any Element Category in any quarterly audit as described in paragraph 2.3.7 of Schedule 6 of the Concession Agreement | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Achieve a mean Asset Condition Score of less than 2 and greater than 1 for any Element Category in any quarterly audit as described in paragraph 2.3.7 of Schedule 6 of the Concession Agreement. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |

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| Agreement Section | Agreement Requirement | Performance Metric(s) (if applicable) | Page # | Risk Level (if applicable) | Additional Monitoring Conclusion |
|---|---|---|---|---|---|
| **Schedule 10/ Schedule 6** | Achieve a mean Asset Condition Score of 1 or less for any Element Category in any quarterly audit as described in paragraph 2.3.7 of Schedule 6 of the Concession Agreement. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6 – A6.2** | The Concessionaire takes necessary action with customer service center to validate ,and then if valid, have error corrected and customer informed within seven (7) days of receiving notice that an incorrect toll amount has been charged (provided appropriate customer information available) This shall apply for errors in excess of $0.25 (to be determined on a per transmission basis). Further, as Part of the validation process the Concessionaire must assess and take appropriate action to address any underlying billing problem. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6 – A6.2** | Respond within seven days to customer inquiries and complaints about the Managed Lanes where contact details of customers have been provided. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6 –A6.2** | Telephone line manned during business hours and 24 hour availability of messaging system. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Maintain a monthly average of at least 4.0 on a scale of 1.0 to 5.0 on Customer Driven Management (CDM) customer service survey results | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Maintain a monthly average of 2.0 or better on a scale of 1.0 to 5.0 on “after- call” customer service surveys done through the phone system in accordance with Appendix 6-2 | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Requirements for answering calls, wait times, quality measurement for phone audits, workforce management software are met in accordance with Appendix 6- 2 | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | An monthly average of 98% of all customer and non-customer requests and correspondence, regardless of communication method, responded to within three (3) business days | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Requirements for online customer access (web), email system functionality, phone system and IVR (Interactive Voice Response) system functionality are met | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Following receipt of two or more complaints within 30 days emanating from a single toll point Concessionaire shall investigate claims of tag reads from General Purpose (“GP”) lanes and in the event that a an erroneous toll read occurred, or reasonable doubt exists as to whether such occurred, Concessionaire shall immediately contact HPTE and prepare correspondence that can be sent to all customers who have made such a complaint regarding the erroneous GP reads. This shall occur within fifteen (15) days of receipt of such second complaint within a thirty (30) day period. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |

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| Agreement Section | Agreement Requirement | Performance Metric(s) (if applicable) | Page # | Risk Level (if applicable) | Additional Monitoring Conclusion |
|---|---|---|---|---|---|
| **Schedule 10/ Schedule 6** | Upon notification of the display of an incorrect toll amount, the Concessionaire shall reconcile or audit the data transmission within one Business Day to identify any and all other customer accounts that may have been impacted by the incorrect signage (to be determined on a per transmission basis). | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Comply with standards applicable to the retention of and use of customer records pursuant to applicable Law, | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Achieve an incident response time that complies with Incident Response Plan | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Comply with a requirement in respect of the Incident Management Plan as required by Schedule 6 | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Address a Category 1 defect within the time period shown in Appendix 6-1 of Schedule 6. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Address a Category 2 defect within the time period shown in Appendix 6-1 of Schedule 6. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Identify material defects in the inspection reports, life cycle maintenance plan, or work currently undertaken. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Include identified material defects in the next Life Cycle Maintenance Plan and/or the Operations and Maintenance Plan. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6 Section 22.4** | Comply with a requirement in respect of the Maintenance Management Plan as required by Schedule 6 of the Concession Agreement. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Create the required O&M records. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 25** | Produce, review, and, as necessary, update the Snow Removal and Ice Control Operations Plan | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Project Management** | Establish, maintain, update or comply with any requirement of a Quality Management Plan in accordance with Section 25 of the Concession Agreement | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Comply with a requirement in respect of the Operations Management Plan as required by Schedule 6 of the Concession Agreement where the failure impacts or has potential to impact on the level of service provided to users | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 25** | Failure to meet the requirements for completing sweeping within 72 hours after a Precipitation Event per 3.4 of Schedule 25. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 25** | A Service Level Score of 4 is received for an individual Precipitation Event related to the Managed Lanes | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 25** | A Service Level Score of 3 is received for an individual Precipitation Event related to the Managed Lanes | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 25** | A Service Level Score of 2 is received for an individual Precipitation Event related to the Managed Lanes | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 25** | A Service Level Score of 1 is received for an individual Precipitation Event related to the Managed Lanes | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |

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| Agreement Section | Agreement Requirement | Performance Metric(s) (if applicable) | Page # | Risk Level (if applicable) | Additional Monitoring Conclusion |
|---|---|---|---|---|---|
| **Schedule 10/ Snow and Ice Control** | A Service Level Score of 0 is received for an individual Precipitation Event related to the Managed Lanes | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 16/IGA with Denver RTD** | Maintain an average speed of at least fifty-five (55) mph for the portion of the US 36 Managed Lanes from Table Mesa to the Broomfield Park'n-Ride during Peak Periods, measured over a timeframe of one (1) month where the actual speed is fifty (50) mph or less. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 16/Denver RTD IGA** | Maintain an average speed of at least fifty-five (55) mph for the portion of the US 36 Managed Lanes from Table Mesa to the Broomfield Park'n'Ride during Peak Periods, measured over a timeframe of one (1) month such that the average is between 40-50 miles per hour | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 16/Denver RTD IGA** | Maintain an average speed of at least fifty-five (55) mph for the portion of the US 36 Managed Lanes from Table Mesa to the Broomfield Park'n'Ride during Peak Periods, measured over a timeframe of one (1) month such that the average is less than forty (40) miles per hour. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 16/Denver RTD IGA** | Maintain an average speed of at least fifty (50) mph for the portion of the US 36 Managed Lanes from the Broomfield Park'n'Ride to Pecos Street during Peak Periods, measured over a timeframe of one (1) month where the average speed is forth-five (45 mph) or less. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 16/Denver RTD IGA** | Maintain an average speed of at least fifty (50) mph for the portion of the US 36 Managed Lanes from the Broomfield Park'n'Ride to Pecos Street during Peak Periods, measured over a timeframe of one (1) month such that the average is between 35-45 miles per hour. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 16/Denver RTD IGA** | Maintain as average speed of at least fifty (50) mph for the portion of the US 36 Managed Lanes from the Broomfield Park'n'Ride to Pecos Street during Peak Periods, measured over a timeframe of one (1) month such that the average is less than thirty-five (35) miles per hour. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ IGA with Denver RTD** | Maintain an average travel time of no more than 8.75 minutes from Pecos Street to Denver Union Station during Peak Periods measured over a rolling period of four (4) weeks. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Report safety related incidents to the HPTE within one day unless they constitute an immediate hazard (Category 1), in which case HPTE shall be notified as soon as practicable but in no case less than 1 hour from occurrence. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Provide Courtesy Patrol in accordance with paragraph 4.4.1 of Schedule 6 of the Concession Agreement. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Meet requirements of work zone safety, management, maintenance of traffic and diversion routes for regular maintenance during operations. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |

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| Agreement Section | Agreement Requirement | Performance Metric(s) (if applicable) | Page # | Risk Level (if applicable) | Additional Monitoring Conclusion |
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| **Schedule 10/ Schedule 6** | Formally establish and adhere to a policy, procedure, process, or guideline as required by the Safety Plan | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Observe the safety plan or to carry out any operation or maintenance activity in contravention of (or in absence of) the safety plan or in a manner that represents a hazard to project workers or the general public in accordance with Schedule 6 of the Concession Agreement. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Achieve a smooth transition of maintenance activities from HPTE in accordance with the Transition Plan. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |
| **Schedule 10/ Schedule 6** | Accurately gather and report on a timely basis the information required for any FHWA reporting requirements as designated by HPTE. | Performance Measure | Sch 10 | Moderate or Above | Provide Addt'l Monitoring |

**High Level Monitoring Approach for the US 36 / I 25 Concession Agreement** **EXHIBIT B**

**Prepared by McGladrey, LLP – As of May 29, 2015**

Revision Date 7/15/2015

| General Monitoring Category | Requirement Type | Requirement/Performance Measure Description | Requirement/ Performance Measure | Ongoing Day to Day Operations Monitoring (Firm) | First Level Oversight (Firm) | Secondary Level Oversight (Firm) | High Level Monitoring Approach Description |
|---|---|---|---|---|---|---|---|
| Compliance | Contractual | Concessionaire will not subcontract or make changes to existing subcontracts without the written consent of HPTE. | Requirement | HDR / LSG | McGladrey | N/A | Monitor listing of Concessionaire subcontractors and HPTE approvals. To the extent that they exist, identiffy instances of use of subcontrators require to be but not approved by HPTE. Verify observed subcontractors, if required, received HPTE approval. |
| Compliance | Contractual | HPTE and Concessionaire shall not disclose any confidential information provided by the other party. | Requirement | HPTE | McGladrey | N/A | Monitor and verify any Concessionaire breaches of confidentiality identified and noticed by HPTE. |
| Compliance | Contractual | HPTE and Concessionaire will follow designated change procedures as necessary, per Schedule 21. | Requirement | HPTE | McGladrey | N/A | Monitor and verify compliance with Schedule 21 for HPTE and Concessionaire Changes. |
| Compliance | Contractual | If a particular breach (other than a Schedule 10 noncompliance issue) has continued for more than 14 days or occurred more than 3 times in any 6 month period, HPTE may serve a Warning Notice on the Concessionaire.<br>If, following a warning notice the breach continues beyond 30 days or recurred 2 more times in the 6 month period following the notice, HPTE may service a Final Warning Notice. | Requirement | HPTE | McGladrey | HPTE | Monitor and verify Concessionaire has not assigned, changed, terminated or entered into subcontract agreements within subcontractors other than proposed subcontractors, or subcontractors consented to by HPTE. |
| Compliance | Contractual | Subcontract agreements entered into by Concessionaire will contain the appropriate Flow down Provisions. | Requirement | HPTE | McGladrey | N/A | Monitor and verify that subcontract agreements entered into by Concessionaire contain the "Flow down Provisions" of Concessionaire's agreement as required by 46.3. |
| Compliance | Insurance Claims | Concessionaire will notify HPTE of any insurance claims in excess of $500,000 within 20 business days of the claim. | Requirement | HPTE | McGladrey | N/A | Verify that Concessionaire has notified HPTE of claims any claims in excess of $500,000. |
| Compliance | Insurance Requirements | Concessionaire will cooperate with any checks HPTE may carry out in relation to the performance of its obligations under the Contract. HPTE will information Concessionaire of the results of such monitoring. | Requirement | CDOT / HPTE | McGladrey | N/A | Verify required insurance coverage related to Services are in accordance with Part 2 of Schedule 17. |
| Compliance | Insurance Requirements | Concessionaire will provide HPTE evidence of proper insurance coverage and payments. | Requirement | HPTE | McGladrey | N/A | Verify Concessionaire has provided appropriate renewal documentation (certs, policies and evidence of payment) to HPTE to evidence renewal and policies are in force. |
| Compliance | Insurance Requirements | Concessionaire will provide HPTE proper renewal certificates for insurance no later than 10 business day before the renewal date. | Requirement | HPTE | McGladrey | N/A | Verify that insurance deductibles are appropriately indexed in accordance with Schedule 17. |
| Compliance | Insurance Requirements | Insurance policy requirements will be indexed to CPI per Section 1.7 of the Agreement. | Requirement | HPTE | McGladrey | N/A | Verify that Concessionaire has provided compliant certificates of insurance, copies of policies (if requested) and evidence of payment and policies being in force to HPTE. |
| Compliance | Legal | As soon as possible after receipt of notification of change in law, parties shall agree on mitigating actives and provide appropriate evidence of any effects on work, services, revenues, costs or capital. | Requirement | HPTE | McGladrey | N/A | In the event of a change in law, verify compliance with Change Procedures as set forth in 44.2. |
| Compliance | Legal | Concessionaire undertakes to HPTE that it will a) carry out business activities related to the Project, b) inform HPTE of pending litigation, c) provide all Necessary Consents, d) provide personnel who are duly authorized to execute documents, e) provide project documentation that is complete, f) not commit Prohibited Acts | Requirement | HPTE | McGladrey | McGladrey | Monitor and verify no change in control of Concessionaire has occurred and remains as per Schedule 3. |
| Compliance | Legal | Concessionaire will notify HPTE of any sale, transfer or disposal of any legal, beneficial, equitable or other interest in any or all of the shares in the Concessionaire. | Requirement | HPTE | McGladrey | N/A | Monitor whether any notices of any changes in law are provided by either party, and whether they contain required information as set forth in 44.1; Change to work, impact to contract terms, whether relief from compliance is required, any loss of revenue, estimated change in costs and capital expenditures. |

**High Level Monitoring Approach for the US 36 / I 25 Concession Agreement** **EXHIBIT B**

**Prepared by McGladrey, LLP – As of May 29, 2015**

Revision Date 7/15/2015

| General Monitoring Category | Requirement Type | Requirement/Performance Measure Description | Requirement/ Performance Measure | Ongoing Day to Day Operations Monitoring (Firm) | First Level Oversight (Firm) | Secondary Level Oversight (Firm) | High Level Monitoring Approach Description |
|---|---|---|---|---|---|---|---|
| Compliance | Legal | Parties will notify each other of any changes in law and its effect on work, services, revenues, costs, or capital. | Requirement | HPTE | LSG | N/A | 1) Obtain Concessionaire disclosure statement quarterly 2) Verify presence of Concessionaire's Disclosure Statement - 2x/yr 3) Develop and perform Civil Records (Suit) search - Annually |
| Compliance | Milestone Attainment - P1 | Concessionaire is responsible to 1) provide a list of necessary consents, 2) facilitate obtaining necessary consents from HPTE and 3) obtaining all necessary consents form HPTE. | Requirement | HPTE | McGladrey | N/A | Monitor whether Necessary Consents required for the Concessionaire to commence the Services in relation to the Phase 1 Managed Lanes and in relation to the Phase 1 GP Lanes have been received. |
| Compliance | Milestone Attainment - P1 and P2 | Concessionaire will escrow software source codes with Escrow Agent. | Requirement | HPTE | McGladrey | N/A | Verify per 5.2(b) that appropriate Source Code Escrows were established (and are maintained) Planned by Phase 1 Services Commencement and Full Services Commencement. Verify 3rd party received escrow files by commencement date |
| Compliance | Operations | Concessionaire will maintain a list of parties with approved access to facilities and will refuse entry to parties refused access by HPTE. | Requirement | HPTE | LSG | McGladrey | Inquire with HPTE and PRD (including subs) on a periodic basis to determine if there have been changes to approved personnel or refused parties (additions and deletions). If yes, confirm with HPTE they have received appropriate documentation. |
| Compliance | Operations | HPTE may transfer and assign its interest to any other public agency or entitle of the State as required by Law upon not less than 60 business days notice to Concessionaire. Concessionaire cannot assign its interests without prior written consent of HPTE. | Requirement | HPTE | McGladrey | N/A | Monitor and verify assignment of the Concessionaire Agreement by HPTE has not occurred. |
| Compliance | Operations | No partnership or similar relationship will be established between Concessionaire and HPTE. | Requirement | HPTE | McGladrey | N/A | Monitor and verify that no Agencies, or relationships that present conflicts of interests between Concessionaire and HPTE have been established. |
| Compliance | Record Keeping | Concessionaire will not enter into new, or amend existing funding agreements without HPTE approval. | Requirement | CDOT / HPTE | McGladrey | N/A | Inquire with HPTE and PRD on a period basis to determine if there have been new or amended Funding Agreements. If yes, confirm with HPTE they have received appropriate documentation. See also 6.2. |
| Compliance | Record Keeping | In the event of a new or changed funding agreement, concessionaire will deliver executed copy to HPTE within 10 days. | Requirement | CDOT / HPTE | McGladrey | N/A | Inquire with HPTE and PRD on a period basis to determine if there have been new or amended Funding Agreements. See also 6.4 |
| Compliance | Record Retention | Concessionaire is required to maintain adequate records related to Work and Services and, upon request, will provide a written summary of any costs related to Work or Services. Concessionaire will allow HPTE to examine those records as needed. | Requirement | HPTE | McGladrey | N/A | Monitor and verify any notices of claims HPTE believes involve indemnification are handled in accordance with the terms and conditions of Section 61. |
| Compliance | Record Retention | Concessionaire will release, defend, indemnify and hold harmless HPTE and CDOT from and against any and all claims and causes of action. | Requirement | HPTE | McGladrey | N/A | Monitor and verify Notices are tracked and addressed by HPTE. |
| Compliance | Record Retention | Parties will notify each other via written notice whenever a notification is necessary. | Requirement | HPTE | McGladrey/ HDR / LSG | N/A | Monitor and verify any of Concessionaire' failures to maintain adequate records that have been identified and noticed by HPTE. |
| Compliance | Records Retention | Concessionaire will not engage any new or replacement subcontractors unless Concessionaire provides HPTE subcontractor Agreement (Schedule 19) prior to commencing any activities or obligations. | Requirement | HPTE | McGladrey | N/A | Monitor and verify subcontract agreements have been provided to HPTE. |
| Compliance, Financial | Contractual | Changes to the Toll Service Provider and the associated Agreement must be agreed to by both parties. | Requirement | HPTE | McGladrey | N/A | Verify that no Toll Services Provider change has occurred. If a change has occurred, verify change was in accordance with Section 29.10 |
| Compliance, Financial | Insurance Claims | All insurance proceeds paid in respect of a single event in excess of $500,000 will be paid into the Joint Insurance Account. | Requirement | HPTE | McGladrey | N/A | Verify that all insurance proceeds in excess of $500,000 are paid into Joint Account. |

**High Level Monitoring Approach for the US 36 / I 25 Concession Agreement** **EXHIBIT B**

**Prepared by McGladrey, LLP – As of May 29, 2015**

Revision Date 7/15/2015

| General Monitoring Category | Requirement Type | Requirement/Performance Measure Description | Requirement/ Performance Measure | Ongoing Day to Day Operations Monitoring (Firm) | First Level Oversight (Firm) | Secondary Level Oversight (Firm) | High Level Monitoring Approach Description |
|---|---|---|---|---|---|---|---|
| Compliance, Financial | Insurance Claims | Concessionaire will make claims against insurances to reduce the amount of any claim Concessionaire may have against HPTE. | Requirement | HPTE | McGladrey | N/A | Verify that Concessionaire makes claims against policies to maximize reduction of any claim against CDOT/HPTE. |
| Compliance, Financial | Model / Toll Revenue | Concessionaire has exclusive right to receive toll revenues from HPTE in accordance with Section 29.1(b) and Toll Services Agreement. Schedule 16 shall have effect. | Requirement | HPTE | McGladrey | N/A | Verify compliance with requirements outlined in Schedule 16, also lists reporting requirements |
| Compliance, Financial | Model / Toll Revenue | Concessionaire is responsible for all toll transaction account management services pursuant to the Tolling Services Agreement.<br>Concessionaire must have approval of HPTE to enter into new Tolling Services Agreement | Requirement | HPTE | McGladrey | N/A | Verify that concessionaire does not implement changes in the ETCS that fail to coordinate with CDOT and result in a loss of toll revenue. |
| Compliance, Financial | Model / Toll Revenue | Concessionaire will operate the ETCS. If Concessionaire wishes to change the ETCS, it will coordinate with HPTE and CDOT prior to implementation. | Requirement | HPTE | McGladrey | N/A | Verify that Concessionaire has not entered into new tolling agreement without acceptance (approval) by HPTE. |
| Compliance, Financial | Payments | HPTE has 15 business days from receipt to make payment of the Interim Capital Payment, as long as appropriate supporting documentation has been provided and Concessionaire has complied with all Plans. | Requirement | HPTE | McGladrey | N/A | Verify that Concessionaire has provided appropriate reports per Section 2 of Schedule 5. Monitor that Concessionaire has submitted invoice containing proper supporting documentation. Monitor and verify that HPTE has made Interim Capital Payments within 15 business days of fulfillment of requirements by concessionaire (Supported invoice and monthly reports) |
| Compliance, Financial, Technical | Operations | Concessionaire will perform Non-Separable Tasks per the Life Cycle Maintenance Plan as agreed to by HPTE. | Requirement | HDR / LSG | HPTE | McGladrey | Verify whether non-separable tasks are properly identified, costs are shared, and documented. |
| Compliance, Technical | Insurance Requirements | Concessionaire will maintain proper insurance coverage. | Requirement | HPTE | McGladrey | N/A | Monitor insurances are in compliance with Part 3 of Section 17.<br>Monitor insurance proceeds are applied in accordance with Section 38. |
| Compliance, Technical | Milestone Attainment - P1 | Upon completion of Phase 1, Concessionaire will commence snow and ice removal services | Requirement | HDR / LSG | HPTE | McGladrey | Verify Conditions Precedent per Schedule 2, Part 2 are achieved prior to July 22, 2015. |
| Compliance, Technical | Milestone Attainment - P2 | Concessionaire must obtain completion of Phase 2 work by the Full services commencement date (or liquidated damages will be due to HPTE). | Requirement | CDOT / HPTE | HDR / LSG | N/A | Verify Notice of Phase 2 Work Completion and Preliminary Requirements by Concessionaire, Verify acceptance by HPTE. |
| Compliance, Technical | Milestone Attainment - P2 | Concessionaire will correct non-conforming Phase 2 work and provide written notice to HPTE of correction when all preliminary requirements have been met. | Requirement | CDOT / HPTE | HDR / LSG | McGladrey | Verify Notice of Phase 2 Work Completion and Preliminary Requirements by Concessionaire, Verify acceptance by HPTE and attainment of requirements. Identify Non-Conformance and correction of non-conformance |
| Compliance, Technical | Milestone Attainment - P2 | Concessionaire will provide HPTE with a sworn affidavit of completion for Phase 2 work in accordance with the requirements of 19.3. | Requirement | CDOT / HPTE | HDR / LSG | McGladrey | Verify that Concessionaire has provided Affidavit attesting that all Phase 2 work has been completed and verbiage of affidavit is in compliance with 19.4 "Requirements of Affidavit of Phase 2 Work Completion" |
| Compliance, Technical | Milestone Attainment - P2 | Concessionaire's sworn affidavit of completion of Phase 2 work shall contain the specific verbiage contained in Part 5, section 19.4. | Requirement | CDOT / HPTE | HDR / LSG | McGladrey | Verify that concessionaire has provided executed sworn affidavit that all Phase 2 work completion have been met. |
| Compliance, Technical | Milestone Attainment - P2 | HPTE will deliver notice of Conditions Precedent before concessionaire will commence Snow and Ice removal services.<br>What are Conditions Precedent? CP's are in Sch. 2 of the CA | Requirement | CDOT / HPTE | HDR / LSG | N/A | Verify that HPTE has performed and documented inspection of Phase 2 Work. |
| Compliance, Technical | Milestone Attainment - P2 | The concessionaire will provide advance notice of Phase 2 Completion to HPTE at least 20 business days prior to its expected completion date of Phase 2 requirements. | Requirement | CDOT / HPTE | HDR / LSG | McGladrey | Verify that Phase 2 completion was timely, and if not timely, determine and quantify any delay. |
| Compliance, Technical | Milestone Attainment - P2 | Upon receipt of Concessionaire's sworn affidavit of completion of Phase 2 work, HPTE will perform a final inspection and issue a Notice of Phase 2 Work Completion once all requirements have been satisfied. | Requirement | CDOT / HPTE | HDR / LSG | McGladrey | Verify Completion/Attainment of Conditions Precedent, per Schedule 2, Part 3 are attained (Prior to December 31, 2015) and acceptance/ approval by CDOT/HPTE. |

**High Level Monitoring Approach for the US 36 / I 25 Concession Agreement** **EXHIBIT B**

**Prepared by McGladrey, LLP – As of May 29, 2015**

Revision Date 7/15/2015

| General Monitoring Category | Requirement Type | Requirement/Performance Measure Description | Requirement/ Performance Measure | Ongoing Day to Day Operations Monitoring (Firm) | First Level Oversight (Firm) | Secondary Level Oversight (Firm) | High Level Monitoring Approach Description |
|---|---|---|---|---|---|---|---|
| Compliance, Technical | Milestone Attainment - Plans | Concessionaire must submit project Plans at the specified intervals for review and comment by HPTE. HPTE may decline the plan for the specified reasons. | Requirement | HDR / LSG | HPTE | McGladrey | Verify submittal of Maintenance Management plan, Operations Management Plan, Transitional Management Plan, Communications Plan and a Marketing Plan. Verify HPTE acceptance of Maintenance Management plan, Operations Management Plan, Transitional Management Plan, Communications Plan and a Marketing Plans. |
| Compliance, Technical | Milestone Attainment - Plans (Annual) | Within 90 days before the beginning of each calendar year, Concessionaire will prepare and submit a 5 year Life Cycle Maintenance Plan for review, comment, and approval by HPTE. | Requirement | HDR / LSG | HPTE | McGladrey | Verify submittal of annual 5 year Life Cycle Maintenance Plan for maintenance to Managed Lanes. Determine if changes have been requested by HPTE and if so, verify changes have been incorporated into plan. |
| Compliance, Technical | Operations | Concessionaire at all times shall remain compliant with all Schedule 6 operational and maintenance requirements. | Requirement | HDR / LSG | HPTE | N/A | Monitor and verify materials and equipment used for the performance of services are in accordance with Service Requirements.<br>Monitor and verify that highway maintenance employees' rates of pay and benefits are no less than comparable to CDOT's maintenance employees.<br>Monitor and verify that maintenance personnel are in sufficient numbers and skill level.<br>Monitor land is used only for Services. |
| Compliance, Technical | Operations | Concessionaire has seven Business Days to agree with HPTE when and how corrective work will be accomplished; if not performed accordingly, HPTE can hire a third party. | Requirement | CDOT / HPTE | HPTE | McGladrey | In the event of non-conforming or warranty work, and notice to concessionaire, verify concessionaire's agreement to correct work inclusive of how and when Concessionaire will correct its work. In the event of failure to remedy by Concessionaire, verify HPTE plan to effectuate correction of non-conforming or defective work.<br>CDOT / HPTE to monitor thru completion |
| Compliance, Technical | Operations | Concessionaire shall make the managed lanes available for use by vehicles and provide services and snow and ice removal in accordance with Agreement terms: A) From commencement date forward for the I-25 managed lanes and I-25 Shared Bridge decks, B) from Phase 1 services commencement date forward for the Phase 1 managed lanes and Phase 1 GP Lanes, and C) from the full services commencement date forward for the managed lanes and US 36 General purpose lanes | Requirement | HDR / LSG | McGladrey | N/A | Verify Concessionaire has performed required snow and ice maintenance as set forth in Schedule 19 of the agreement. (Post - Completion) |
| Compliance, Technical | Operations | Concessionaire shall meet each and every obligation, independent of each other. (Failure to meet one obligation shall not be an excuse for not meeting another obligation). | Requirement | HPTE<br>HDR / LSG | McGladrey | N/A | Verify Concessionaire compiles Monthly and Annual Service Reporting in accordance with Section 1.8 of Schedule 6. Monitor and verify Error reporting and underlying error notice is reported in accordance with agreement. Monitor and verify unresolved issues are handled in accordance with Dispute Resolution procedures and terms. Monitor and verify Challenges are handled in accordance with 35.1 a & c.<br>If errors exist in Monthly Service Report, monitor procedures detailed in Section are adhered to. |

**High Level Monitoring Approach for the US 36 / I 25 Concession Agreement** **EXHIBIT B**

**Prepared by McGladrey, LLP – As of May 29, 2015**

Revision Date 7/15/2015

| General Monitoring Category | Requirement Type | Requirement/Performance Measure Description | Requirement/ Performance Measure | Ongoing Day to Day Operations Monitoring (Firm) | First Level Oversight (Firm) | Secondary Level Oversight (Firm) | High Level Monitoring Approach Description |
|---|---|---|---|---|---|---|---|
| Compliance, Technical | Operations | Concessionaire will perform services using materials and equipment in accordance with the HPTE service requirements and good industry practice. Concessionaire will ensure that services are provided by appropriately skilled and experienced personnel, and personnel are paid at least equivalent to the CDOT employee rates and benefits. Concessionaire will ensure all subcontractors perform services in accordance with the Agreement. Concessionaire shall provide access to the sites to the appropriate HPTE and outside (i.e., utility) personnel. Concessionaire shall ensure land is used only for Services. | Requirement | HDR / LSG | HPTE | McGladrey | Verify Concessionaire has made Managed Lanes available for use in accordance with agreement terms. |
| Compliance, Technical | Operations | Concessionaire will prepare a Monthly Service Report and Annual Service Report, and provide corrections as necessary. | Requirement | HPTE | HDR / LSG | McGladrey | Verify Concessionaire's compliance with Maintenance Management plan, Operations Management Plan, Transitional Management Plan, Communications Plan and a Marketing Plan. |
| Compliance, Technical | Operations | Concessionaire will perform Services in accordance with the Maintenance Management Plan, Operations Management Plan, and the Safety Plan accepted by HPTE. | Requirement | HDR / LSG | McGladrey | N/A | Monitor and verify that Concessionaire has met contractual requirements for services independent of service and operating plans. Verify Concessionaire's compliance with both HPTE Service Requirements and Concessionaire Proposed Services. See 22.1 and 22.2. |
| Compliance, Technical | Operations | HPTE will assess noncompliance points to Concessionaire in accordance with and for the items detailed in Schedule 10. | Requirement | HPTE | HDR / LSG | McGladrey | Monitor Concessionaire's ongoing compliance with Schedule 6, HPTE Service Requirements. These are likely established in Schedule 10, crosscheck against Schedule 10 requirements and ensure no duplication. |
| Compliance, Technical | Operations | If Concessionaire fails to make Managed Lanes available for a period of 5 days following notice, HPTE is entitled to take steps to make Managed Lanes available for use at the Concessionaire's cost. | Requirement | HPTE | HDR / LSG | McGladrey | Verify Concessionaire has made Managed Lanes available for use in accordance with agreement terms. |
| Compliance, Technical | Operations | Intelligent Transportation Systems Maintenance must be performed as specified in Section 19 of Schedule 5. | Requirement | HDR/LSG | McGladrey | N/A | Verify noncompliance points are determined in accordance with parameters set forth in Schedule. (While likely have individual Requirement for each of the Schedule 10 requirements so may capture this in individual requirements.) |
| Financial | Milestone Attainment - P2 | In the event that Concessionaire does not achieve completion of Phase 2 Work by the full services commencement date and liquidated damages are due to HPTE, such liquidated damages shall not exceed $1,095,000 in relation to Section 20.2a or $5,475,000 in relation to Section 20.2b. | Requirement | CDOT / HPTE | McGladrey | N/A | In the event of liquidated damages, verify that liquidated damages are under Capped amount of $1,095,000, and that Toll Revenue Payable is within capped amount of $5,475,000 pursuant to 20.4 of Agreement. |
| Financial | Milestone Attainment - P2 | In the event that liquidated damages are due to HPTE for failure to complete phase 2 Work by the full services commencement date, amounts due shall be deducted from amount due from HPTE, or paid within 10 business days of receipt of invoice from HPTE. | Requirement | CDOT / HPTE | McGladrey | N/A | In the event that liquidated damages are due under the Agreement, verify offset, invoicing and payment by concessionaire. |
| Financial | Model / Toll Revenue | Cash flow sharing payments are due from Concessionaire to HPTE in accordance with Schedule 14. Concessionaire shall provide, and HPTE is responsible for reviewing, the Actual Equity IRR. | Requirement | HPTE | CDOT | N/A | TBD - verify indexed values in the rest of the Agreement are reviewed and changed annually as appropriate. See subsequent sections of monitoring activities. |
| Financial | Model / Toll Revenue | Concessionaire will provide revisions and annual updates to the Base Case Financial Model. | Requirement | HPTE | McGladrey | N/A | Monitor Base Case Financial Model updates and revisions are in accordance with Part 2 of Schedule 11. |
| Financial | Model / Toll Revenue | Financial Model is required to be indexed each year to reflect changes in the Consumer Price Index. | Requirement | HPTE | McGladrey | McGladrey | Verify Cash Flow Sharing is in accordance with Schedule 14. |

Revision Date 7/15/2015

| General Monitoring Category | Requirement Type | Requirement/Performance Measure Description | Requirement/ Performance Measure | Ongoing Day to Day Operations Monitoring (Firm) | First Level Oversight (Firm) | Secondary Level Oversight (Firm) | High Level Monitoring Approach Description |
|---|---|---|---|---|---|---|---|
| Financial | Payments | HPTE is responsible for payment of GP Routine Maintenance Fees, Snow and Ice Control Services Fees and reimbursement in relation to the I-25 shared bridge decks. | Requirement | HPTE | McGladrey | N/A | Monitor and verify amount due and paid to concessionaire due for closures that qualify for concessionaire payment by HPTE. |
| Financial | Payments | If there are emergency or other suspensions of tolls or closures of the managed lanes, HPTE may have certain payment requirements, depending on the length and reason. In cases where payments are due to the Concessionaire, HPTE has three business days from the date the closure or suspension occurred, or 10 days after the actual data necessary to make the calculation is available. | Requirement | HPTE | McGladrey | N/A | Monitor HPTE payments to Concessionaire for Snow and Ice Control Services and Non-Separable Percentage of Routine Maintenance are in accordance with Schedule 15. |
| Financial | Payments | On July 1 of each Year the Concessionaire shall pay the HPTE Cost Reimbursement Amount to HPTE. | Requirement | HPTE | McGladrey | N/A | Verify Concessionaire pays HPTE Cost Reimbursement Amount to HPTE on the first day of each year. |
| Financial | Penalties / Relief | Concessionaire has a right to relief if Force Majeure Event was the cause of a breach and property mitigation steps were taken. | Requirement | HPTE | McGladrey | N/A | If a Relief Event affects ability to perform Snow and Ice Services or other maintenance services, verify HPTE receives a fair and reasonableness reduction in Snow and Ice or other maintenance services costs. |
| Financial | Penalties / Relief | If Force Majeure Event prevents or diminishes Concessionaire's performance of Snow and Ice Services or Maintenance Services, HPTE is entitled to a fair and reasonable reduction in fees, as agreed by Concessionaire. | Requirement | HPTE | McGladrey | N/A | If compensation event and proper notice, and Concessionaire provided cost and mitigation details in accordance with 41.4, then verify compensation by HPTE is in accordance with terms of 41.4 (This would likely be an out of scope analysis) |
| Financial | Penalties / Relief | If Relief Event prevents or diminishes Concessionaire's performance of Snow and Ice Services or Maintenance Services, HPTE is entitled to a fair and reasonable reduction in fees, as agreed by Concessionaire. | Requirement | HPTE | McGladrey | N/A | If Force Majeure Event affects ability to perform Snow and Ice Services or other maintenance services, verify that HPTE receives a fair and reasonableness reduction in costs pursuant to 43.5. |
| Financial | Penalties / Relief | If the Compensation Event could not have been avoided by the Concessionaire, and the Concessionaire followed appropriate Compensation Event procedures, HPTE will compensate Concessionaire within 20 business days of receipt of claim, make Revenue Compensation Payments, or provide non-financial remedies, as appropriate. | Requirement | HPTE | McGladrey | N/A | In Force Majeure Event, verify concessionaire has met requirements for relief; demonstrated event causes breach and provided actions taken to mitigate the effects of the event. |
| Financial | Penalties / Relief | In the occurrence of a Relief Event, Concessionaire will a) notify HPTE of its claim within 20 business days and b) give full details of the claim within 5 business days. | Requirement | HPTE | McGladrey | N/A | In the a "Relief Event" verify that proper notice was provided; within 20 business days of knowledge Concessionaire will provide notice of claim, and within 5 business days of receipt of notice, Concessionaire will provide full details of claim. |
| Financial | Penalties / Relief | On the occurrence of a Force Majeure Event, affected party will notify other part as soon as possible, to include details and evidence and any mitigating actions and effects. | Requirement | HPTE | McGladrey | N/A | In the event of "Force Majeure" event, verify proper notice was provided by concessionaire, together with mitigation provided by concessionaire. |
| Financial | Penalties / Relief | To obtain relief and/or claim compensation, the Concessionaire must a) notify HPTE of its claim within 15 business days and b) give full details of the Compensation Event within 10 business days of notifying HPTE | Requirement | HPTE | McGladrey | N/A | Verify that no compensation events have occurred. In the event that a compensation event occurs, verify that Concessionaire has adhered to requirement of 41.3; written notice within 15 days of event, and provide full details within 10 days of receipt of notice by HPTE. |
| Financial | Milestone Attainment - P2 | In the event that concessionaire fails to achieve Phase 2 Completion by the Planned Full services commencement date, Concessionaire shall pay HPTE liquidated damages as prescribed in 20.2 of the Agreement. | Requirement | CDOT / HPTE | McGladrey | N/A | In the event that a delay in attainment of Phase 2 has occurred, calculate liquidated damagers and toll revenue reduction (consideration) amounts. |

Revision Date 7/15/2015

| General Monitoring Category | Requirement Type | Requirement/Performance Measure Description | Requirement/ Performance Measure | Ongoing Day to Day Operations Monitoring (Firm) | First Level Oversight (Firm) | Secondary Level Oversight (Firm) | High Level Monitoring Approach Description |
|---|---|---|---|---|---|---|---|
| Financial, Technical | Insurance Claims | In the case of a Relevant Incident, Concessionaire will promptly complete the work necessary to repair, reinstate or replace assets.<br>Withdrawals may be made from the Joint Insurance Account to fund Reinstatement Work, in accordance with the Agreement. HPTE will assist Concessionaire in the carrying out of Reinstatement Work. | Requirement | HPTE | McGladrey | N/A | b) Verify that in the event of an "relevant" incident ($250,000 or more), Concessionaire promptly completes the work necessary to repair, reinstate, or replace assets. C) Verify withdrawals from Joint Insurance account are in accordance with agreement terms and conditions. (Note the contract has reference errors in this section. Have they been corrected?) |
| Technical | Insurance Claims | All insurance proceeds received will be applied to repair, reinstate and replace each part of the assets of which such proceeds were received. | Requirement | HPTE | McGladrey | N/A | Verify that any repairs made related to insured losses are made in accordance with CDOT/HPTE's Service Requirements and the Concessionaire's Proposals. |
| Technical | Insurance Claims | Where insurance proceeds are used to repair, reinstate or replace any asset, Concessionaire will complete work in accordance with HPTE's Service Requirements and the Concessionaire's Proposals. | Requirement | HPTE | McGladrey | N/A | Verify that that insurance proceeds are used to repair impacted asset. (Do we need to verify costs are not also billed to CDOT/HPTE through other means or channels.) |
| Technical | Milestone Attainment - P2 | If Defects in I-25 Managed Lanes are noted and remain after the Commencement Date, Concessionaire will correct defects as required by Schedule 6.<br>If damage occurs prior to Commencement Date and are not repaired prior to CD and would cause a failure to comply with Service Requirements, damage shall be treated as if it were caused by Compensation Event | Requirement | HDR / LSG | HPTE | McGladrey | Verify that no defects remain at Commencement Date and, if so, they are corrected in accordance with Schedule 6. |
| Technical | Milestone Attainment - Plans (Annual) | HPTE and Concessionaire shall resolve disputes around Life Cycle Maintenance Plan within 60 days after it is provided to HPTE, or Dispute Resolution Procedures will be enacted. | Requirement | HDR / LSG | HPTE | McGladrey | Monitor and determine if disputes arise between HPTE and Concessionaire related to 5 Year Maintenance Plan. |
| Technical | Operations | Concessionaire is responsible for 1) safety of design, operations, construction methods and other Phase 2 work, b) having designated person responsible for safety and maintain an accident book, c) ensuring safety in accordance with industry practices. | Requirement | CDOT / HDR / LSG | HPTE | McGladrey | In the event that Concessionaire Fails to Comply with Life Cycle Maintenance Plan, and HPTE elects to complete required work, verify proper notice by HPTE (20 day notice), failure to cure, Concessionaire's estimates of cost to cure or failure to provide estimates to cure, payment by Concessionaire, and return of unused contingency to by HPTE to Concessionaire. |
| Technical | Operations | Concessionaire will complete with Life Cycle Maintenance Plan, or HPTE shall give notice that it will carry out tasks using own equipment and personnel at Concessionaire's cost. | Requirement | HPTE / CDOT | McGladrey | McGladrey | (ii) Verify that quality management documentation exists and is in compliance with Section 1.7.3 of Schedule 6. |
| Technical | Operations | Concessionaire will prepare, implement, and continually maintain project quality management documentation. | Requirement | HPTE / CDOT | LSG / HDR | McGladrey | Regulations include: a) Concessionaire responsible for the safety of design, operations, const. methods and other Phase 2 work, b) will designate personnel responsible for safety and maintain an accident book, c) ensure safety in accordance with industry practices. |
| Technical | Operations | Concessionaire will provide a qualified environmental manage over the duration of the contract period. | Requirement | HPTE / CDOT | McGladrey | N/A | Verify whether changes to the Environmental Manager occurred. If so, confirm HPTE has reviewed and documented qualifications. |
| Technical | Operations | HPTE / CDOT will maintain and repair I-25 Managed Lanes sub grade and bridge substructures. Concessionaire will close Managed Lanes, if necessary, to facilitate this work. Concessionaire will carry out preventative, routine, and life cycle maintenance on I-25 bridge deck and managed lanes. | Requirement | HPTE | HDR / LSG | McGladrey | Verify I-25 bridges and sub-grade are properly maintained in accordance with the appropriate Plans. |
| Compliance | Operations | Issue information to the public through any means that is factually incorrect. | Performance Measure | HPTE | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Compliance | Operations | Abide by all requirements of the Managed Lanes Communications Plan | Performance Measure | HPTE | McGladrey | N/A | TBD based on Schedule 10 requirements. |

Revision Date 7/15/2015

| General Monitoring Category | Requirement Type | Requirement/Performance Measure Description | Requirement/ Performance Measure | Ongoing Day to Day Operations Monitoring (Firm) | First Level Oversight (Firm) | Secondary Level Oversight (Firm) | High Level Monitoring Approach Description |
|---|---|---|---|---|---|---|---|
| Compliance | Operations | Compliance with a requirement with regard to Key Personnel in the Concession Agreement. | Performance Measure | HPTE | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Compliance | Policy | Disclose a policy regarding privacy of Customer Confidential Information to Customers in accordance with Schedule 6 Appendix 6-2. | Performance Measure | HPTE | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Compliance, Technical | Milestone Attainment - Plans | Concessionaire to produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (7) Managed Lane Communications Plan | Performance Measure | HDR / LSG | HPTE | McGladrey | TBD based on Schedule 10 requirements. |
| Compliance, Technical | Milestone Attainment - Plans | Concessionaire to produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (4) Disaster Recovery Plan | Performance Measure | HDR / LSG | HPTE | McGladrey | TBD based on Schedule 10 requirements. |
| Compliance, Technical | Milestone Attainment - Plans | Concessionaire to produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (6) Incident Response Plan | Performance Measure | HDR / LSG | HPTE | McGladrey | TBD based on Schedule 10 requirements. |
| Compliance, Technical | Milestone Attainment - Plans | Concessionaire to produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (8) Life Cycle Maintenance Plan. | Performance Measure | HDR / LSG | HPTE | McGladrey | TBD based on Schedule 10 requirements. |
| Compliance, Technical | Milestone Attainment - Plans | Concessionaire to produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (1) Maintenance Management Plan; | Performance Measure | HDR / LSG | HPTE | McGladrey | TBD based on Schedule 10 requirements. |
| Compliance, Technical | Milestone Attainment - Plans | Concessionaire to produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (3) Operations Management Plan; | Performance Measure | HDR / LSG | HPTE | McGladrey | TBD based on Schedule 10 requirements. |
| Compliance, Technical | Milestone Attainment - Plans | Concessionaire to produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (5) Transition Plan; | Performance Measure | HDR / LSG | HPTE | McGladrey | TBD based on Schedule 10 requirements. |
| Compliance, Technical | Milestone Attainment - Plans | Concessionaire to produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: (2) Quarterly, One- Year and Five Year Work Plans; | Performance Measure | HDR / LSG | HPTE | McGladrey | TBD based on Schedule 10 requirements. |
| Compliance, Technical | Milestone Attainment - Plans | Concessionaire to produce, review, and, as necessary, update the following plans during the Services Period in accordance with the Concession Agreement including but not limited: | Performance Measure | HDR / LSG | HPTE | McGladrey | TBD based on Schedule 10 requirements. |
| Compliance, Technical | Operations | Concessionaire to use, maintain and update the Maintenance Management Information System in accordance with paragraph 5.1 of Schedule 6. | Performance Measure | HDR / LSG | HPTE | McGladrey | TBD based on Schedule 10 requirements. |
| Compliance, Technical | Operations | Concessionaire to keep, maintain or make available to HPTE and its designated representative any book, record or document in accordance with Schedule 6 of the Concession Agreement. | Performance Measure | HDR / LSG | HPTE | McGladrey | TBD based on Schedule 10 requirements. |
| Financial | Handback | Establish and fund the Handback Reserve when required and provide appropriate account information in accordance with Section 48.8 of the Concession Agreement | Performance Measure | HDR / LSG | HPTE | McGladrey | TBD based on Schedule 10 requirements. |

Revision Date 7/15/2015

| General Monitoring Category | Requirement Type | Requirement/Performance Measure Description | Requirement/ Performance Measure | Ongoing Day to Day Operations Monitoring (Firm) | First Level Oversight (Firm) | Secondary Level Oversight (Firm) | High Level Monitoring Approach Description |
|---|---|---|---|---|---|---|---|
| Financial | Model / Toll Revenue | All ETCS equipment is fully functional and housing is functioning and free of defects. | Performance Measure | HDR / LSG | HPTE | McGladrey | TBD based on Schedule 10 requirements. |
| Financial | Model / Toll Revenue | All beacons or other equipment associated with HOV enforcement are functioning as required when a vehicle passes through the lane declared as HOV. | Performance Measure | HPTE | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Financial | Model / Toll Revenue | All antennas and readers are capturing 99.95% of transactions where a transponder is present in the vehicle. | Performance Measure | HPTE | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Financial | Model / Toll Revenue | Lane controllers are up and running 99.99% of the time that the managed lanes are open. | Performance Measure | HPTE | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Financial | Model / Toll Revenue | AVC system is classifying the correct number of axles on vehicles correctly 99.95% of the time a transaction is detected in the lane. | Performance Measure | HPTE | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Financial | Model / Toll Revenue | Transmit transactions that are not duplicates with the correct toll amounts to the Customer Service Center (to be determined on a per transmission basis). | Performance Measure | HPTE | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Financial | Model / Toll Revenue | Upon notification of a duplicate transaction or an incorrect toll amount on a per transmissions basis, the Concessionaire shall reconcile or audit the data transmission within one Business Day to identify any and all other duplicate transactions or incorrect toll charges that may have occurred (to be determined on a per transmission basis). Upon identification, the Concessionaire shall transmit the correct information to the customer service center for rectification including appropriate correspondence and crediting/debiting of accounts within five days. | Performance Measure | HPTE | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Financial | Model / Toll Revenue | The Concessionaire shall only request payment from an account on the list of current active tags transmitted by the customer service center (to be determined on a per transmission basis). | Performance Measure | HPTE | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Financial | Model / Toll Revenue | Comply with the toll pricing requirements (including notification requirements) and vehicle usage/access requirements approved by the HPTE Board as well as those required by the IGA with Denver RTD. | Performance Measure | HPTE | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Concessionaire to achieve a mean Asset Condition Score of 3.5 but at least 2 for any Element Category in any quarterly audit as described in paragraph 2.3.7 of Schedule 6 of the Concession Agreement | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Concessionaire to achieve a mean Asset Condition Score of less than 2 and greater than 1 for any Element Category in any quarterly audit as described in paragraph 2.3.7 of Schedule 6 of the Concession Agreement. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Concessionaire to achieve a mean Asset Condition Score of 1 or less for any Element Category in any quarterly audit as described in paragraph 2.3.7 of Schedule 6 of the Concession Agreement. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |

Revision Date 7/15/2015

| General Monitoring Category | Requirement Type | Requirement/Performance Measure Description | Requirement/ Performance Measure | Ongoing Day to Day Operations Monitoring (Firm) | First Level Oversight (Firm) | Secondary Level Oversight (Firm) | High Level Monitoring Approach Description |
|---|---|---|---|---|---|---|---|
| Technical | Operations | The Concessionaire takes necessary action with customer service center to validate, and then if valid, have error corrected and customer informed within seven (7) days of receiving notice that an incorrect toll amount has been charged (provided appropriate customer information available) This shall apply for errors in excess of $0.25 (to be determined on a per transmission basis). Further, as Part of the validation process the Concessionaire must assess and take appropriate action to address any underlying billing problem. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Respond within seven days to customer inquiries and complaints about the Managed Lanes where contact details of customers have been provided. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Telephone line manned during business hours and 24 hour availability of messaging system. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Maintain a monthly average of at least 4.0 on a scale of 1.0 to 5.0 on Customer Driven Management (CDM) customer service survey results | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Maintain a monthly average of 2.0 or better on a scale of 1.0 to 5.0 on "after- call" customer service surveys done through the phone system in accordance with Appendix 6-2 | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Requirements for answering calls, wait times, quality measurement for phone audits, workforce management software are met in accordance with Appendix 6- 2 | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | An monthly average of 98% of all customer and non-customer requests and correspondence, regardless of communication method, responded to within three (3) business days | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Requirements for online customer access (web), email system functionality, phone system and IVR (Interactive Voice Response) system functionality are met | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Following receipt of two or more complaints within 30 days emanating from a single toll point Concessionaire shall investigate claims of tag reads from General Purpose ("GP") lanes and in the event that a an erroneous toll read occurred, or reasonable doubt exists as to whether such occurred, Concessionaire shall immediately contact HPTE and prepare correspondence that can be sent to all customers who have made such a complaint regarding the erroneous GP reads. This shall occur within fifteen (15) days of receipt of such second complaint within a thirty (30) day period. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Upon notification of the display of an incorrect toll amount, the Concessionaire shall reconcile or audit the data transmission within one Business Day to identify any and all other customer accounts that may have been impacted by the incorrect signage (to be determined on a per transmission basis). | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Comply with standards applicable to the retention of and use of customer records pursuant to applicable Law, | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Achieve an incident response time that complies with Incident Response Plan | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |

Revision Date 7/15/2015

| General Monitoring Category | Requirement Type | Requirement/Performance Measure Description | Requirement/ Performance Measure | Ongoing Day to Day Operations Monitoring (Firm) | First Level Oversight (Firm) | Secondary Level Oversight (Firm) | High Level Monitoring Approach Description |
|---|---|---|---|---|---|---|---|
| Technical | Operations | Comply with a requirement in respect of the Incident Management Plan as required by Schedule 6 | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Address a Category 1 defect within the time period shown in Appendix 6-1 of Schedule 6. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Address a Category 2 defect within the time period shown in Appendix 6-1 of Schedule 6. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Identify material defects in the inspection reports, life cycle maintenance plan, or work currently undertaken. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Include identified material defects in the next Life Cycle Maintenance Plan and/or the Operations and Maintenance Plan. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Comply with a requirement in respect of the Maintenance Management Plan as required by Schedule 6 of the Concession Agreement. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Concessionaire to create the required O&M records. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Concessionaire to produce, review, and, as necessary, update the Snow Removal and Ice Control Operations Plan | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Concessionaire to establish, maintain, update or comply with any requirement of a Quality Management Plan in accordance with Section 25 of the Concession Agreement | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Concessionaire to comply with a requirement in respect of the Operations Management Plan as required by Schedule 6 of the Concession Agreement where the failure impacts or has potential to impact on the level of service provided to users | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Failure to meet the requirements for completing sweeping within 72 hours after a Precipitation Event per 3.4 of Schedule 25. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | A Service Level Score of 4 is received for an individual Precipitation Event related to the Managed Lanes | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | A Service Level Score of 3 is received for an individual Precipitation Event related to the Managed Lanes | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | A Service Level Score of 2 is received for an individual Precipitation Event related to the Managed Lanes | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | A Service Level Score of 1 is received for an individual Precipitation Event related to the Managed Lanes | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | A Service Level Score of 0 is received for an individual Precipitation Event related to the Managed Lanes | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Maintain an average speed of at least fifty-five (55) mph for the portion of the US 36 Managed Lanes from Table Mesa to the Broomfield Park'n-Ride during Peak Periods, measured over a timeframe of one (1) month where the actual speed is fifty (50) mph or less. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements, requirement being clarified. |
| Technical | Operations | Maintain an average speed of at least fifty-five (55) mph for the portion of the US 36 Managed Lanes from Table Mesa to the Broomfield Park'n'Ride during Peak Periods, measured over a timeframe of one (1) month such that the average is between 40-50 miles per hour | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |

Revision Date 7/15/2015

| General Monitoring Category | Requirement Type | Requirement/Performance Measure Description | Requirement/ Performance Measure | Ongoing Day to Day Operations Monitoring (Firm) | First Level Oversight (Firm) | Secondary Level Oversight (Firm) | High Level Monitoring Approach Description |
|---|---|---|---|---|---|---|---|
| Technical | Operations | Maintain an average speed of at least fifty-five (55) mph for the portion of the US 36 Managed Lanes from Table Mesa to the Broomfield Park'n'Ride during Peak Periods, measured over a timeframe of one (1) month such that the average is less than forty (40) miles per hour. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Maintain an average speed of at least fifty (50) mph for the portion of the US 36 Managed Lanes from the Broomfield Park'n'Ride to Pecos Street during Peak Periods, measured over a timeframe of one (1) month where the average speed is forth-five (45 mph) or less. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Maintain an average speed of at least fifty (50) mph for the portion of the US 36 Managed Lanes from the Broomfield Park'n'Ride to Pecos Street during Peak Periods, measured over a timeframe of one (1) month such that the average is between 35-45 miles per hour. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Maintain as average speed of at least fifty (50) mph for the portion of the US 36 Managed Lanes from the Broomfield Park'n'Ride to Pecos Street during Peak Periods, measured over a timeframe of one (1) month such that the average is less than thirty-five (35) miles per hour. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Maintain an average travel time of no more than 8.75 minutes from Pecos Street to Denver Union Station during Peak Periods measured over a rolling period of four (4) weeks. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Report safety related incidents to the HPTE within one day unless they constitute an immediate hazard (Category 1), in which case HPTE shall be notified as soon as practicable but in no case less than 1 hour from occurrence. | Performance Measure | HPTE | HDR / LSG | McGladrey | TBD based on Schedule 10 requirements. |
| Technical | Operations | Concessionaire to provide Courtesy Patrol in accordance with paragraph 4.4.1 of Schedule 6 of the Concession Agreement. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Concessionaire to meet requirements of work zone safety, management, maintenance of traffic and diversion routes for regular maintenance during operations. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Concessionaire to formally establish and adhere to a policy, procedure, process, or guideline as required by the Safety Plan | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Concessionaire to observe the safety plan or ~~to~~ carry out any operation or maintenance activity in contravention of (or in absence of) the safety plan or in a manner that represents a hazard to project workers or the general public in accordance with Schedule 6 of the Concession Agreement. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Concessionaire to achieve a smooth transition of maintenance activities from HPTE in accordance with the Transition Plan. | Performance Measure | HDR / LSG | McGladrey | N/A | TBD based on Schedule 10 requirements. |
| Technical | Operations | Concessionaire to accurately gather and report on a timely basis the information required for any FHWA reporting requirements as designated by HPTE. | Performance Measure | HPTE | HDR / LSG | McGladrey | TBD based on Schedule 10 requirements. |

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## Operational and Technical Performance Measures

**Prepared by LS Gallegos & Associates Inc. - As of July 15, 2015**

**EXHIBIT C**
**Part 1**

| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **COMBINED GP/ML 1 ROADWAY** | | | | | | | | | | | |
| **1** | **1.1** | Appendix 6-1.1 & 6-1.2 | Obstructions and Debris | Roadway and clear zone free from obstructions and debris. No edge drops greater than 2 inches. | <1 hr. to respond | N/A | N/A | N/A | Visual Inspection | High | Bi-Weekly |
| **2** | **1.2** | Appendix 6-1.1 & 6-1.2 | Pavement | Ruts no more than 3% of wheel path length | 24 hrs. | 28 days | 6 months | N/A | Visual Inspection | High | Bi-Weekly |
| **3** | **1.3** | Appendix 6-1.1 & 6-1.2 | Crossovers and other paved areas | No potholes or base failures of any severity level | 24 hrs. | 28 days | 6 months | N/A | Visual Inspection | High | Bi-Weekly |
| **4** | **1.4** | Appendix 6-1.1 & 6-1.2 | Concrete joint sealing | Joints >1" sealed to mitigate safety issues | 24 hrs. | 28 days | 12 months | As part of Annual Routine Maintenance Schedule | Visual Inspection | Low | Quarterly |
| **5** | **1.5** | Appendix 6-1.1 & 6-1.2 | Crack sealing | No cracks >1" due to safety issues | 24 hrs. | 28 days | 3 years | Every 3 years or as needed. | Visual Inspection | Low | Quarterly |
| **6** | **1.6** | Appendix 6-1.1 & 6-1.2 | Longitudinal joint | No joints >1" or faulting >1/4" | 24 hrs. | 28 days | 6 months | N/A | Visual Inspection | Low | Monthly |
| **7** | **1.7** | Appendix 6-1.1 & 6-1.2 | Transition | No joint width > 1" or faulting >1/4" | 24 hrs. | 28 days | 6 months | N/A | Visual Inspection | Low | Monthly |
| **8** | **1.8** | Appendix 6-1.1 & 6-1.2 | Shoulders | Appropriate drainage | 24 hrs. | 28 days | 6 months | N/A | Visual Inspection | High | Weekly |
| **9** | **1.9** | Appendix 6-1.1 & 6-1.2 | Curbs | Curbs free of defects | 24 hrs. | 28 days | 6 months | N/A | Visual Inspection | Medium | Monthly |
| **10** | **1.1** | Exhibit B, Item 74 | I-25 Pavement Defects | Correct defects occurring after Commencement Date per Schedule 6. (If existing prior to Commencement Date, treat as compensation event.) | 24 hrs. | 28 days | 6 months | N/A | Visual Inspection | High | Bi-Weekly |
| **11** | | Exhibit B, Item 122 | Category 1 Defect | Address a Category 1 defect within the time period shown in Appendix 6-1 of Schedule 6. | Per Appendix 6-1 | Per Appendix 6-1 | Per Appendix 6-1 | N/A | Visual Inspection | High | Bi-Weekly |
| **12** | | Exhibit B, Item 123 | Category 2 Defect | Address a Category 2 defect within the time period shown in Appendix 6-1 of Schedule 6. | Per Appendix 6-1 | Per Appendix 6-1 | Per Appendix 6-1 | N/A | Visual Inspection | Medium | Bi-Weekly |
| **GP/ML 2 DRAINAGE** | | | | | | | | | | | |
| **13** | **2.1** | Appendix 6-1.1 & 6-1.2 | Pipes and Channels | Length with <90% clear | < 1 hr. to respond | 28 days | 6 months | As needed | Visual Supplemented by CCTV where required. | High | Monthly or as required by precipitation |
| **14** | **2.2** | Appendix 6-1.1 & 6-1.2 | Drainage treatment devices | Devices functioning correctly | 24 hrs. | 28 days | 6 months | As needed | Visual | Medium | Monthly or as required by precipitation |

## Operational and Technical Performance Measures

**Prepared by LS Gallegos & Associates Inc. - As of July 15, 2015**

**EXHIBIT C**
**Part 1**

| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **15** | **2.3** | Appendix 6-1.1 & 6-1.2 | Permanent waters | Water quality features functioning properly | 24 hrs. | 28 days | 6 months | As necessary or required by law. | Visual | Medium | Monthly or as required by precipitation |
| **16** | | Appendix 6-1.1 & 6-1.2 | Travel way | No instances of hazardous water build up | < 1 hr. to respond | 28 days | 6 months | As needed | Visual | High | Bi-Weekly or as required by precipitation |
| **17** | **2.4** | Appendix 6-1.1 & 6-1.2 | Discharge systems | Discharge systems compliant with applicable laws, statues and regulations | 24 hrs. | 28 days | 6 months | As needed | Visual | Medium | Monthly or as required by precipitation |
| **18** | **2.5** | Appendix 6-1.1 & 6-1.2 | Protected Species | Compliance with NEPA | 24 hrs. | 28 days | 6 months | As needed | Visual | Medium | As required |
| **GP/ML 3 - STRUCTURES** | | | | | | | | | | | |
| **19** | **3.1 & 3.2** | Appendix 6-1.1 & 6-1.2 | Graffiti | Structures and substructures are free of defect | <1 hr. to respond | 28 days | 28 days | As needed | Visual inspection | Medium | Bi-Weekly |
| **20** | **3.1 & 3.2** | Appendix 6-1.1 & 6-1.2 | Undesirable Vegetation | Structures and substructures are free of defect | <1 hr. to respond | 28 days | 28 days | As needed | Visual inspection | Low | Bi-Weekly |
| **21** | **3.1 & 3.2** | Appendix 6-1.1 & 6-1.2 | Debris and bird droppings | Structures and substructures are free of defect | <1 hr. to respond | 28 days | 28 days | As needed | Visual inspection | Low | Bi-Weekly |
| **22** | **3.1 & 3.2** | Appendix 6-1.1 & 6-1.2 | Blocked drains, weep pipes, manholes and chambers | Structures and substructures are free of defect | <1 hr. to respond | 28 days | 28 days | As needed | Visual inspection | High | Bi-Weekly |
| **23** | **3.1 & 3.2** | Appendix 6-1.1 & 6-1.2 | Blocked drainage holes in structural components | Structures and substructures are free of defect | <1 hr. to respond | 28 days | 28 days | As needed | Visual inspection | High | Bi-Weekly |
| **24** | **3.1 & 3.2** | Appendix 6-1.1 & 6-1.2 | Crack sealing, deck sealing | Structures and substructures are free of defect | <1 hr. to respond | 28 days | 28 days | Every 3 years or as needed. | Visual inspection | Low | Quarterly |
| **25** | **3.1 & 3.2** | Appendix 6-1.1 & 6-1.2 | Defects in pedestrian protection measure | Structures and substructures are free of defect | <1 hr. to respond | 28 days | 28 days | As needed | Visual inspection | High | Bi-Weekly |
| **26** | **3.1 & 3.2** | Appendix 6-1.1 & 6-1.2 | Bridge paint failures | Structures and substructures are free of defect | <1 hr. to respond | 28 days | 28 days | As needed | Visual inspection | Low | Yearly |

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## Operational and Technical Performance Measures

Prepared by LS Gallegos & Associates Inc. - As of July 15, 2015

**EXHIBIT C**
Part 1

| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **27** | **3.1 & 3.2** | Appendix 6-1.1 & 6-1.2 | Defects in joint sealant, with the exception of expansion joints | Structures and substructures are free of defect | <1 hr. to respond | 28 days | 28 days | Yearly or sooner as needed | Visual inspection | Low | Quarterly |
| **28** | **3.1 & 3.2** | Appendix 6-1.1 & 6-1.2 | Loose nuts and bolts | Structures and substructures are free of defect | <1 hr. to respond | 28 days | 28 days | As needed | Visual inspection | Low | TBD |
| **29** | **3.1 & 3.2** | Appendix 6-1.1 & 6-1.2 | Defects to barrier and guardrails | Free of impact damage, vegetation and debris, graffiti, and blockages | <1 hr. to respond | 28 days | 28 days | As needed | Visual inspection | High | Bi-Weekly |
| **30** | **3.1 & 3.2** | Appendix 6-1.1 & 6-1.2 | Defects to expansion joints | Free of impact damage, vegetation and debris, graffiti, and blockages | <1 hr. to respond | 28 days | 28 days | As needed | Visual inspection | High | Bi-Weekly |
| **31** | **3.1 & 3.2** | Appendix 6-1.1 & 6-1.2 | Defects to bearings and bearing shelves | Expected to be clean | <1 hr. to respond | 28 days | 28 days | As needed | Visual inspection | Low | TBD |
| **32** | **3.1 & 3.2** | Appendix 6-1.1 & 6-1.2 | Defects to sliding and roller surfaces | Expected to be clean | <1 hr. to respond | 28 days | 28 days | As needed | Visual inspection | Low | Monthly |
| **33** | **3.3** | Appendix 6-1.1 & 6-1.2 | Defects to culverts/ concrete box culvert | Expected to be free from vegetation, debris, silt, and scour damage | <1 hr. to respond | 28 days | 28 days | As needed | Visual inspection | Medium | Monthly or as required by precipitation |
| **34** | **3.4** | Appendix 6-1.1 & 6-1.2 | Defects to sign structures | Expected to be structurally sound and free of loose nuts and bolts, graffiti, and surface protection systems defects. | 24 hours | 28 days | 6 months | As required by the CDOT Signs and Signal Coding Guide | Visual | High | Monthly |
| **35** | **3.5** | Appendix 6-1.1 & 6-1.2 | Damage to retaining walls | Expected to be free from panel damage and graffiti | 24 hours | 28 days | 6 months | As needed | Visual | Medium | Bi-Weekly |
| **36** | **3.6** | Appendix 6-1.1 & 6-1.2 | Load Rating | Load rating calculations in accordance with the AASHTO Manual for Bridge Evaluation<br><br>Load restriction requirements as per AASHTO Manual for Bridge Evaluation, the current version of the CDOT Pontis Bridge Inspection Coding, and CDOT Bridge Rating Manual | < 1 hr. to respond | 28 days | 6 months | Annual inspection | Ensure that proper procedures with CDOT are followed | Low | As required |
| **GP-4 ROAD PAVEMENT** | | | | | | | | | | | |

| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **37** | **4.1** | Appendix 6-1.1 & 6-1.2 | Pavement Markings | Clean and visible during the day and night. Good reflectivity. Meets MUTCD/CDOT Standards | 24 hours | 28 days | 6 months | Replacement as needed or every 5 years. | Visual | Low | Generally, bi-weekly. Check reflectivity quarterly. |
| **38** | **4.2** | Appendix 6-1.1 & 6-1.2 | Delineators & Markers | Clean and visible, of the correct color and type, legible and reflective, straight and vertical. No more than 12.5% of the delineators and markers may be missing or not easily visible in any auditable section. | 24 hours | 28 days | 6 months | As needed | Visual | Medium | Generally, bi-weekly. Check reflectivity quarterly. |
| **GP/ML 5 - GUARDRAIL, SAFETY BARRIER, IMPACT ATTENUATORS** | | | | | | | | | | | |
| **39** | **5.1 & 5.2** | Appendix 6-1.1 & 6-1.2 | Guardrails, safety barriers and impact attenuators | All guardrails, safety barriers, concrete barriers, etc., are maintained free of defects, appropriately placed and correctly installed at the correct height and distance from roadway or obstacles. Installation and repairs shall be carried out in accordance with the requirements of NCHRP 350 standards. No more than 12.5% of road restraint systems may be out of spec. | < 1 hr. to respond | Repaired or marked in 48 hours | 6 months | As needed | Visual | High | Bi-Weekly |
| **GP/ML 6 - TRAFFIC SIGNS** | | | | | | | | | | | |
| **40** | **6.1** | Appendix 6-1.1 & 6-1.2 | All General Sign | Signs and identification markers are clean, correctly located, clearly visible, legible, reflective, at the correct height, and free from electrical defects. Mounting posts are vertical, structurally sound and rust free as per MUTCD/CDOT. No signs shall have face damage greater than 5% of surface area. | 24 hours | 28 days | 6 months | As needed | Visual | High | Generally, bi-weekly. Check reflectivity quarterly. |

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| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **41** | **6.2** | Appendix 6-1.1 & 6-1.2 | Safety and Critical Signs | *Stop, Yield, Do Not Enter, One Way* and *Wrong Way* signs are clean, legible and undamaged, and conform to 6.1 requirements. | <1 hr. to respond | 1 week | 6 months | As needed | Visual | High | Generally, bi-weekly. Check reflectivity quarterly. |
| **GP/ML 7 - TRAFFIC SIGNALS** | | | | | | | | | | | |
| **42** | **GP 7.1, 7.2, 7.3, 7.4** | Appendix 6-1.1 & 6-1.2 | General Purpose Lane Signals | No expectation of concessionaire for general purpose traffic signals | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **43** | **ML 7.1** | Appendix 6-1.1 & 6-1.2 | Managed Lane Traffic Signals | Signals are clean and visible, undamaged, installations have correct signal timings and full contingency plans are in place. | 2 hrs. | 24 hrs. | 6 months | As needed | Visual | High | TBD |
| **44** | **ML 7.2** | Appendix 6-1.1 & 6-1.2 | Soundness | Traffic signals are structurally and electrically sound | 24 hours | 28 days | 6 months | As needed | Visual | Medium | TBD |
| **45** | **ML 7.3** | Appendix 6-1.1 & 6-1.2 | Identification Marking | Signals have identification markers and the telephone number for reporting faults clearly located, clearly visible and clean and legible. | N/A | 28 days | 6 months | As needed | Visual | Medium | TBD |
| **46** | **ML 7.4** | Appendix 6-1.1 & 6-1.2 | Pedestrian Elements and Vehicle Detectors | All pedestrian elements and vehicle detectors are correctly positioned and fully functional at all times | 24 hours | 28 days | 6 months | As needed | Visual | High | TBD |
| **GP/ML 8 LIGHTING** | | | | | | | | | | | |
| **47** | **8.1, 8.2** | Appendix 6-1.1 & 6-1.2 | Roadway and Sign Lighting - General | All lighting is free from defects and provides acceptable uniform lighting and quality. Lanterns are clean and correctly positioned. Lighting units are free from accidental damage or vandalism. Columns are upright, correctly founded, visually acceptable, and structurally sound. 90% of lights must function correctly. | 24 hours | 28 days | 6 months | As needed | Visual | Low | Bi-Monthly Visual Inspection |
| **48** | **8.3** | Appendix 6-1.1 & 6-1.2 | Electrical Supply | Electricity supply, feeder pillars, cabinets, switches and fittings are electrically, mechanically and structurally sound and functioning. | 24 hours | 7 days | 1 month | As needed | HDR/LSG to inspect records of concessionaire | Low | TBD |
| **49** | **8.4** | Appendix 6-1.1 & 6-1.2 | Access Panels | All access panels in place at all times | 24 hours | 7 days | 1 month | As needed | Visual | Low | TBD |

| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **50** | **8.5** | Appendix 6-1.1 & 6-1.2 | High Mast Structure | High mast are structurally sound and free of loose nuts and bolts, no defects in surface protection systems, no graffiti. | 24 hrs. | 28 days | 6 months | As needed | Visual / Inspect Reports | Medium | |
| **51** | **8.6** | Appendix 6-1.1 & 6-1.2 | High Mast Lighting | All mast luminaries functioning on each pole. All obstruction lights are present and working if required. Component door is secure with all bolts in place. All winch and safety equipment is correctly functioning and maintained without rusting or corrosion. Hoists and electrical fixings clean and lubricated. Two or more lamps per mast pole shall function. | 24 hrs. | 48 days | 1 month | As needed | Visual / Inspect Reports | Medium | Bi-Monthly to determine whether luminaries are functioning. |
| **GP/ML 9 - FENCES, WALLS, SOUND ABATEMENT** | | | | | | | | | | | |
| **52** | **9.1** | Appendix 6-1.1 & 6-1.2 | Design and Location | Fences and walls act as designed and serve the purpose for which they were intended | <1 hr. to respond | 28 days | 6 months | As needed | Visual | Low | Bi-Weekly |
| **53** | **9.2** | Appendix 6-1.1 & 6-1.2 | Construction (includes existing) | Integrity and structural condition of the fence is maintained. | <1 hr. to respond | 28 days | 6 months | As needed | Visual | Low | Bi-Weekly |
| **54** | **9.3** | Appendix 6-1.1 & 6-1.2 | Livestock | Integrity and structural condition of all fences that hold live stock is maintained | <1 hr. to respond | 28 days | 6 months | As needed | Visual | High | Bi-Weekly |
| **GP/ML 10 - ROADSIDE** | | | | | | | | | | | |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **55** | **10.1** | Appendix 6-1.1 & 6-1.2 | Vegetated areas - except landscaped areas - general | Vegetation maintained so that height of grass and weeds is kept within the limits described for urban and rural areas. Mowing begins before vegetation reaches maximum height.<br><br>Spot mowing at intersections, ramps, or other areas visibility of appurtenances and sight distance.<br><br>Grass or vegetation does not encroach into or on paved shoulders, main lanes, sidewalks, islands, riprap, traffic barrier or curbs.<br><br>A herbicide program is undertaken in accordance with the D 006 99.<br><br>Development and implementation of noxious weed program to control noxious weeds and eliminate grass in pavement or concrete.<br><br>A mowing cycle completed after the first frost of the first 15' from the edge of pavement. | 24 hrs. | 7 days | 28 days | As required | Visual | Low | Bi-Weekly |
| **56** | **10.2** | Appendix 6-1.1 & 6-1.2 | Landscaped Areas | Maintained to originally constructed condition and as required by the FMP | 24 hrs. | 7 days | 28 days | As required | Visual / Inspection of Records | Low | Bi-Weekly |
| **57** | **10.3** | Appendix 6-1.1 & 6-1.2 | Fire Hazards | Fire hazards are controlled | 24 hrs. | 7 days | 28 days | As required | Visual | Low | Bi-Weekly |
| **58** | **10.4** | Appendix 6-1.1 & 6-1.2 | Trees, brush, and ornamentals | Mowed, trimmed in accordance with CDOT standards. Dead vegetation trimmed or treated. Diseased trees treated or removed by licensed contractors. | 24 hrs. | 7 days | 28 days | As required | Visual / Inspection of Records | Low | Bi-Weekly |
| **59** | **10.5** | Appendix 6-1.1 & 6-1.2 | Water Quality Ponds | Maintenance of all vegetation within ponds and surrounding area. | 24 hrs. | 7 days | 28 days | As required | Visual | Low | Bi-Weekly |

| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **60** | **10.6** | Appendix 6-1.1 & 6-1.2 | Wetlands | Wetlands managed in accordance with permit requirements. | 24 hrs. | 7 days | 28 days | As required | Visual | Low | Bi-Weekly |
| **GP/ML 11 - EARTHWORKS & EMBANKMENTS** | | | | | | | | | | | |
| **61** | **11.1** | Appendix 6-1.1 & 6-1.2 | Slope Failure | All structural or natural failures of the embankment and cut slopes of the Facility are repaired. | <1 hr. to respond | 28 days | 6 months | As needed | Visual / Review report provided by geotechnical specialist with further tests as recommended by the specialist | High | Bi-Weekly |
| **62** | **11.2** | Appendix 6-1.1 & 6-1.2 | Slopes - General | Slopes are maintained in general conformance to the original grade. Replace landscape materials, reseed, and control erosion on roadway and shoulders. | 24 hrs. | 28 days | 6 months | As needed | Visual | Low | Bi-Weekly |
| **GP/ML 12 - GRAFFITI** | | | | | | | | | | | |
| **63** | **12.1** | Appendix 6-1.1 & 6-1.2 | Graffiti | Graffiti is removed in a manner and using materials that restore the surface to a like appearance similar to adjoining surfaces | 24 hrs. | 10 days | 6 months | As needed | Visual | Low | Bi-Weekly |
| **GP/ML 13 - INCIDENT RESPONSE** | | | | | | | | | | | |
| **64** | **13.1** | Appendix 6-1.1 & 6-1.2 | General | Respond to incidents in accordance with the US 36 Traffic Incident Management Plan. Response times met for 98% of incidents per year on a rolling basis. | <1 hr. | N/A | N/A | As required | Track Response Time Reports | High | As Incidents Occur |
| **65** | **13.2** | Appendix 6-1.1 & 6-1.2 | Hazardous Materials | Comply with requirements of Section 4.4.4 of Schedule 6 for all hazardous material spills | <1 hr. | N/A | N/A | As required | Track Inspection Records showing compliance | High | As Incidents Occur |
| **66** | **13.3** | Appendix 6-1.1 & 6-1.2 | Structural Assessment | Evaluate structural damage with emergency services to ensure safe working in clearing of each incident. CDOT staff bridge must be notified immediately to complete inspection | <1 hr. | N/A | N/A | As required | Track Inspection Records showing compliance | High | As Incidents Occur |

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| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **67** | **13.4** | Appendix 6-1.1 & 6-1.2 | Temporary and permanent remedy | Propose and implement temporary measures or permanent repairs to defects arising from each incident. Ensure structural safety of any structures affected by each incident | <24 hrs. | 28 days | N/A | As required | Track Auditable Inspection records showing compliance. | High | As Incidents Occur |
| **68** | | Exhibit B, Item 120, Schedule 10 Requirements | Incident Response Time | Achieve an incident response time that complies with Incident Response Plan | ? | N/A | N/A | N/A | Review of Concessionaire Documentation as Incidents Occur | High | As Incidents Occur |
| **GP/ML 14 - SWEEPING AND CLEANING** | | | | | | | | | | | |
| **69** | **14.1** | Appendix 6-1.1 & 6-1.2 | Sweeping | Keep all channels, hard shoulders, gore areas, ramps, intersections, islands and frontage roads swept clean.<br><br>Clear and remove debris from traffic lanes, hard shoulders, merges and enforcement areas.<br><br>Remove all sweepings without stockpiling in the right of way and dispose of at approved site.<br>Build up of dirt, ice, rock, debris from accidents and otherwise, spilled materials, etc., on roads and bridges not to accumulate greater than 24" wide or 1/2" deep. | 1 hr. | 24 hrs. | 28 days | As needed | Visual | Medium | Bi-Weekly |

| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **70** | **14.2** | Appendix 6-1.1 & 6-1.2 | Litter | Keep the right of way neat and remove litter regularly. Pick up large litter items before mowing operations. Dispose of litter and debris collected at an approved solid waste site. No more than 20 pieces of litter per roadside mile may be visible while traveling at a roadway speed. Litter is picked up off the roadway weekly, if in the right-of-way is every 15 days. | 24 hrs. | 28 days | 28 days | As needed | Visual | Medium | Bi-Weekly |
| **SAFETY** | | | | | | | | | | | |
| **71** | | Exhibit B, Item 147 | Adherence to Safety Plan Requirements | Concessionaire to formally establish and adhere to a policy, procedure, process, or guideline as required by the Safety Plan. | N/A | N/A | N/A | As needed. | Review documentation. Compare to Safety Plan. | High | As required. |
| **72** | | Exhibit B, Item 148 | Adherence to Safety Plan Requirements | Concessionaire to observe the safety plan or carry out any operation or maintenance activity in contravention of (or in absence of) the safety plan or in a manner that represents a hazard to project workers or the general public in accordance with Schedule 6 of the Concession Agreement. | N/A | N/A | N/A | As required. | Visual / Review documentation | High | As required. |
| **73** | | Exhibit B, Item 76 | Safety Procedures and Protocol through Phase 2 | Concessionaire is responsible for 1) safety of design, operations, construction methods and other Phase 2 work, 2) having designated person responsible for safety and maintain an accident book, 3) ensuring safety in accordance with industry practices. | N/A | N/A | N/A | As required. | Review documentation | High | As required. |

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## Operational and Technical Performance Measures

Prepared by LS Gallegos & Associates Inc. - As of July 15, 2015

**EXHIBIT C**
Part 1

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **74** | | Exhibit B, Item 144 | Reporting of Safety Related Incidents | Report safety related incidents to the HPTE within one day unless they constitute an immediate hazard (Category 1), in which case HPTE shall be notified as soon as practicable but in no case less than 1 hour from occurrence. | N/A | N/A | N/A | As required. | Review documentation | High | As required. |
| **75** | | Exhibit B, Item 145 | Courtesy Patrol | Concessionaire to provide Courtesy Patrol in accordance with paragraph 4.4.1 of Schedule 6 of the Concession Agreement. | N/A | N/A | N/A | As required. | Review documentation | High | As required. |
| **76** | | Exhibit B, Item 146 | Work Zone Safety Requirements | Concessionaire to meet requirements of work zone safety, management, maintenance of traffic and diversion routes for regular maintenance during operations. | N/A | N/A | N/A | As required. | Review documentation | High | As required. |
| **STAFFING** | | | | | | | | | | | |
| **73** | | Schedule 6 - Pg. 6, 1.6 | Staffing Requirements and Plan | Staff shall be available 24 hours a day, 7 days a week, every day of the year. Concessionaire shall maintain updated staff records and prove it to HPTE upon request. All records shall be updated within 5 business days. | N/A | N/A | N/A | As required. | Review documentation | Medium | As required. |
| **74** | | | Staffing Compensation | Concessionaire maintenance employees compensation and benefits are no less than those of CDOT employees. Monitor and verify that maintenance personnel are of significant numbers and skill level. | N/A | N/A | N/A | As required. | Review documentation | Medium | As staff is added. |
| **75** | | | Use of Facility / Land | Concessionaire shall only use CDOT land for services within this contract. | N/A | N/A | N/A | As needed | Verify that land (CDOT) is used for US 36 / I 25 services | Low | As required. |
| **OPERATIONS, MAINTENANCE, AND LIFECYCLE PLANS** | | | | | | | | | | | |

| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **76** | | Schedule 6 - Pg. 6, 1.7, 1.7.1, 1.7.1.1-1.7.1.4 | Maintenance Management Plan | Concessionaire is required to prepare and update the Maintenance Management Plan on an annual basis, or as needed in accordance with Appendix 6-1 and Appendix 6-2. | N/A | N/A | N/A | Annually or as required. | Review Plan and Verify Submittal by Concessionaire | Low | Annually or as required. |
| **77** | | Schedule 6 - Pg. 10, 1.7.2-1.7.3 | Operations Management Plan | Concessionaire is required to prepare and update the Operations Management Plan on an annual basis, or as needed in accordance with Section 22.4 of the Concessionaire's Agreement. | N/A | N/A | N/A | Annually or as required. | Review Plan and Verify Submittal by Concessionaire | Low | Annually or as required. |
| **78** | | Schedule 6 - Pg. 8, 1.7.1.1 - O | Lifecycle Maintenance Plan for Managed Lanes | If necessary, within 90 days before the beginning of each year, Concessionaire shall prepare and submit a 5 Year Lifecycle Maintenance Plan as required by Schedule 10. | N/A | N/A | N/A | Annually or as required. | Verify submittal of an annual 5 Year Lifecycle Maintenance Plan for Managed Lanes if requested by HPTE. | Low | Annually or as required. |
| **79** | | Exhibit B, Item 75 | Lifecycle Maintenance Plan Disputes | HPTE and Concessionaire shall resolve disputes around Life Cycle Maintenance Plan within 60 days after it is provided to HPTE, or Dispute Resolution Procedures will be enacted. | N/A | N/A | N/A | As required. | As notified by HPTE or Concessionaire | Low | As required. |
| **80** | | Exhibit B, Item 92 | Quarterly, 1 Year, and 5 Year Work Plans | Concessionaire to produce, review and as necessary, update the following plans during the Services Period in accordance with the Concession Agreement, and Schedule 10 requirements, including but not limited to: Quarterly, One-Year and Five-Year Work Plans. | N/A | N/A | N/A | As required. | Review Plans and Verify Submittals by Concessionaire on required dates. | Low | As required. |

| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **81** | | Exhibit B, Item 124 | Roadway Maintenance - Inspection | Identify material defects in the Inspection Reports, Lifecycle Maintenance Plan, or work currently undertaken. | N/A | N/A | N/A | As required. | Review Plans and Verify Submittals by Concessionaire on required dates. | Low | As required. |
| **82** | | Exhibit B, Item 125 | Roadway Maintenance - Inspection / Operations | Include identified material defects in the next Life Cycle Maintenance Plan and/or the Operations and Maintenance Plan. | N/A | N/A | N/A | As required. | Review Plans and Verify Submittals by Concessionaire on required dates. | Low | As required. |
| **83** | | Exhibit B, Item 130 | Operations Plan Compliance | Concessionaire to comply with a requirement in respect of the Operations Management Plan as required by Schedule 6 of the Concession Agreement where the failure impacts or has potential to impact on the level of service provided to users. | N/A | N/A | N/A | As required. | Review of Plan | High | As required. |
| **INCIDENT RESPONSE AND DISASTER RECOVERY PLANS** | | | | | | | | | | | |
| **84** | | Schedule 6 - Pg. 11, 1.7.4 | Incident Management Plan | Concessionaire is required to prepare and update the Incident Management Plan on an annual basis, or as needed in accordance with Section 22.4 of the Concessionaire's Agreement and Schedule 10 requirements. | N/A | N/A | N/A | Annually | Review of Plan and Plan Submittal by Concessionaire | Low | Annually |
| **85** | | Schedule 6 - Pg. 11, 1.7.4 | Disaster Recovery Plan | Concessionaire is required to prepare and update the Disaster Recovery Plan on an annual basis, or as needed in accordance with Section 22.4 of the Concessionaire's Agreement and Schedule 10 requirements. | N/A | N/A | N/A | Annually | Review of Plan and Plan Submittal by Concessionaire | Low | Annually |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **86** | | Exhibit B, Item 121 | Comply with Incident Management Plan | Comply with a requirement in respect of the Incident Management Plan as required by Schedule 6 | N/A | N/A | N/A | Per Incident | Review of Incident Response Documentation | High | Per Incident |
| **MANAGED LANE COMMUNICATIONS PLAN** | | | | | | | | | | | |
| **87** | | Exhibit B, Item 85 | Communication Plan | Concessionaire is required to prepare and update the Communications Plan on an annual basis, or as needed in accordance with Section 22.4 of the Concessionaire's Agreement and Schedule 10 requirements. | N/A | N/A | N/A | Annually | Review of Plan and Plan submittal by Concessionaire | Low | Annually |
| **MARKETING PLAN** | | | | | | | | | | | |
| **88** | | Concessionaire Agreement, Section 22.4, pg. 58 | Marketing Plan | Concessionaire is required to prepare and update the Marketing Plan on an annual basis, or as needed in accordance with Section 22.4 of the Concessionaire's Agreement and Schedule 10 requirements. | N/A | N/A | N/A | Annually | Review of Plan and Plan submittal by Concessionaire. | Low | Annually |
| **TRANSITION PLAN** | | | | | | | | | | | |
| **89** | | Schedule 6 - Pg. 12, 1.7.5 | Transition Plan | Concessionaire is required to prepare and update the Transition Plan on an annual basis, or as needed in accordance with Section 22.4 of the Concessionaire's Agreement and Schedule 10 requirements. | N/A | N/A | N/A | Annually | Review of Plan and Plan submittal by Concessionaire | Low | Annually |
| **90** | | Exhibit B, Item 149 | Transition Plan Compliance | Concessionaire to achieve a smooth transition of maintenance activities from HPTE in accordance with the Transition Plan. | N/A | N/A | N/A | As needed | Review of Plan and Plan submittal by Concessionaire | Medium | As needed |
| **MAINTENANCE MANAGEMENT INFORMATION SYSTEMS PLAN** | | | | | | | | | | | |

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## Operational and Technical Performance Measures

**Prepared by LS Gallegos & Associates Inc. - As of July 15, 2015**

**EXHIBIT C**
**Part 1**

| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **91** | | Schedule 6, Pg. 38-39, 5.0-5.1.2, Exhibit B, Item 34 | Managing Snow Removal | Concessionaire shall use, maintain and update the Maintenance Management Information System in accordance with paragraph 5.1 of Schedule 6. | 3 days | 3 days | 3 days | As needed | Visual Inspection and Review of Documentation | Medium | Monthly |
| **REPORTS** | | | | | | | | | | | |
| **92** | | Schedule 6 - Pg. 12-14, 1.8.1-1.8.3 | Monthly Reports, Operation Reports, Annual Reports and Lifecycle Reports | Concessionaire shall prepare, in the time frame prescribed, either monthly, quarterly, or annually, all of the Monthly Reports, Operations Reports and Annual Reports listed in Schedule 6, pgs. 13-14. | N/A | N/A | N/A | Monthly/ Quarterly /Annually | Verify Concessionaire's compliance with said reports. | Medium | Varies per type of report |
| **93** | | Exhibit B, Item 94, Entirety of Schedule 6 | Maintenance of Records | Concessionaire to keep, maintain or make available to HPTE and its designated representative any book, record, or document in accordance with Schedule 6 of the Concession Agreement and Schedule 10 requirements. | N/A | N/A | N/A | Continuously | Verify Concessionaire's compliance with said reports. | Medium | Bi-Weekly |
| **94** | | Exhibit B, Item 127 | Maintenance of Records | Concessionaire to create the required O&M records. | N/A | N/A | N/A | Continuously | Verify Concessionaire's compliance with said reports. | Medium | Bi-Weekly |
| **95** | | Exhibit B, Item 150 | Reporting to FHWA | Concessionaire to accurately gather and report on a timely basis the information required for any FHWA reporting requirements as designated by HPTE. | N/A | N/A | N/A | As required | Verify Concessionaire's compliance with said reporting. | Low | As required |
| **MEETINGS** | | | | | | | | | | | |
| **96** | | Schedule 6 - Pg. 14, 1.9 | Meetings | Concessionaire shall have monthly meetings as needed with HPTE to discuss services. | N/A | N/A | N/A | Monthly | Review service status including reports required under Section 1.8. | Medium | Monthly |
| **CONTRACTURAL COMPLIANCE** | | | | | | | | | | | |

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## Operational and Technical Performance Measures

Prepared by LS Gallegos & Associates Inc. - As of July 15, 2015

**EXHIBIT C**
Part 1

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| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **97** | | Exhibit B, Item 14 | Oversite of Disclosure Statements | Parties will notify each other of any changes in law and it's affect on work, services, revenue, costs or capital. | N/A | N/A | N/A | Continuously | Ensure that HPTE obtains Concessionaire Disclosure Statement quarterly, verify presence of Disclosure Statement twice per year, and develops and performs civil records search annually. | Low | As required. |
| **98** | | Exhibit B, Item 17 | Oversite of Changes to Approved Personnel | Concessionaire will maintain a list of parties with approved access to the facilities and will refuse entry to parties refused access by HPTE. | N/A | N/A | N/A | Continuously | Ensure that PRD provides changes to approved personnel or refused parties. | Low | Weekly |
| **99** | | Exhibit B, Item 33 | Oversite of Lifecycle Maintenance Plan Costs and Tasks | Concessionaire will perform Non-Separable Tasks per the Life Cycle Maintenance Plan as agreed to by HPTE. | N/A | N/A | N/A | Continuously | Verify non-separable tasks per the Lifecycle Maintenance Plan have been performed and costs and tasks verified. | Low | As required. |
| **100** | | Exhibit B, Item 35 | Verify Conditions Precedent | Upon completion of Phase 1, Concessionaire will commence snow and ice removal services | N/A | N/A | N/A | Upon completion of Phase I | Verify that conditions precedent per Schedule 2, Part 2, are achieved by July 22, 2015. | High | Prior to July 22, 2015. |
| **101** | | Exhibit B, Item 36 | Verify Completion of Phase 2 Work | Concessionaire must obtain completion of Phase 2 work by the Full services commencement date (or liquidated damages will be due to HPTE). | N/A | N/A | N/A | By Full Services Commencement Date. | Verify Acceptance by HPTE of Phase 2 Work Completion and preliminary requirements by Concessionaire. | High | By Notice of Phase II Work Competion. |

| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **102** | | Exhibit B, Item 37 | Verify Acceptance of Phase 2 Non-Conforming Work | Concessionaire will correct non-conforming Phase 2 work and provide written notice to HPTE of correction when all preliminary requirements have been met. | N/A | N/A | N/A | When preliminary requirements have been met. | Verify Acceptance by HPTE of non-conforming Phase 2 Work. | High | After Phase II work is completed. |
| **103** | | Exhibit B, Item 38-39 | Verify Phase 2 Work - 19.3 Requirements | Concessionaire will provide HPTE with a sworn affidavit of completion for Phase 2 work in accordance with the requirements of 19.3.<br><br>Concessionaire's sworn affidavit of completion of Phase 2 work shall contain the specific verbiage contained in Part 5, section 19.4. | N/A | N/A | N/A | After Phase II work is completed. | Verify that Concessionaire has provided a sworn affidavit attesting to completion of Phase 2 Work in accordance with Requirement 19.4, including the specific verbiage contained in Part 5 of that section. | High | After Phase II work is completed. |
| **104** | | Exhibit B, Item 40 | Verify that Inspection was performed and documented for Phase 2 Work | HPTE will deliver notice of Conditions Precedent before concessionaire will commence Snow and Ice removal services. | N/A | N/A | N/A | When received by HPTE. | Verify delivery of HPTE of Notice of Conditions Precedent before Snow and Ice Services commence. | High | Prior to Snow and Ice Removal Services. |
| **105** | | Exhibit B, Item 41 | Verify that Phase 2 Completion was timely. | The concessionaire will provide advance notice of Phase 2 Completion to HPTE at least 20 business days prior to its expected completion date of Phase 2 requirements. | N/A | N/A | N/A | 20 days prior to Phase 2 completion. | Verify advance notice of Phase 2 completion at least 20 days prior to expected completion date. | High | When received. |
| **106** | | Exhibit B, Item 42 | Verify Completion of Conditions Precedent, Phase 2 work | Concessionaire must submit project Plans at the specified intervals for review and comment by HPTE. HPTE may decline the plan for the specified reasons. | N/A | N/A | N/A | Upon completion of Phase 2 | Verify Completion of Conditions Precedent, Phase 2 work | High | Upon notice of Phase 2 work completion. |

| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **107** | | Exhibit B, Item 46 | Corrective Work | Concessionaire has 7 business days to agree with HPTE when and how corrective work will be accomplished. | N/A | N/A | N/A | Continuously | Verify completion of non-conforming or warranty work. | High | As required. |
| **108** | | Exhibit B, Item 48 | Verify Reporting | Concessionaire shall meet each and every obligation. | N/A | N/A | N/A | Continuously | Verify Concessionaire compiles monthly and annual service reporting in accordance with Section 1.8, Schedule 6. | High | As required. |
| **109** | | Exhibit B, Item 52 | Noncompliance Points Assessment | Ongoing compliance with Schedule 6 | N/A | N/A | N/A | Continuously | Confirm that HPTE has received report. | High | As required. |
| **110** | | Exhibit B, Item 53 | Managed Lanes Availability | Managed lanes will be available per agreement terms. | N/A | N/A | N/A | Continuously | Review | High | As required. |
| **111** | | Exhibit B, Item 54 | ITS Maintenance | Intelligent Transportation Systems Maintenance must be performed as specified in Section 19 of Schedule 5. | N/A | N/A | N/A | Continuously | Verify noncompliance points are determined in accordance with parameters set forth in Schedule. (While likely have individual Requirement for each of the Schedule 10 requirements so may capture this in individual requirements.) | Medium | As required. |
| **QUALITY MANAGEMENT** | | | | | | | | | | | |

| Item No. | Element Reference No. | REF Document | Element | Concessionaire Expectation | Concessionaire Response to Defects | | | Required Frequency for Routine Elements by Concessionaire | Monitoring Method or Responsibility of HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Cat. 1 | | Cat. 2 | | | | |
| | | | | | Hazard Mitigation | Perm. Remedy | Perm. Repair | | | | |
| **112** | | Schedule 6, 1.7.3, Exhibit B, Item 78 | Quality Documentation | Concessionaire will prepare, implement, and continually maintain project quality management documentation | N/A | N/A | N/A | As needed | Review of Plan | Medium | As required. |
| **113** | | Exhibit B, Item 129 | Requirements of Quality Management Plan | Concessionaire to establish, maintain, update or comply with any requirement of a Quality Management Plan in accordance with Section 25 of the Concession Agreement | N/A | N/A | N/A | Annual or as needed | Review of Plan | Medium | As required. |

| Item No. | Element Cat. | REF Document | Element | Concessionaire Response Time Requirements: Complete Manning and Loading of Spreading Vehicles | Concessionaire Response Time Requirements: Response Time from Departure Loading Point to Treatment Completion and Return | Concessionaire Response Time Requirements: Maximum Response Time for Ice Clearance Vehicles to Depart from Base | Concessionaire Expectation | Monitoring Method HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|
| **SNOW REMOVAL** | | | | | | | | | | |
| 114 | 3.1 | Schedules 10 and 25 | Snow Removal - Managed Lane | 30 min (add 30 min for unpredicted un-forecasted precipitation event) | 1 hr. (add 30 min for unpredicted un-forecasted precipitation event) | 1 hr. (add 30 min for unpredicted un-forecasted precipitation event) | Maintain to a minimum level of service "A", standard condition Category 1 for a minimum 95% bare pavement at the end of any precipitation event. | Visual/Review of Reports | High | Per Event |
| 115 | 3.1 | Schedules 10 and 25 | Snow Removal - General Purpose Lanes | 30 min (add 30 min for unpredicted un-forecasted precipitation event) | 1 hr. (add 30 min for unpredicted un-forecasted precipitation event) | 1 hr. (add 30 min for unpredicted un-forecasted precipitation event) | General Purpose lanes are to achieve minimum level of service "B", for a minimum 95% bare pavement, no less than 2 hours after the completion of any precipitation event. | Visual/Review of Reports | High | Per Event |
| 116 | 3.4 | Schedules 10 & 25 | Sweeping | N/A | N/A | N/A | All sand and other materials that could result in PM 10 particles, will be swept from the travel way within 72 hours | Visual/Review of Reports | High | Per Event |
| 117 | | Exhibit B, Item 128 | Update to Snow Removal & Ice Control Operations Plan | N/A | N/A | N/A | Concessionaire to produce, review, and, as necessary, update the Snow Removal and Ice Control Operations Plan | Review of Reports | Medium | Annual |
| 118 | | Exhibit B, Item 132 | Service Level Score | N/A | N/A | N/A | A Service Level Score of 4 is received for an individual Precipitation Event related to the Managed Lanes | Visual/Review of Reports | High | Per Event |
| 119 | | Exhibit B, Item 133 | Service Level Score | N/A | N/A | N/A | A Service Level Score of 3 is received for an individual Precipitation Event related to the Managed Lanes | Visual/Review of Reports | High | Per Event |
| 120 | | Exhibit B, Item 134 | Service Level Score | N/A | N/A | N/A | A Service Level Score of 2 is received for an individual Precipitation Event related to the Managed Lanes | Visual/Review of Reports | High | Per Event |
| 121 | | Exhibit B, Item 135 | Service Level Score | N/A | N/A | N/A | A Service Level Score of 1 is received for an individual Precipitation Event related to the Managed Lanes | Visual/Review of Reports | High | Per Event |

| Item No. | Element Cat. | REF Document | Element | Concessionaire Response Time Requirements | | | Concessionaire Expectation | Monitoring Method HDR/LSG | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Complete Manning and Loading of Spreading Vehicles | Response Time from Departure Loading Point to Treatment Completion and Return | Maximum Response Time for Ice Clearance Vehicles to Depart from Base | | | | |
| 122 | | Exhibit B, Item 136 | Service Level Score | N/A | N/A | N/A | A Service Level Score of 0 is received for an individual Precipitation Event related to the Managed Lanes | Visual/Review of Reports | High | Per Event |
| **SWEEPING** | | | | | | | | | | |
| 123 | | Exhibit B, Item 131 | Post Storm Sweeping | N/A | N/A | N/A | Failure to meet the requirements for completing sweeping within 72 hours after a Precipitation Event per 3.4 of Schedule 25. | Visual/Review of Reports | High | Per Event |

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# Operational and Technical Performance Measures

**EXHIBIT C**
**Part 3**

**Prepared by LS Gallegos & Associates Inc. - As of July 15, 2015**

| Item No. | REF Doc. | Element | Concessionaire Expectation | Required Frequency for Routine Elements by Concessionaire | Monitoring Method HDR/LSG | Required Response Time by Concessionaire | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|
| **FINANCIAL AND TOLLING** | | | | | | | | |
| 124 | Exhibit B, Item 97 Schedule 10/8 ID 1 | ETCS Equipment | All ETCS equipment is fully functional and housing is functioning and free of defects. | Continuous | Visual | N/A | High | Monthly |
| 125 | Exhibit B, Item 98 Schedule 10 ID 2 | Functioning Beacons | All beacons or other equipment associated with HOV enforcement are functioning as required when a vehicle passes through the lane declared as HOV. | Continuous | Visual | N/A | High | Bi-Weekly |
| 126 | Exhibit B, Item 99 Schedule 10 ID 3 | Antennas and Readers | All antennas and readers are capturing 99.95% of transactions where a transponder is present in the vehicle. | Continuous | Review reporting. | N/A | High | Monthly |
| 127 | Exhibit B, Item 100 Schedule 10 ID 4 | Lane Controllers | Lane controllers are up and running 99.99% of the time that the managed lanes are open. | Continuous | Review reporting. | N/A | High | Monthly |
| 128 | Exhibit B, Item 101 Schedule 10 ID 5 | Correct Number of Axels | AVC system is classifying the correct number of axles on vehicles correctly 99.95% of the time a transaction is detected in the lane. | Continuous | Review reporting. | N/A | Medium | Monthly |
| 129 | Exhibit B, 102 Schedule 10 ID 14 | Tolling Transactions | Transmit transactions that are not duplicates with the correct toll amounts to the Customer Service Center (to be determined on a per transmission basis). | Continuous | Review reporting. | N/A | Medium | Monthly |
| 130 | Exhibit B, Item 103 Schedule 10 ID 15 | Reconcile Duplicate Transactions | Upon notification of a duplicate transaction or an incorrect toll amount on a per transmissions basis, the Concessionaire shall reconcile or audit the data transmission within one Business Day to identify any and all other duplicate transactions or incorrect toll charges that may have occurred (to be determined on a per transmission basis). Upon identification, the Concessionaire shall transmit the correct information to the customer service center for rectification including appropriate correspondence and crediting/debiting of accounts within five days. | Continuous | Review reporting. | N/A | Medium | Monthly |
| **ASSET CONDITION** | | | | | | | | |
| 131 | Exhibit, B, Item 106, Schedule 10 ID 25 | Overall Asset Condition | Concessionaire to achieve a mean Asset Condition Score of 3.5 but at least 2 for any element Category in any quarterly audit as described in paragraph 2.3.7 of Schedule 6 of the Concession Agreement and Schedule 10 requirements. | Continuous | Review of Quarterly Audits | N/A | Medium | Quarterly |

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# Operational and Technical Performance Measures

**EXHIBIT C**
**Part 3**

**Prepared by LS Gallegos & Associates Inc. - As of July 15, 2015**

| Item No. | REF Doc. | Element | Concessionaire Expectation | Required Frequency for Routine Elements by Concessionaire | Monitoring Method HDR/LSG | Required Response Time by Concessionaire | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|
| 132 | Exhibit B, Item 107, Schedule 10 ID 26 | Overall Asset Condition | Concessionaire to achieve a mean Asset Condition Score of less than 2 and greater than 1 for any Element Category in any quarterly audit as described in paragraph 2.3.7 of Schedule 6 of the Concession Agreement. | Continuous | Review of Quarterly Audits | N/A | Medium | Quarterly |
| 133 | Exhibit B, Item 108, Schedule 10 ID 27 | Overall Asset Condition | Concessionaire to achieve a mean Asset Condition Score of 1 or less for any Element Category in any quarterly audit as described in paragraph 2.3.7 of Schedule 6 of the Concession Agreement. | Continuous | Review of Quarterly Audits | N/A | Medium | Quarterly |
| **CUSTOMER SERVICE** | | | | | | | | |
| 134 | Exhibit B, Item 109, Schedule 10 ID 6 | Response to Incorrect Toll Amount | The Concessionaire takes necessary action with customer service center to validate, and then if valid, have error corrected and customer informed within seven (7) days of receiving notice that an incorrect toll amount has been charged (provided appropriate customer information available) This shall apply for errors in excess of $0.25 (to be determined on a per transmission basis). Further, as Part of the validation process the Concessionaire must assess and take appropriate action to address any underlying billing problem. | Continuous | Review of Concessionaire Documentation | 7 days | Medium | Bi-Monthly |
| 135 | Exhibit B, Item 110, Schedule 10 ID 7 | Response to Customer Inquiries and Complaints | Respond within seven days to customer inquiries and complaints about the Managed Lanes where contact details of customers have been provided. | Continuous | Review of Concessionaire Documentation | 7 days | Medium | Bi-Monthly |
| 136 | Exhibit B, Item 111, Schedule 10 ID 8 | Telephone Communication | Telephone line manned during business hours and 24 hour availability of messaging system. | Continuous | Review of Concessionaire Documentation | 7 days | Medium | Bi-Monthly |
| 137 | Exhibit B, Item 112, Schedule 10 ID 9 | Customer Satisfaction Score | Maintain a monthly average of at least 4.0 on a scale of 1.0 to 5.0 on Customer Driven Management (CDM) customer service survey results. | Continuous | Review of Concessionaire Documentation | N/A | Medium | Monthly |
| 138 | Exhibit B, Item 113, Schedule 10 ID 10 | Customer Satisfaction Score | Maintain a monthly average of 2.0 or better on a scale of 1.0 to 5.0 on "after- call" customer service surveys done through the phone system in accordance with Appendix 6-2. | Continuous | Review of Concessionaire Documentation | N/A | Medium | Monthly |

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# Operational and Technical Performance Measures

**Prepared by LS Gallegos & Associates Inc. - As of July 15, 2015**

**EXHIBIT C**
**Part 3**

| Item No. | REF Doc. | Element | Concessionaire Expectation | Required Frequency for Routine Elements by Concessionaire | Monitoring Method HDR/LSG | Required Response Time by Concessionaire | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|
| 139 | Exhibit B, Item 114, Schedule 10 ID 11 | Average Hold Time | Requirements for answering calls, wait times, quality measurement for phone audits, workforce management software are met in accordance with Appendix 6- 2. | Continuous | Review of Concessionaire Documentation | N/A | Medium | Monthly |
| 140 | Exhibit B, Item 115, Schedule 10 ID 12 | Customer Requests | An monthly average of 98% of all customer and non-customer requests and correspondence, regardless of communication method, responded to within three (3) business days. | Continuous | Review of Concessionaire Documentation | N/A | Medium | Monthly |
| 141 | Exhibit B, Item 116, Schedule 10 ID 13 | Customer Web, Email, Phone, IVR Functionality | Requirements for online customer access (web), email system functionality, phone system and IVR (Interactive Voice Response) system functionality are met. | Continuous | Review of Concessionaire Documentation | N/A | Medium | Monthly |
| 142 | Exhibit B, Item 117, Schedule 10 ID 17 | Response to Incorrect Toll Amount Complaints | Following receipt of two or more complaints within 30 days emanating from a single toll point Concessionaire shall investigate claims of tag reads from General Purpose ("GP") lanes and in the event that a an erroneous toll read occurred, or reasonable doubt exists as to whether such occurred, Concessionaire shall immediately contact HPTE and prepare correspondence that can be sent to all customers who have made such a complaint regarding the erroneous GP reads. This shall occur within fifteen (15) days of receipt of such second complaint within a thirty (30) day period. | Continuous | Review of Concessionaire Documentation | 15 days | Medium | Monthly |
| 143 | Exhibit B, Item 118, Schedule 10 ID 18 | Notification of Display of Incorrect Toll Amount | Upon notification of the display of an incorrect toll amount, the Concessionaire shall reconcile or audit the data transmission within one Business Day to identify any and all other customer accounts that may have been impacted by the incorrect signage (to be determined on a per transmission basis). | Continuous | Review of Concessionaire Documentation | 1 business day | Medium | Monthly |

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# Operational and Technical Performance Measures

**EXHIBIT C**
**Part 3**

**Prepared by LS Gallegos & Associates Inc. - As of July 15, 2015**

| Item No. | REF Doc. | Element | Concessionaire Expectation | Required Frequency for Routine Elements by Concessionaire | Monitoring Method HDR/LSG | Required Response Time by Concessionaire | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|
| 144 | Exhibit B, Item 119, Schedule 10 ID 19 | Comply with Applicable Standards | Comply with standards applicable to the retention of and use of customer records pursuant to applicable Law. | Continuous | Review of Concessionaire Documentation | N/A | Medium | Monthly |
| **US 36 MANAGED LANES SPEED / TRAVEL TIME** | | | | | | | | |
| 145 | Exhibit B, Item 137, Schedule 16 / IGA with Denver RTD, Schedule 10, ID 53 | Lane Speed | Maintain an average speed of at least fifty-five (55) mph for the portion of the US 36 Managed Lanes from Table Mesa to the Broomfield Park'n-Ride during Peak Periods, measured over a timeframe of one (1) month where the actual speed is fifty (50) mph or less. | Continuous | Review of Concessionaire Documentation | N/A | High | Monthly |
| 146 | Exhibit B, Item 138, Schedule 10 ID 54 | Lane Speed | Maintain an average speed of at least fifty-five (55) mph for the portion of the US 36 Managed Lanes from Table Mesa to the Broomfield Park'n'Ride during Peak Periods, measured over a timeframe of one (1) month such that the average is between 40-50 miles per hour. | Continuous | Review of Concessionaire Documentation | N/A | High | Monthly |
| 147 | Exhibit B, Item 139, Schedule 10 ID 55 | Lane Speed | Maintain an average speed of at least fifty-five (55) mph for the portion of the US 36 Managed Lanes from Table Mesa to the Broomfield Park'n'Ride during Peak Periods, measured over a timeframe of one (1) month such that the average is less than forty (40) miles per hour. | Continuous | Review of Concessionaire Documentation | N/A | High | Monthly |
| 148 | Exhibit B, Item 140, Schedule 10 ID 56 | Lane Speed | Maintain an average speed of at least fifty (50) mph for the portion of the US 36 Managed Lanes from the Broomfield Park'n'Ride to Pecos Street during Peak Periods, measured over a timeframe of one (1) month where the average speed is forth-five (45 mph) or less. | Continuous | Review of Concessionaire Documentation | N/A | High | Monthly |

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## Operational and Technical Performance Measures

**EXHIBIT C**
**Part 3**

**Prepared by LS Gallegos & Associates Inc. - As of July 15, 2015**

| Item No. | REF Doc. | Element | Concessionaire Expectation | Required Frequency for Routine Elements by Concessionaire | Monitoring Method HDR/LSG | Required Response Time by Concessionaire | Level of Risk | Frequency of Monitoring HDR/LSG |
|---|---|---|---|---|---|---|---|---|
| 149 | Exhibit B, Item 141, Schedule 10 ID 57 | Lane Speed | Maintain an average speed of at least fifty (50) mph for the portion of the US 36 Managed Lanes from the Broomfield Park'n'Ride to Pecos Street during Peak Periods, measured over a timeframe of one (1) month such that the average is between 35-45 miles per hour. | Continuous | Review of Concessionaire Documentation | N/A | High | Monthly |
| 150 | Exhibit B, Item 142, Schedule 10 ID 58 | Lane Speed | Maintain as average speed of at least fifty (50) mph for the portion of the US 36 Managed Lanes from the Broomfield Park'n'Ride to Pecos Street during Peak Periods, measured over a timeframe of one (1) month such that the average is less than thirty-five (35) miles per hour. | Continuous | Review of Concessionaire Documentation | N/A | High | Monthly |
| 151 | Exhibit B, Item 143, Schedule 10 ID 59 | Travel Time | Maintain an average travel time of no more than 8.75 minutes from Pecos Street to Denver Union Station during Peak Periods measured over a rolling period of four (4) weeks. | Continuous | Review of Concessionaire Documentation | N/A | High | Every 4 weeks |
| 152 | Exhibit B, Item 150, Schedule 10 ID 31 | | Concessionaire to accurately gather and report on a timely basis the information required for any FHWA reporting requirement as designated by the HTPE. | Varies per requirement. | Review of Concessionaire Documentation | N/A | Medium | Per requirement. |

**Resolution #TC-XXXX**
Adopting a requirement that as of January 1, 2017, toll-free travel offered to High Occupancy Vehicles on all tolled managed lanes that are part of the state highway system shall be limited to vehicles with three or more occupants.

Adopting an approach for the consideration of toll-free travel for High Occupancy Vehicles with three or more occupants on all tolled managed lanes that are part of the state highway system; and

**Approved by the Transportation Commission on: October 15, 2015**

**WHEREAS,** the Transportation Commission is responsible, pursuant to C.R.S. 43-1-106(8), for formulating the general policy of the Colorado Department of Transportation (CDOT); and

**WHEREAS,** the Transportation Commission recognizes the importance of consistency among tolled managed lane corridors with regard to High Occupancy Vehicle exceptions; and

**WHEREAS,** the Transportation Commission recognizes the benefits of toll-free travel for vehicles carrying three or more occupants (HOV-3+) to increasing person throughput and encouraging carpooling and transit use, with resulting reductions in vehicle emissions, to reduce congestion, and improve the safety, capacity, and accessibility of the surface transportation system; and

**WHEREAS,** the General Assembly created the Colorado High Performance Transportation Enterprise (HPTE) as a government-owned business within CDOT, pursuant to Section 43-4-806 C.R.S., to aggressively pursue innovative means of more efficiently financing important surface transportation projects that will improve the safety, capacity, and accessibility of the surface transportation system; and

**WHEREAS,** to facilitate the financing of important transportation projects, the HPTE Board of Directors has recommended that the Transportation Commission require toll-free travel offered to High Occupancy Vehicles on tolled managed lanes that are part of the state highway system to be limited to HOV-3+; and

**WHEREAS**, the Transportation Commission recognizes the benefits of toll-free HOV-3+ and the importance of considering toll-free HOV-3+ on all planned or future tolled managed lanes that are part of the state highway system; and

**WHEREAS**, the Transportation Commission recognizes that the feasibility of toll-free HOV-3+ must be considered with respect to its impacts on safety, the ability to achieve established performance measures on tolled managed lanes, financial feasibility, and other factors that may be applicable.

**NOW THEREFORE BE IT RESOVLED,** the Transportation Commission hereby requires that as of January 1, 2017 toll-free travel offered to High Occupancy Vehicles on tolled managed lanes that are part of the state highway system shall be limited to HOV 3+; and

**NOW THEREFORE BE IT FURTHER RESOLVED**, the Transportation Commission hereby requires that all planned or future tolled managed lanes that are part of the state highway system consider the feasibility of offering toll-free HOV-3.

_____ _____

Herman Stockinger, Secretary Date
Transportation Commission of Colorado

**Resolution #TC-XXXX**

Determining Not to Include Toll-Free HOV3+ Travel for the C-470 Tolled Express Lanes Project

**Approved by the Transportation Commission on October 15, 2015**

**WHEREAS,** pursuant to § 43-1-106(8), C.R.S, the Transportation Commission is responsible for formulating the general policy of the Colorado Department of Transportation (CDOT) with respect to the management of public highways in the state; and

**WHEREAS,** the Transportation Commission is authorized, pursuant to § 42-4-1012(1)(a), C.R.S., to designate exclusive or preferential lanes that carry a specified number of persons; and

**WHEREAS,** the Transportation Commission recognizes the benefits of HOV accessibility in encouraging carpooling and transit use, with resulting reductions in vehicle emissions, congestions mitigation, and improvements in the safety, capacity, and accessibility of the surface transportation system; and

**WHEREAS,** by Resolution #TC-3052, approved February 21, 2013, the Transportation Commission recognized the importance of consistency among tolled managed lane corridors with regard to encouraging high occupancy vehicle (HOV) use; and

**WHEREAS,** by Resolution #TC-XXXX, approved October 15, 2015, the Transportation Commission updated Resolution #TC-3052 to provide that the feasibility of toll-free travel for vehicles carrying three or more occupants (HOV-3+) be considered with respect to its impact on safety, the ability to achieve established performance measures on tolled managed lanes, financial feasibility, and other factors which may be applicable, for all planned or future tolled managed lanes that are part of the state highway system; and

**WHEREAS,** pursuant to § 43-4-806, *et seq.*, C.R.S., the General Assembly created the High Performance Transportation Enterprise (HPTE) as a government-owned business within CDOT to pursue innovative means of more efficiently financing important surface transportation projects that will improve the safety, capacity, and accessibility of the surface transportation system; and

**WHEREAS,** HPTE and CDOT are currently undertaking the procurement of the C-470 Express Lanes Segment 1 Project, which is planned to add two tolled express lanes westbound from I-25 to Colorado Blvd., one tolled express lane westbound from Colorado Blvd. to Wadsworth Blvd.; and one tolled express lane eastbound from Platte Canyon Road to I-25, with a desire to extend the tolled express lanes in each direction to Kipling Blvd. as funding allows; and

**WHEREAS,** in accordance with the general policy in favor of HOV-3+, HPTE and CDOT staff undertook a HOV-3+ Analysis with respect to the C-470 Tolled Express Lanes Project; and

**WHEREAS,** the HOV-3+ Analysis determined that accommodating HOV-3+ is not currently financially feasible for the C-470 Express Lanes Segment 1 Project, as it would result in a funding gap of approximately $40 million in the preferred financing scenario for the project and there are currently no other funding sources available to close the gap; and

**WHEREAS,** the analysis further determined that accommodation of HOV-3+ is projected to reduce excess toll revenues by approximately $100 million over 40 years, potentially delaying future additional corridor improvements; and

**WHEREAS,** in order to facilitate the financing of the C-470 Express Lanes Segment 1 Project, the Board of Directors of the HPTE has recommended that the Transportation Commission not include toll-free HOV-3+ travel for the C-470 Tolled Express Lanes; and

**WHEREAS,** the Transportation Commission's determination in the resolution with respect to toll-free HOV-3+ travel is not intended to affect or prejudice in any way the ongoing NEPA process, and the determination not to include toll-free HOV-3+ travel for the C-470 Tolled Express Lanes is contingent upon a final determination from FHWA on a Proposed Action based on the C-470 Corridor Revised Environmental Assessment.

**NOW THEREFORE BE IT RESOLVED,** the Transportation Commission hereby determines that offering toll-free HOV-3 travel in the C-470 Tolled Express Lanes is not feasible at this time, and declares that the C-470 Tolled Express Lanes will be exempted from the general policy that tolled managed lane corridors permit HOV-3 vehicles toll-free.

**BE IT FURTHER RESOLVED,** if financing conditions permit reconsideration of this determination at a future date, HPTE and CDOT staff should evaluate a re-designation of the C-470 Tolled Express Lanes as an HOV-3+ corridor in accordance with Transportation Commission HOV policy guidance and, if conditions warrant such re-designation, present such findings to the Transportation Commission for its consideration.

_____ _____

Herman Stockinger, Secretary Date
Bridge Enterprise Board of Directors

Bridge Enterprise Board of Directors
Oct. 15, 2015
Meeting Schedule & Agenda
4201 East Arkansas Avenue
Denver, Colorado 80222

*Kathy Connell, Chairwoman*
Steamboat Springs, District 6

*Shannon Gifford*
Denver, District 1
*Ed Peterson*
Lakewood, District 2
*Gary M. Reiff, Vice Chair*
Englewood, District 3
*Heather Barry*
District 4
*Kathleen Gilliland*
Livermore, District 5

*Kathy Hall*
District 7
*Sidny Zink*
Durango, District 8
*Nolan Schriner*
District 9
*William Thiebaut*
Pueblo, District 10
*Steven Hofmeister*
Haxtun, District 11

THE CHAIRWOMAN MAY ALTER THE ITEM SEQUENCE OR TIMES

The times indicated for each topic on the Board of Directors agenda are an estimate and subject to change. Generally, upon the completion of each agenda item, the Board will immediately move to the next item. However, the order of agenda items is tentative and, when necessary to accommodate the public or the Board's schedules, the order of the agenda items is also subject to change.

Documents are posted at http://www.coloradodot.info/about/transportation-commission/meeting-agenda.html no less than 24 hours prior to the meeting. The documents are considered to be in draft form and for information only until final action is taken by the Board.

Unless otherwise noted, all meetings are in CDOT HQ Auditorium.

The Bridge Enterprise Board of Directors meeting will begin immediately following the adjournment of the Transportation Commission Meeting. Estimated Start Time: 10:00 a.m.

BRIDGE ENTERPRISE BOARD OF DIRECTORS

1. Call to Order and Roll Call
2. Audience Participation
   Subject Limit: 10 minutes; Time Limit: 3 minutes
3. Act on Consent Agenda
   a) Resolution to Approve Regular Minutes from Sept. 17, 2015 (Herman Stockinger) ..... .....Page 2
4. FY 2016-17 Draft Budget and FY 2014-15 Revenue Reconciliation Information (Maria Sobota)..... Page 4
5. 3rd Budget Supplement (Maria Sobota) ..... Page 9
6. Monthly Progress Report (Scott McDaniel).....Page 12
7. Adjournment

**Bridge Enterprise Board**
**Regular Meeting Minutes**
**Thursday, Sept. 17, 2015**

PRESENT WERE: Kathy Connell, Chairwoman, District 6
Gary Reiff, Vice Chair District 3
Shannon Gifford, District 1
Ed Peterson, District 2
Heather Barry, District 4
Kathy Gilliland, District 5
Sidny Zink, District 8
Bill Thiebaut, District 10
Steven Hofmeister, District 11

ALSO PRESENT: Shailen Bhatt, Executive Director
Josh Laipply, Chief Engineer
Debra Perkins-Smith, Director of Transportation Development
Amy Ford, Communications Director
Maria Sobota, CFO
Herman Stockinger, Government Relations Director
Debra Perkins-Smith, Director of Transportation Planning
Paul Jesaitis, Region 1 Transportation Director
Dave Eller, Region 3 Transportation Director
Johnny Olson, Region 4 Transportation Director
Kerrie Neet, Region 5 Transportation Director
Kathy Young, Chief Transportation Counsel
Barb Gold, Audit Director
Scott McDaniel, Staff Services Director
Mike Cheroutes, HPTE Director
Kyle Lester, Director, Division of Highway Maintenance
Ryan Rice, Operations Division Director
Tony DeVito, I-70 East Project Director
Vince Rogalski, STAC Chairman
David Ulane, Director of Aeronautics

AND: Other staff members, organization representatives, the public and the news media

An electronic recording of the meeting was made and filed with supporting documents in the Transportation Commission office.

Chairwoman Connell convened the meeting at 10:05 a.m. in Auditorium at CDOT Headquarters.

**Audience Participation**

Chairwoman Connell stated that no members of the audience wished to address the Board of Directors.

**Act on Consent Agenda**

Chairwoman Connell entertained a motion to approve the Consent Agenda. Director Gifford moved to approve the resolution, and Director Hofmeister seconded the motion. Upon vote of the Board the resolution passed unanimously.

**Resolution #BE-15-8-1**

Approval of Regular Meeting Minutes for Aug. 20, 2015.

BE IT SO RESOLVED THAT, the Minutes for the Aug. 20, 2015, meeting of the Bridge Enterprise Board of Directors are hereby approved by the Bridge Enterprise Board as published in the Agenda for the Sept 16 & 17, 2015, meeting of the Bridge Enterprise Board of Directors.

**Discuss and Act on 2rd Budget Supplement of 2016**

Chief Financial Officer Maria Sobota opened up the floor for questions on the two items in the budget supplement. There were no questions on the information provided.

Chairwoman Connell entertained a motion to approve the Budget Supplement. Director Gifford moved for approval of the resolution, and Director Barry seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

**Budget Timeline for FY2017**

Chief Financial Officer Maria Sobota discussed how the HPTE and Bridge Enterprise budgets in the past were prepared at different times than the CDOT budget. In an effort to align the budget timelines, Bridge Enterprise budgeting will begin in FY 16-17 to follow the budget timeline CDOT follows.

**Acknowledgements of Board Appointments**

Scott McDaniels directed the Board to the memo stating that the Transportation Commission has appointed two new members. It is standard practice the members of the Transportation Commission to serve on the Bridge Enterprise Board of Directors. The memo acknowledges Directors Hall and Schriner as members of the Board of Directors.

**Monthly Progress Report**

Scott McDaniels had no new action to report, and opened the floor for any questions on the information presented in the packet. There were no questions.

**Adjournment**

Chairwoman Connell asked if there were any more matters to come before the Bridge Enterprise Board of Directors. Hearing none, Chairwoman Connell announced the adjournment of the meeting at 10:06 a.m.

COLORADO
Department of Transportation
Statewide Bridge Enterprise

4201 E. Arkansas Ave., Room 124B
Denver, CO 80222

# MEMORANDUM

**TO:** BRIDGE ENTERPRISE BOARD OF DIRECTORS
**FROM:** MARIA SOBOTA, CHIEF FINANCIAL OFFICER
**DATE:** OCTOBER 15, 2015
**SUBJECT:** FY 2014-15 BRIDGE ENTERPRISE REVENUE RECONCILIATION & ROLL FORWARD INFORMATION

---

## Purpose

This memorandum summarizes the Fiscal Year (FY) 2015-16 unaudited revenue reconciliation information as well as all cost center balances that were rolled from FY 2014-15 to FY 2015-16 for Bridge Enterprise.

## Action

The purpose of this memo is informational only. The Office of Financial Management and Budget (OFMB) within the Division of Accounting and Finance (DAF) is asking the Bridge Enterprise Board to review revenue reconciliation information for FY 2014-15 and all cost centers balances that were rolled forward into FY 2015-16.

## Background & Details

At the close of each fiscal year, OFMB within DAF compares the forecasted revenues to the actual revenues received as well as reviews all remaining cost center balances to determine if they are eligible to roll forward to the next fiscal year.

### *FY 2014-15 Revenue Reconciliation*

The Bridge Enterprise estimated revenues for the FY 2014-15 of $114.9 million, and received actual in the amount of $122.0 million, creating a surplus of $7.1 million. This surplus is primarily due to higher than forecasted FASTER Safety Bridge Surcharge revenues. Table 1 below provides a comparison of FY 2014-15 estimated revenues to revenues actually received.

Table 1: Bridge Enterprise Revenue Reconciliation Summary

| Revenue Source | FY 2014-15 Estimated Revenue | FY 2014-15 Actual Revenue* | Difference |
|---|---|---|---|
| FASTER Bridge Safety Surcharge | $91,100,000 | $98,026,565 | $6,926,565 |
| Interest Earnings | $2,400,000 | $3,079,025 | $679,025 |
| Federal Subsidy | $6,381,900 | $5,918,642 | ($463,258) |
| Transfer of Federal Funds | $15,000,000 | $15,000,000 | $0 |
| **Totals** | $114,881,900 | $122,024,232 | $7,142,332 |

*Revenues are still unaudited and are subject to change

### *FY 2014-15 Cost Center Roll Forward*

In accordance with Policy Directive PD 703.0, all Bridge Enterprise cost centers are eligible for automatic roll forward of all ending cost center balances from the previous to the current fiscal year. Table 2 provides a summary of the remaining cost center balances that were rolled forward from FY2014-15 to FY2015-16.

Table 2: Bridge Enterprise Cost Center Roll Forward Detail

| **Budget Category** | **Cost Center** | **Amount Rolled to FY 2015-16** |
|---|---|---|
| *Program Administration* | B8800-538 | $ 1,267,630 |
| | B88AD-538 | $ 51,691 |
| *Scoping Pools* | B88SP-538 | $ 479,402 |
| *Maintenance* | B88MS-538 | $ 1,396,193 |

Next Steps:

- Based on the $7.1 million surplus identified through the revenue reconciliation process, OFMB staff will distribute the surplus to the appropriate cost centers and budget pools.
- Based on the amounts rolled forward from FY 2014-15 to FY 2015-16, OFMB will be working with Bridge Enterprise staff to review current cost center balances to determine if some of the excess budget in the current cost centers can be moved back into the FASTER pool and budgeted for other program needs.

COLORADO
Department of Transportation
Statewide Bridge Enterprise

4201 E. Arkansas Ave., Room 124B
Denver, CO 80222

# MEMORANDUM

**TO:** THE BRIDGE ENTERPRISE BOARD OF DIRECTORS
**FROM:** MARIA SOBOTA, CHIEF FINANCIAL OFFICER
**DATE:** OCTOBER 15, 2015
**SUBJECT:** FISCAL YEAR 2016-17 DRAFT BRIDGE ENTERPRISE BUDGET

---

Purpose:
This month the Bridge Enterprise Board of Directors is being presented with a draft version of the Fiscal Year (FY) 2016-17 budget for review.

Action:
The purpose of this memo is informational only and no action this month is required. Based on the budget allocations determined by the Office of Financial Management and Budget (OFMB) in coordination with Bridge Enterprise (BE), staff is presenting a draft of the FY 2016-17 budget for Fund 538 and will return in February with a final budget for Board comment and in March for final approval and adoption of a FY 2016-17 budget.

Background:
In alignment with the new annual budget timeline for Bridge Enterprise, this month staff is bringing the Board specific BE budget information that is presented as part of the draft CDOT FY2016-17 Annual Budget Allocation Plan this month and a draft version of the operational budget for Fund 538.

Details:
The BE FY 2016-17 budget allocations are based on an estimated $126.6 Million of projected BE revenue for FY 2016-17. The $126.6 Million revenue estimate is comprised of the following revenue sources:

- $102,100,000 in FASTER Bridge Revenue
- $3,500,000 in Interest Earnings
- $6,000,000 in Federal Subsidy for the Build America Bonds (BABs)
- $15,000,000 in Transferred Federal Funds

As it relates to the BE, overall projected revenue of $126.6 Million has been allocated to the following categories in the draft operational budget for Fund 538:

- $1,580,400 for Program Management
- $1,114,679 for the Bonding Program
- $300,000 for BE Project Scoping Pools
- $250,000 for Maintenance
- $18,234,00 for Debt Service
- $105,120,921 for Other Bridge Enterprise Projects

Details regarding individual line items that roll up to each category are outlined in Attachment A: FY 2016-17 Draft Bridge Enterprise Budget.

Key Benefits
N/A

Options and Recommendations
The Board is being asked to review the draft FY 2016-17 budget and provide feedback if necessary.

Next Steps
This coming month, OFMB and BE program staff will be finalizing the operational FY 2016-17 Bridge Enterprise Budget and will return to the Board in February with a final budget for Board comment and in March for adoption of a FY 2016-17 budget.

Attachment:
Attachment A: FY 2016-17 Draft Bridge Enterprise Budget Fund 538.

Attachment A: FY 2016-17 Draft Bridge Enterprise Budget Fund 538

| Draft FY 2017 Bridge Enterprise Budget Fund 538 | |
|---|---|
| **Revenue/ Expense** | **FY 2017 Budget** |
| **Bridge Enterprise Budget** | |
| **Revenue** | |
| Estimated FY17 FASTER Bridge Revenues | $102,100,000 |
| Interest Earnings | $3,500,000 |
| Federal Subsidy for Build America Bonds | $6,000,000 |
| Transfer of State/Local Bridge Funds | $0 |
| Transfer of Federal Funds | $15,000,000 |
| **Total Revenue** | **$126,600,000** |
| | |
| **Expenses** | |
| **Bridge Enterprise Administrative Budget (Cost Center B8800-538 and B88AD-538)** | |
| **Program Management** | |
| BE Program Management AECOM | $1,250,000 |
| CDOT / BE Staff | $200,000 |
| AG Legal | $90,000 |
| Annual Audit | $20,400 |
| Operating Expenses | $10,000 |
| Other Consulting | $10,000 |
| **Total Program Management** | **$1,580,400** |
| | |
| **Bonding Program** | |
| Trustee | $9,175 |
| Bond Counsel | $323,800 |
| Disclosure Counsel | $82,000 |
| Financial Advisor | $57,000 |
| Rating Agency | $135,000 |
| TIFIA Counsel | $200,000 |
| TIFIA Costs | $300,000 |
| Travel to Rating Agency | $4,704 |
| Printing | $2,000 |
| Accounting Review | $1,000 |
| **Total Bonding Program** | **$1,114,679** |
| **Total Cost Center (B8800-538)** | **$2,695,079** |
| | |
| **Scoping Pools Cost Center (B88SP-538)** | |
| Scoping Pools | $300,000 |
| **Total Scoping Pools** | **$300,000** |
| | |
| **Maintenance Cost Center (B88MS-538)** | |
| Maintenance | $250,000 |
| **Total Maintenance** | **$250,000** |
| **Debt Service** | |
| Debt Service | $18,234,000 |
| **Total Debt Service** | **$18,234,000** |
| **Bridge Enterprise Projects** | |
| Preservation (Project # 19650) | $100,000 |
| Other Bridge Enterprise Projects | $105,020,921 |
| **Total Bridge Enterprise Projects** | **$105,120,921** |
| | |
| **Total Revenue** | **$126,600,000** |
| **Total Expenses** | **$126,600,000** |
| **Total Revenue minus Expenses** | **$0** |

COLORADO
Department of Transportation
Statewide Bridge Enterprise

DATE: October 15, 2015

TO: Bridge Enterprise Board of Directors

FROM: Maria Sobota, Acting Chief Financial Officer

SUBJECT: Third Supplement to the FY 2015-16 Bridge Enterprise Budget

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Enclosed is the Third Supplement to the FY 2015-16 Bridge Enterprise Budget.

**REGION 3:**

- **$57,000,000 FASTER Bridge Funds** - SH 82 ML over I-70 ML, Colorado River and Railroad in Garfield County: (old F-07-A) (new F-07-V). April 2015 Prioritization Plan Score: 29.5

  Establish only the Construction Phase budget enabling the project team to enter into Construction Agreed Price (CAP) negotiations for this CM/GC project. Pre-construction phases have been funded by previous budget actions.

  It is anticipated that the CAP negotiations will be completed in November with the results and recommendations presented to the Bridge Enterprise Board of Directors at a November 2015 workshop. Adjustments to the budget will be requested in December, which will include external funding source contributions. (18158/1000… & 21122/1000…)

  Estimated Drawdown: TBD

**Region 5:**

**$457,950 -** SH90 ML over Dolores River in Montrose County*:* (old K-01-C) (new K-01-L). April 2015 Prioritization Plan Score: 41

To increase the design phase budget to proceed to final design for this bridge replacement project. The design budget was previously approved to the FIR level at the December 2014 BE Board of Directors meeting (20817/1000…).

**SH90 ML Over Doloroes River in Montrose County**
**(old K-01-C) (New K-01-L)**
***Budget Components by Phase, Funding Program, Fiscal Year***

| Phase of Work | Funding Program | Current Budget | Third BE Supplement Action | | | | Revised Budget | Expended To-Date |
|---|---|---|---|---|---|---|---|---|
| | | | Year of Budget | | | Total Request | | |
| | | | FY 2016 | FY 2017 | FY 2018 | | | |
| DESIGN | *FASTER Bridge Enterprise* | $509,000 | $457,950 | $0 | $0 | $457,950 | $966,950 | $231,602 |
| | **Total Design** | **$509,000** | **$457,950** | **$0** | **$0** | **$457,950** | **$966,950** | **$231,602** |
| **Total Project Budget & Expenditure** | | **$509,000** | **$457,950** | **$0** | **$0** | **$457,950** | **$966,950** | **$231,602** |
| | | | Year of Expenditure | | | Total Request | | |
| | | | FY 2016 | FY 2017 | FY 2018 | | | |
| | | | $457,950 | $0 | $0 | $457,950 | | |

## Resolution No. BE-

**"BE IT RESOLVED, That the Third Supplement to the Fiscal Year 2015-2016 Budget is approved by the Bridge Enterprise Board."**

COLORADO
Department of Transportation
Statewide Bridge Enterprise

4201 E. Arkansas Ave., Room 124B
Denver, CO 80222

# MEMORANDUM

**TO:** Bridge Enterprise Board of Directors

**FROM:** Scott McDaniel, PE, Director of Project Support

**DATE:** October 15, 2015

**SUBJECT:** October 2015 Bridge Enterprise Progress Report

## PURPOSE

The Bridge Enterprise (BE) team has prepared a progress report presentation to update the Board members of recent program initiatives, statistics and successes. No action from the Board is requested; this report is for informational purposes only. Summarized below are the elements contained in the report:

## PROGRAM SCHEDULE AND SPI:

- The BE program schedule has been updated for work complete through September 30, 2015. The September Schedule Performance Index (SPI) = 0.93, an increase of 0.01 from prior month (August SPI = 0.92). Note: Program Goal SPI ≥ 0.90.
- Over-performing projects
  - 4 projects with $10.1M in combined Earned Value (EV) greater than planned.
  - Increases overall program SPI by 0.015; an increase of 0.001 from prior month (August = 0.014).
- Under-performing projects
  - 2 projects with $30.6M in combined lost EV
    - Reduces overall program SPI calculation by 0.05; a decrease of 0.01 from prior month (August = 0.06).
  - Of the13 railroad-involved projects there are none currently being impacted by railroad delays.

## PROGRAM INITIATIVES AND RECENT ACTIVITY:

The BE team continues to collaborate with CDOT in managing, monitoring and reporting on the progress and success of the program. Some recent program tasks and initiatives include:

- Process improvements and strategy planning in relation to OSA Process Audit findings
- Research and reporting in response to OSA Process Audit findings
- Ongoing project coordination and oversight
- Closeout and deprogramming funds from completed projects
- Programming of new projects for preconstruction activities
- Continued PMO coordination
- Continued reorganization efforts for BE website to increase transparency and eliminate confusion.

**RECENT PROJECT ACTIVITY:**

**Structures recently programmed and budgeted / now In Design:**

- Region 2, K-17-F, SH 96 over Rush Creek, Pueblo County
- Region 2, L-22-L, SH 71 over Arkansas River, Otero County
- Region 3, D-13-A, US 34 over North Fork of Colorado River, Grand County
- Region 3, F-05-L, I-70 WBND over Colorado River, Garfield County
- Region 3, F-10-L, I-70 EBND over US 6, RR, Eagle River, Eagle County
- Region 3, G-03-Q, I-70 WBND over Colorado River, Mesa County
- Region 4, C-17-B, SH 60 over South Platte River, Weld County

**TOTAL PROGRAM FINANCIAL PERFORMANCE**

Expenditure and encumbrance data through August 31, 2015 summarized below:

- Overall projected expenditures increased by $16.5 M or 2.5%
- Overall actual expenditures increased by $12.7 M or 2.4%
- Actual Bond expenditures, no increase or decrease. Bond proceeds are essentially expended and the bulk of the remaining balance is related to interest earnings.
- Overall encumbrances decreased by $(5.4 M) or -3.6.%
- Bond encumbrances remain unchanged.

**STATUS OF FASTER ELIGIBLE BRIDGES**

There are currently 189 bridges eligible for the BE program.

| | |
|---|---|
| Completed | 113 |
| In Construction | 26 |
| Design Complete | 2 |
| In Design | 12 |
| Remaining | 22 |
| No Action Proposed | 14 |

**STATUS OF $300M BOND BRIDGES**

There are currently 93 bridges in the BE bond program.

| | |
|---|---|
| Completed | 62 |
| In Construction | 26 |
| Design Complete | 2 |
| In Design | 3 |

**STATUS OF 30 MOST DEFICIENT BRIDGES**

- The CBE has completed 28 of the 30 bridges originally identified as the most deficient. L-18-M I 25 ML NBND over Indiana Ave. is in constrution; I-70 Viaduct will be the final original '30 worst' bridge addressed. (The report also contains the status of the 30 worst bridges based on 2014 ratings.)

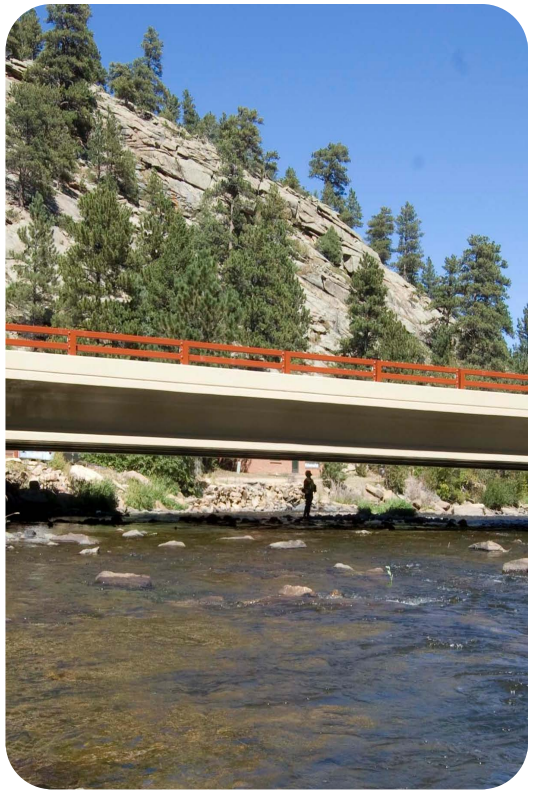
**DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION**

State & FHWA-funded BE construction contracts continue to help CDOT exceed its overall 12.46% DBE goal through the following achievements:

| **Quarterly Report: FFY 2015 (10/1/2014 – 8/31/2015)** | |
|---|---|
| 6 Prime Contracts Awarded | $144,924,029 |
| 182 Subcontracts Awarded | $53,163,868 |
| 72* Total DBE Contracts Awarded | $12,902,606 |
| DBE Percentage of Subcontract Dollars | **24.3%** |

*The 72 subcontracts went to 46 individual DBE firms.

COLORADO
Department of Transportation



# Colorado Bridge Enterprise

October 2015 Monthly Progress Report

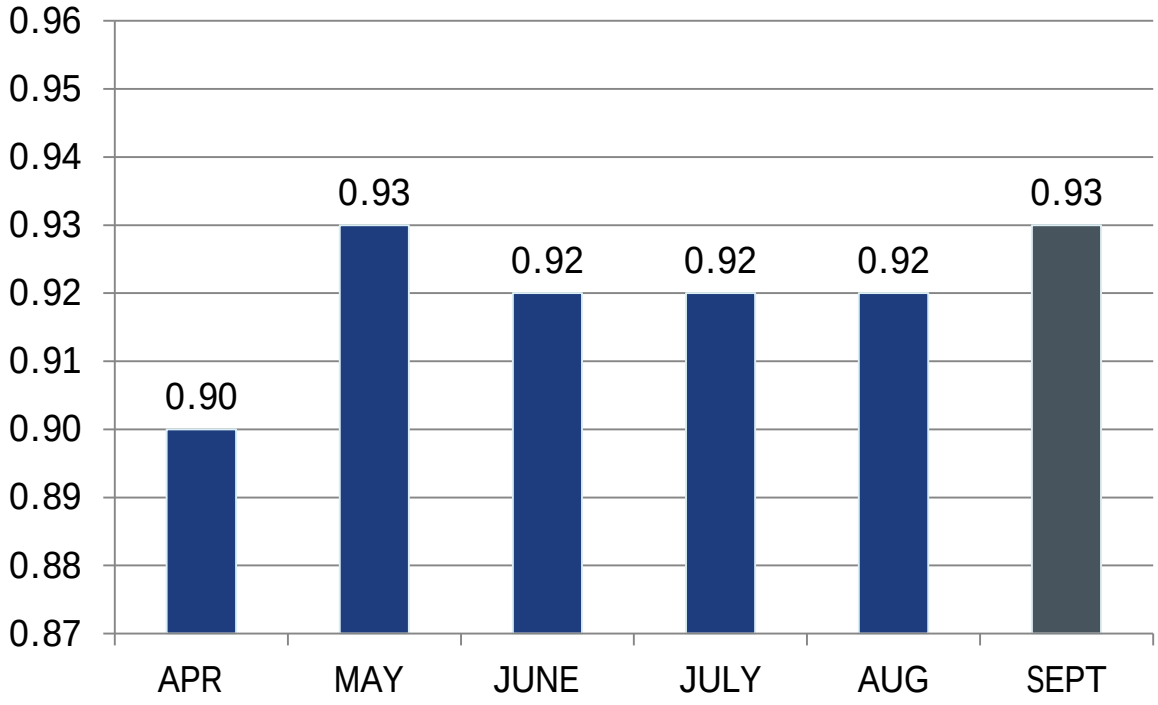
Board of Directors Meeting

# Program Schedule

- Program schedule updated for work complete through September 2015
- September Schedule Performance Index (SPI) = 0.93; an INCREASE of 0.01 from prior month (August SPI = 0.92)
- Over-performing projects
  - 4 projects with $10.1M in combined Earned Value (EV) greater than planned
  - INCREASES overall program SPI by 0.015; an INCREASE of 0.001 from prior month (August = 0.014)
- Under-performing projects
  - 2 projects with $30.6M in combined lost EV
    - Reduces overall program SPI calculation by 0.05; a DECREASE of 0.01 from prior month (August = 0.06)
  - Of the13 railroad-involved projects there are none currently being impacted by railroad delays.

# Program Schedule

## Program SPI by Month




Program Goal SPI ≥ 0.90

# Program Initiatives

## CURRENT PROGRAM ACTIVITY & INITIATIVES:

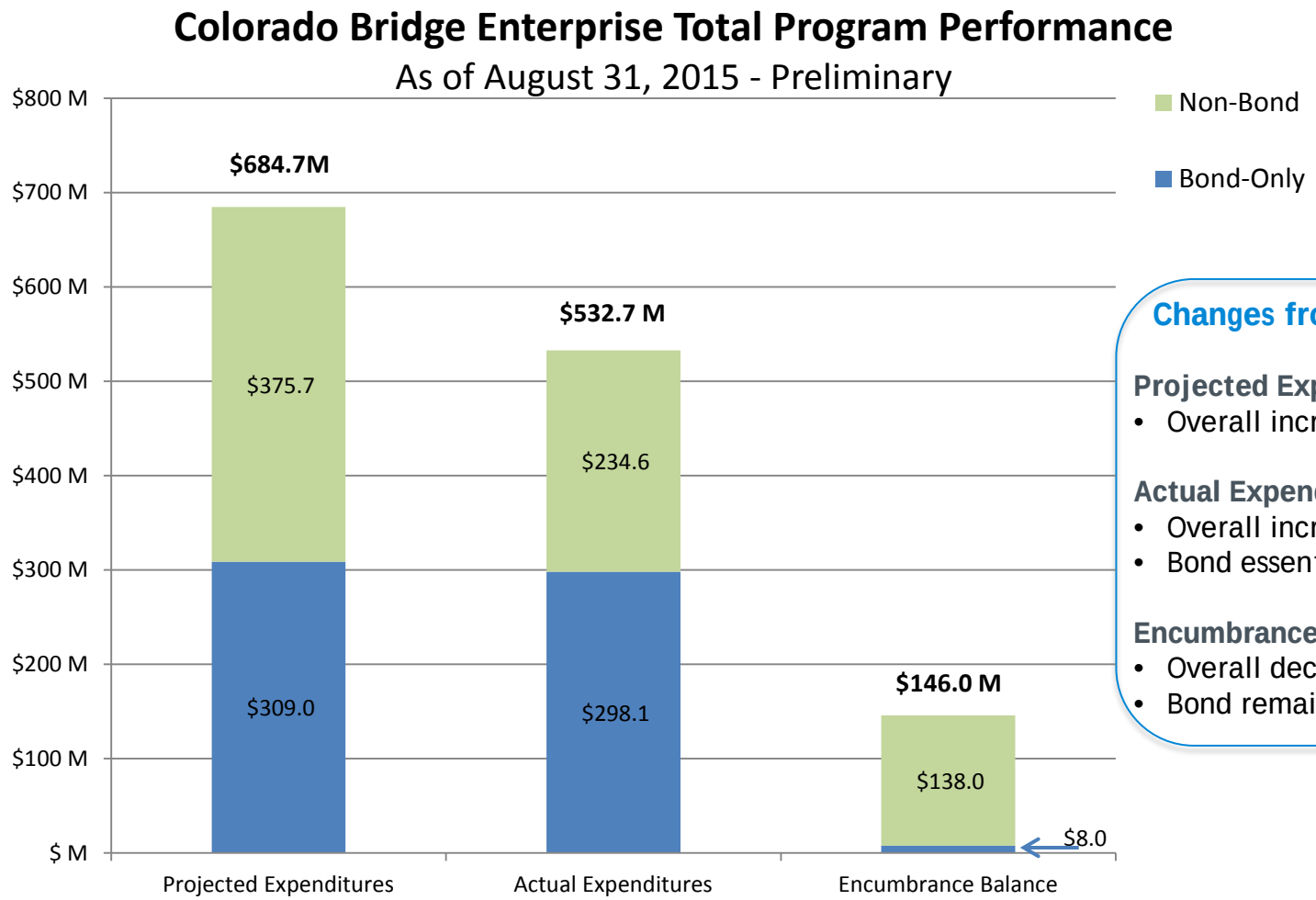
- Process improvements and strategy planning in relation to OSA Process Audit findings
- Research and reporting in response to OSA Process Audit findings
- Ongoing project coordination and oversight
- Closeout and deprogramming funds from completed projects
- Programming of new projects for preconstruction activities
- Continued PMO coordination
- Continued reorganization efforts for BE website to increase transparency and eliminate confusion.

# Recent Project Activity

## STRUCTURES RECENTLY PROGRAMMED & BUDGETED / NOW IN DESIGN:

- Region 2, K-17-F, SH 96 over Rush Creek, Pueblo County
- Region 2, L-22-L, SH 71 over Arkansas River, Otero County
- Region 3, D-13-A, US 34 over North Fork of Colorado River, Grand County
- Region 3, F-05-L, I-70 WBND over Colorado River, Garfield County
- Region 3, F-10-L, I-70 EBND over US 6, RR, Eagle River, Eagle County
- Region 3, G-03-Q, I-70 WBND over Colorado River, Mesa County
- Region 4, C-17-B, SH 60 over South Platte River, Weld County

# Total Program Financial Performance



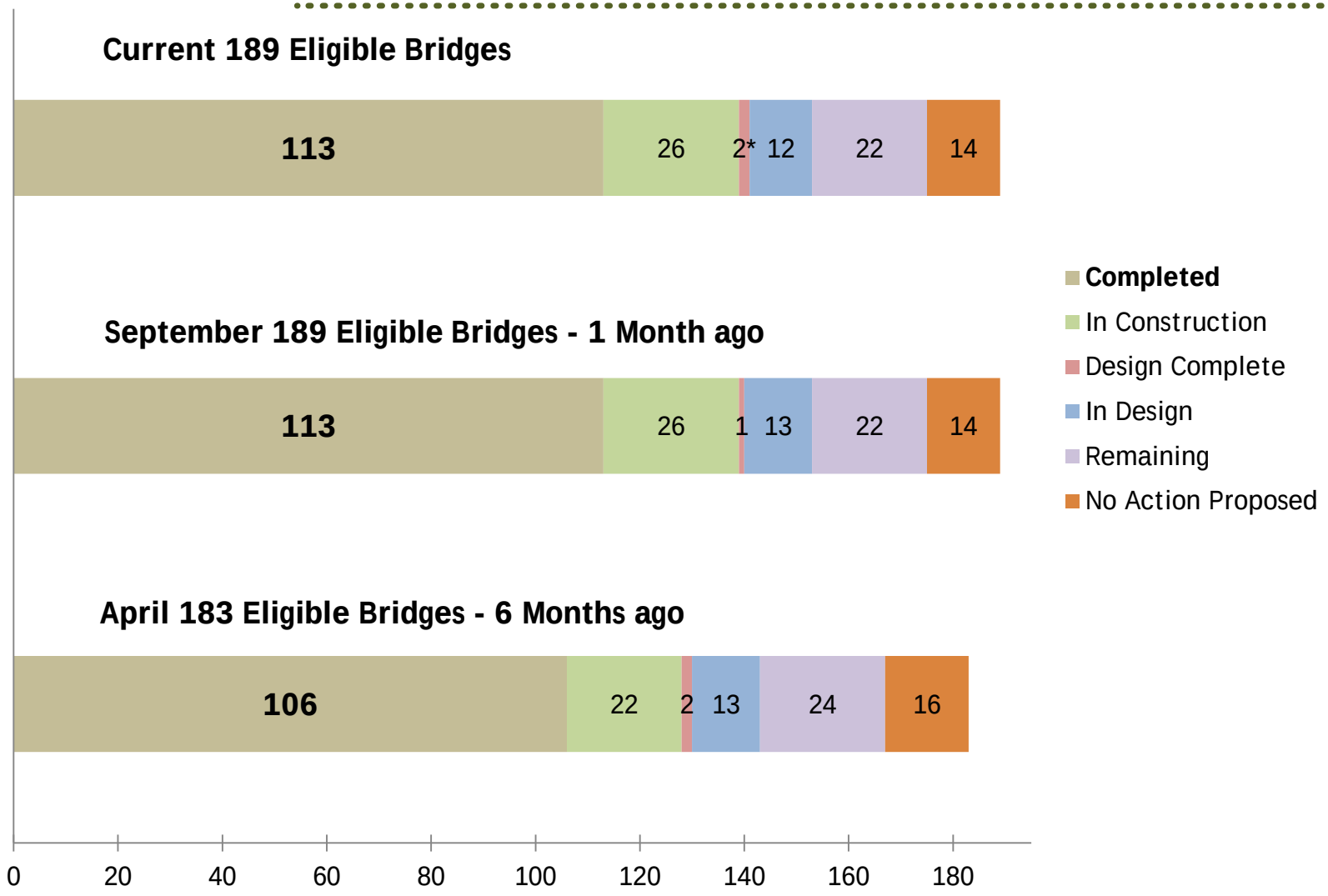

## Changes from Previous Month

**Projected Expenditures**
- Overall increased by $16.5 M or 2.5%

**Actual Expenditures**
- Overall increased by $12.7 M or 2.4%
- Bond essentially expended

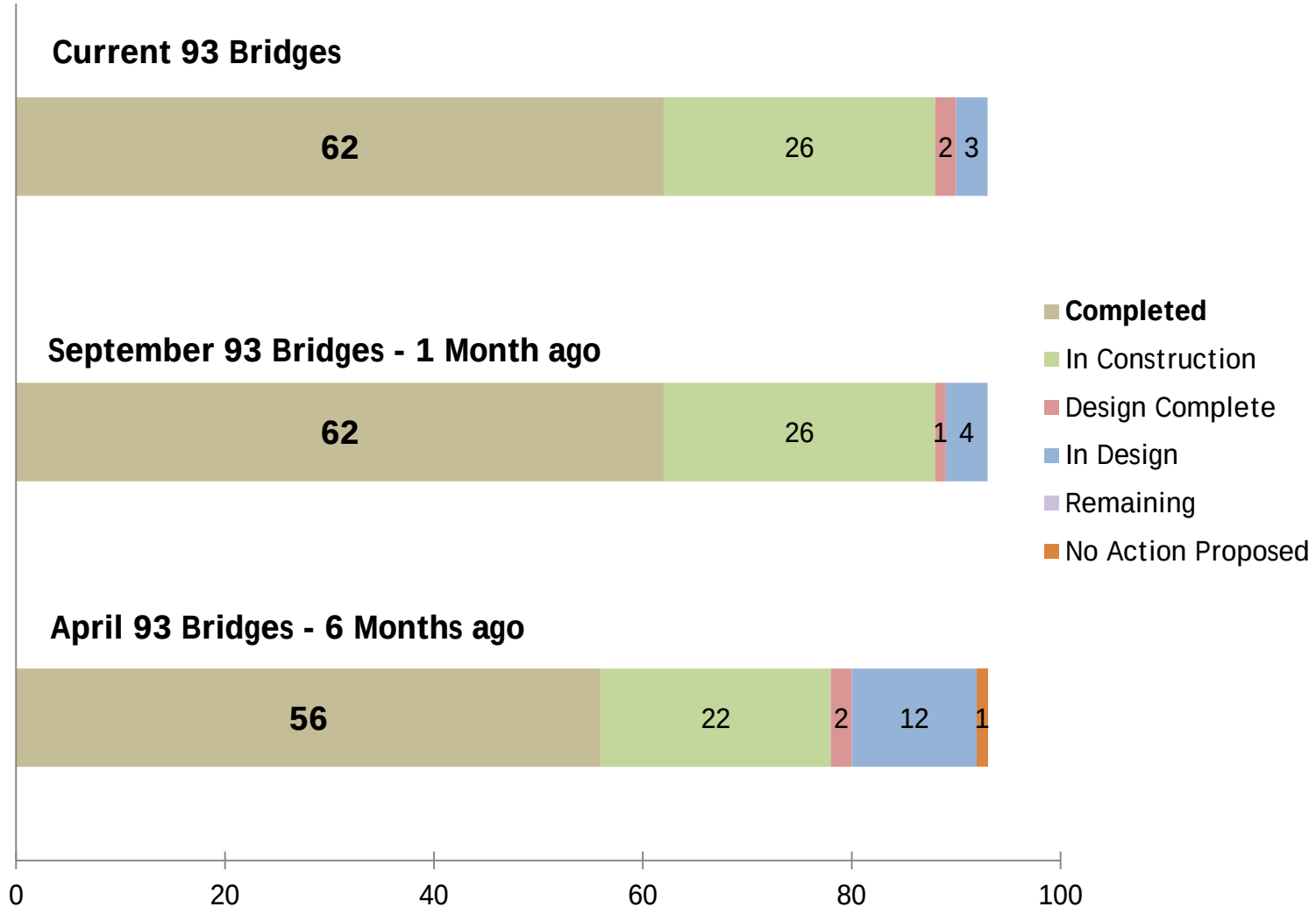
**Encumbrance Balance**
- Overall decreased by $(5.4M) or -3.6.%
- Bond remains unchanged

# Status FASTER Eligible Bridges




*Schedule/Matrix comparative QC reconciliation

# Status $300M Bond Bridges



# Status of 30 Most Deficient Bridges

| | 2014 Poor List Bridges Worst 30 Status | Original 128 Bridges Worst 30 Status |
|---|---|---|
| Complete | 9 | 28 |
| In Construction | 10 | 1* |
| Design Complete | 2 | 0 |
| In Design | 4 | 1** |
| Remaining | 5*** | 0 |
| Total Addressed | 30 | 30 |

*L-18-M I 25 ML NBND over Indiana Ave; ** E-17-FX I-70 Viaduct will be the final original '30 worst' bridge addressed.

***Remaining/Not Programmed

| Bridge | Region | County | Facility Carried over Featured Intersection |
|---|---|---|---|
| E-17-KR | 1 | DENVER | I 270 ML EBND over I 70 ML |
| E-17-EW | 1 | DENVER | I 70 ML EBND over UP RR; W of QUEBEC STREET |
| E-17-DF | 1 | DENVER | I 70 ML WBND over UP RR W of QUEBEC STREET |
| F-10-C | 3 | EAGLE | US 6 ML over EAST LAKE CREEK |
| N-11-C | 5 | RIO GRANDE | SH 112 ML over RIO GRANDE CANAL |

# DBE Participation

State & FHWA-funded BE construction contracts continue to help CDOT exceed its overall 12.46% DBE goal through the following achievements:

| Quarterly Report: FFY 2015 to Date (10/1/2014 - 8/31/2015) | |
|---|---|
| 6 Prime Contracts Awarded | $144,924,029 |
| 182 Subcontracts Awarded | $53,163,868 |
| 72* Total DBE Contracts Awarded | $12,902,606 |
| DBE Percentage of Subcontract Dollars | **24.3%** |

*The 72 subcontracts went to 46 individual DBE firms.

# FASTER Q & A

Questions & Answers

**Transit and Intermodal Committee Meeting**

**Meeting Agenda**
**Thursday, October 15, 2015**

**4201 East Arkansas Avenue**
**Denver, Colorado**

**Mark Imhoff, Director**
**Division of Transit and Rail**

**Debra Perkins-Smith, Director**
**Division of Transportation Development**

**Kathy Gilliland, Chair**
**District 5, Livermore**

**Shannon Gifford**
**District 1, Denver**

**Bill Thiebaut**
**District 10, Pueblo**

**Kathy Connell**
**District 6, Steamboat Springs**

- **Introductions/Approval of July Minutes – Kathy Gilliland**
- **Bustang Quarterly Report – Mike Timlin (5 mins)**
- **PD-1605 – Interregional Express Bus Service Program – Mark Imhoff (5 mins)**
- **Bustang Operation Guidelines – Mark Imhoff & Michael Timlin (10 mins)**
- **Bustang West Route Weekend Service – Mark Imhoff & Mike Timlin 10 mins)**
- **Purchase three New Bustang Buses – Mark Imhoff & Mike Timlin (10 mins)**
- **SB 228 & SB 1 remaining funds – Mark Imhoff, David Krutsinger & David Averill (20 mins)**
- **Other TC Policy considerations; metro fringe area stops**
- **Adjourn**

**<u>THE AGENDA MAY BE ALTERED AT THE CHAIR'S DISCRETION.</u>**

**Transit & Intermodal Committee Meeting Minutes**
**Wednesday, July 15, 2015**

**Committee Members Attending**: Kathy Gilliland (Chair), Kathy Connell, Shannon Gifford

**Additional Commissioners Attending**: Ed Peterson, Sidny Zink

**Staff Attending**: Executive Director Shailen Bhatt, Chief Engineer Josh Laipply, DTR Director Mark Imhoff, DTD Director Debra Perkins-Smith, Acting CFO Maria Sobota, OPGR Director Herman Stockinger, Region 1 Acting Director Paul Jesaitis, Region 2 Director Karen Rowe, Region 3 Director Dave Eller, Region 4 Director Johnny Olson, Region 5 Director Kerrie Neet, Communications Director Amy Ford, Audit Division Director Barb Gold, DTD Transportation Planner Gail Hoffman, Bus Operations Manager Mike Timlin, and DTR Deputy Director David Krutsinger. Ron Papsdorf. Kevin Furman. Mike Lewis. Roxanne. TSM&O Director.

Commissioner Gilliland called the meeting to order at 3:47 pm.

1. **Introductions / Approval of April Minutes:** Additional commissioners attending were noted. The April minutes were approved unanimously.

2. **Bustang:** CDOT is no longer only planning or talking about transit operations. On Monday, July 13th, CDOT became a transit operator. Thank you and appreciation is due to all who participated and supported in reaching this milestone including the CDOT Regions 1-4 and partner divisions like OFMB, Audit, Communications, and others. Thank you to Mike Timlin, the Bustang Operations Manager. On launch day, 190 rides were delivered, and 236 were delivered yesterday, Tuesday, July 14th. Following on the safety presentation, we're pleased to say there were no accidents. CDOT has worked through minor glitches with the website and customer "1-800…" phone line. On social media, CDOT's service has 304 Facebook "likes" and 91 Twitter "followers", being tracked by Amy Ford's group. Most of the comments and messages are positive. A few suggestions have come in about Wi-Fi spottiness in some places along the corridor, the desire for service in the ring of communities around Denver (Castle Rock, Clear Creek County, and SW Weld County), and for weekend service.

   Mark noted that the budget is about $2.4 Million for operations, plus the remainder in support services and expenses. Commissioner Gifford asked what is "engineering & planning services" line item in the FY16 Bustang budget. Mark and Mike responded that it covers contractors for bus inspections, some external I.T. services, and engineering support for shelters and park & rides.

3. **Questions / Discussion of Informational Items**: Two other memos were included in the TC packet, including information on grant programs. The 2016 Administrative and Operating (A&O) grant awards will be announced in August. Requests have increased which will require allocation adjustments to make room for new operators and service expansion requests.

   Commissioner Peterson asked about the status of grant processing, both contracts and reimbursements. Mark responded that the reimbursements are in good shape and are going out in a timely manner. CDOT is still in catch-up mode with regard to getting all contracts signed. CDOT prioritizes the administrative & operating contracts to make sure those are complete by January 1st of each year. With announcements on those awards in late August, CDOT has September to December to get contracts executed for A&O. Maria's office (OFMB) has worked hard with DTR to keep the invoice backlog down. On a related note, DTR has staff going to Archuleta County to provide face-to-face training / technical assistance on reimbursements. Commissioner Peterson noted, yes, paperwork can lag with smaller entities who sometimes work on an almost volunteer basis.

   Mark followed up that DTR has a consultant on-board looking at invoicing processes, which will conclude late August, after receiving draft recommendations late this month. The consultant is reviewing what

CDOT requires, state statute requires, FTA requires, and what peer states require. If we can streamline the process based on that review, CDOT will. DTR has also been working on an electronic reporting system called COTRAMS. The old (precursor) system was antiquated, and stopped functioning about three years ago. CDOT has been relying heavily on paper transactions and manual spreadsheet tracking in the interim. Every grantee has or will soon have a license to see awards, contract status, and reimbursement status on-line. The system gives DTR the ability to foresee problems when they are starting, to be proactive, before they become a real issue as has been the case in the past.

Commissioner Zink also made a congratulatory statement about the SUCAP-operated Roadrunner Stage. It had its 1 year anniversary yesterday, July 14th serving 1,700 riders in the last year.

Adjourned 4:00 PM.

COLORADO
Department of Transportation
Division of Transit & Rail

4201 E. Arkansas Ave., Rm. 227
Denver, CO 80222

**DATE:** October 15, 2015
**TO:** Transit & Intermodal Committeee
**FROM:** Mark Imhoff, Director - Division of Transit & Rail
**SUBJECT:** Bustang Quarterly Bustang

Purpose
The purpose of this memo is to provide the Transit & Intermodal Committee the Quarterly Bustang Update on operational and performance measures.

Action
No action is required.

Background
The Bustang interregional express bus service went into operation July 13, 2015. PD 1605 requires the Director of DTR to report operational and performance measures to the Committee on a quarterly basis, by route based on the fiscal year. This Quarterly Update covers the partial month of July, and the full months of August and September.

Details
*Quarterly Ridership/Revenue Summary:*

- System - Revenue- $172,660 with 17,576 revenue riders, average fare - $9.82;
- West Route – Revenue $44,016 with 2,636 revenue riders, average fare $16.70;
- North Route – Revenue $64,628 with 7,699 revenue riders, average fare $8.39;
- South Route – Revenue $63,897 with 7,206 revenue riders, average fare $8.87.

*Quarterly Safety/Collisions* - Four collisions occurred in the quarter; Accident Frequency per 100,000 miles = 2.75. This is higher than desired, and is being addressed by Ace Express through their driver training program. A breakdown of the quarter's accidents follows:

- 7/13 – bus# 38006 – Denver Bus Center - RTD bus back into Bustang bus; Rated non-preventable.
- 7/23 – bus# 38010 – Colorado Springs – Bustang driver collided with pick up truck while making a right hand turn; rated preventable.
- 8/13 – bus 38000 – Denver Bus Center – Bustang driver backed bus into rear wall – rated prevenatable.
- 9/17 – 38006 – bus hit a guard rail – rated preventable.

*Quarterly Other Incidents* - 9/14 – Denver Federal Center – Bus allegedly brushed a pedestrian, no injuries reported. Incident report completed and no further action taken.

*Quarterly On-Time Performance -Departures:*

- System – 91%;
- West Line – 90%;
- North Line – 92%
- South Line – 91%,

*Cummulative Farebox Recovery*:

- System 28%;
- West Route 41%.
- North Route 30%;
- South Route 21

- *RamsRoute* **-** This collaboration between CDOT and CSU Parking and Transportation Services features a round trip ticket (Friday – Sunday) at $19 and a guaranteed seat, and targetes CSU students but the general public is welcome to purchase tickets. It was launched September 11. The RamsRoute adds no additional Bustang Vehicles Operating in Maximum Service (VOMS) as well as no impact on Spare Ratio. 100% Farebox recovery (break even) equates to 30 passengers (round trip tickets). Rideship for the the first four weeks equates to an overall Fare Box Recovery of 59%.
    - September 11&13 – 9 round trips;
    - September 18&20 – 35 round trips;
    - September 25&27 – 19 round trips;
    - October 2&4 – 22 roundtrips

*Ticket Sales/Fareboxes Issues:* We continue to have a couple of lingering mobile app reading issues, and are diligently working with the farebox manufacturer and e-commerce provider on full integration and resolution. In addition, based on customer comment, we are also working with them to add features for round trip ticket purchases, and allowing multiple ticket purchases with one transaction. We continue to monitor and conduct weekly conference calls with the fare collection contractors to complete the interface and integration of the systems.

*Social Media Update:*

- Web Page hits for September avaeraged 848 hits per day compared to 734 for August;
- Facebook Likes For September improved to 669 from 577 in August;
- Twitter followers improved in September to 166 from 136 in August.
- Facebook "reach" for each post improved to reach 287 people from 104 in August.

Top Customer Suggestions for September is typical of August and July:

- Request weekend service; most for the West Route.
- Extend service to Grand Junction and Pueblo.
- Add stops in Castle Rock, Denver Tech Center, Longmont, Johnstown, Georgetown and Idaho Springs.
- Connections to DIA
- Suggested schedule adjustments.
- Ability to purchase multiple tickets on-line or mobile app.

Customer Complaints:

There are a number of U.S. Government workers using commuter check benefit of up to $130 per month. Ace Express has worked out a solution to allow multiple forms of payment since $130 does not fit within the current multi-ride program. One U.S. Government employee has been vocal about not wanting to pay additonal fare up to the 20 ride solution; however our fare policy requires full payment, and the solution Ace has devised accommodates the commuter check recipients with the delta paid by credit card.

<u>Next Steps</u>

*Service Enhancements:*

- If approved by the T & I Committee in October, increase West Route frequecy to daily (7 days/week) effective November 16.
- Execute minor schedule running time adjustments to the West Route to compensate for construction and aniticipated winter weather.

- Call first meeting of the Fare and Route Committee (FRC) and submit recommended January schedule changes followed by public comment the last two weeks of October.
- Collaborate with Ace Express on holiday operating plans for Thanksgiving and Christmas/New Years.

*RTD/INIT Intellegent Transportation System Integration:*

- Finalize Draft Service Level Agreement with RTD to host the CDOT "division" as well as finalize Draft Scope of Work with INIT.

Attachments

Figures 1 – 5: Average daily rides by week/route

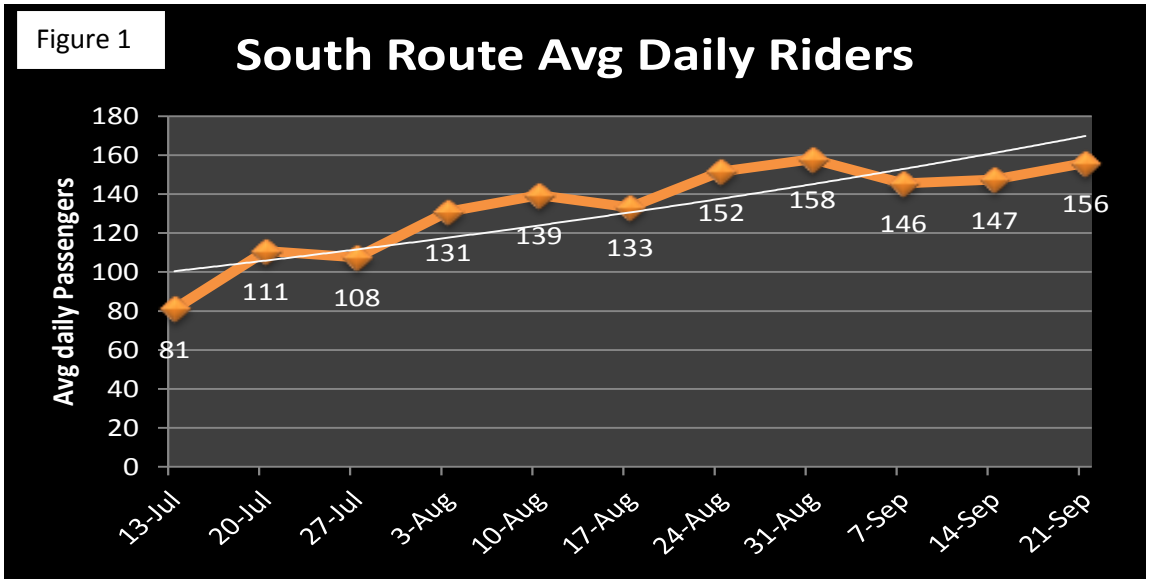


Figure 1
South Route Avg Daily Riders
Avg daily Passengers
180
160
140
120
100
80
60
40
20
0
81
111
108
131
139
133
152
158
146
147
156
13-Jul
20-Jul
27-Jul
3-Aug
10-Aug
17-Aug
24-Aug
31-Aug
7-Sep
14-Sep
21-Sep

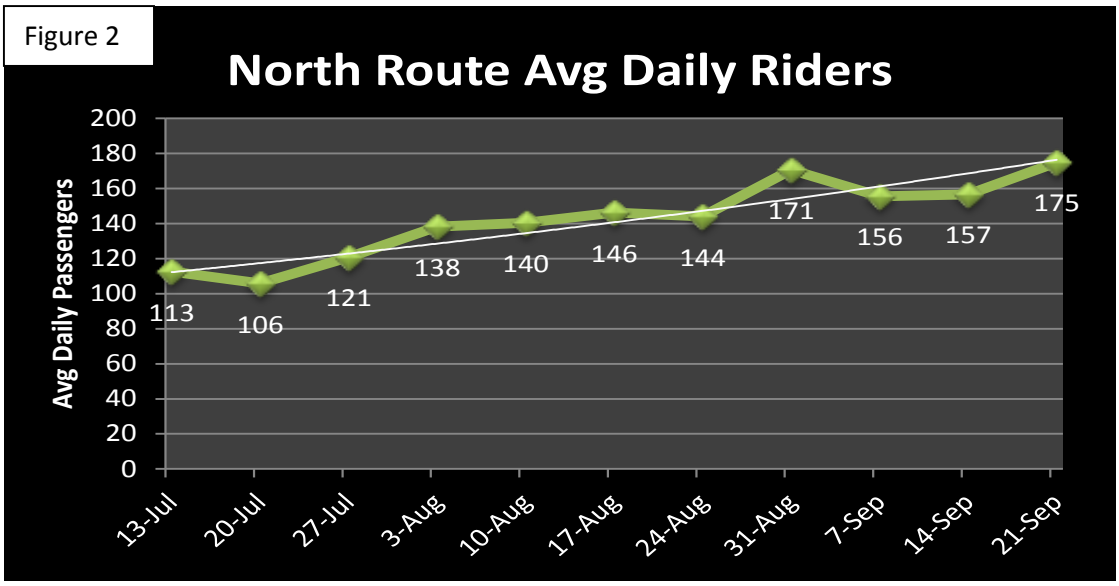


Figure 2
North Route Avg Daily Riders
Avg Daily Passengers
200
180
160
140
120
100
80
60
40
20
0
113
106
121
138
140
146
144
171
156
157
175
13-Jul
20-Jul
27-Jul
3-Aug
10-Aug
17-Aug
24-Aug
31-Aug
7-Sep
14-Sep
21-Sep

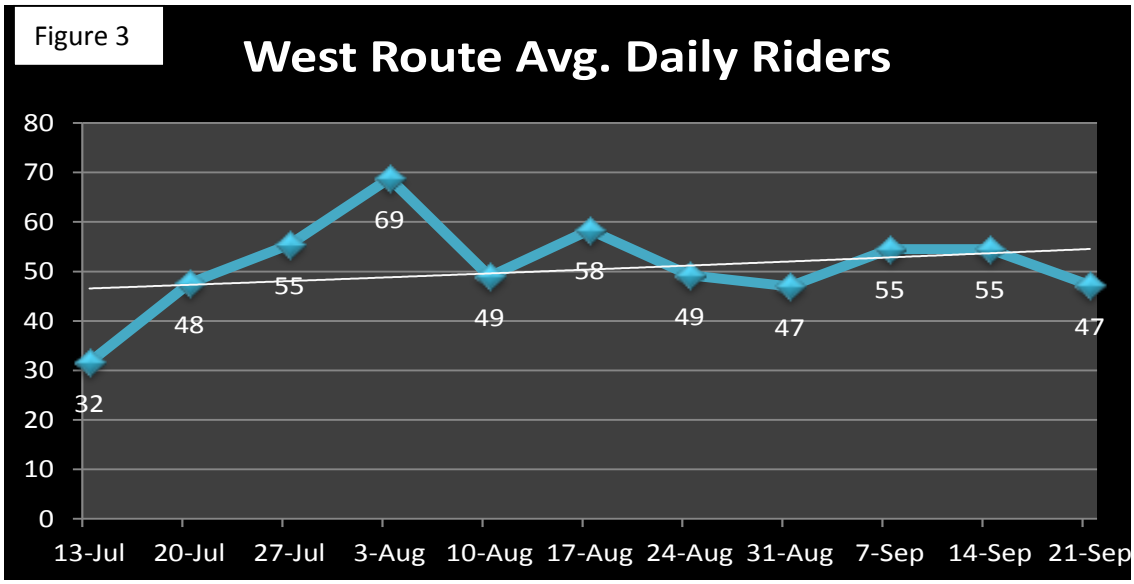


Figure 3
West Route Avg. Daily Riders
80
70
60
50
40
30
20
10
0
32
48
55
69
49
58
49
47
55
55
47
13-Jul
20-Jul
27-Jul
3-Aug
10-Aug
17-Aug
24-Aug
31-Aug
7-Sep
14-Sep
21-Sep

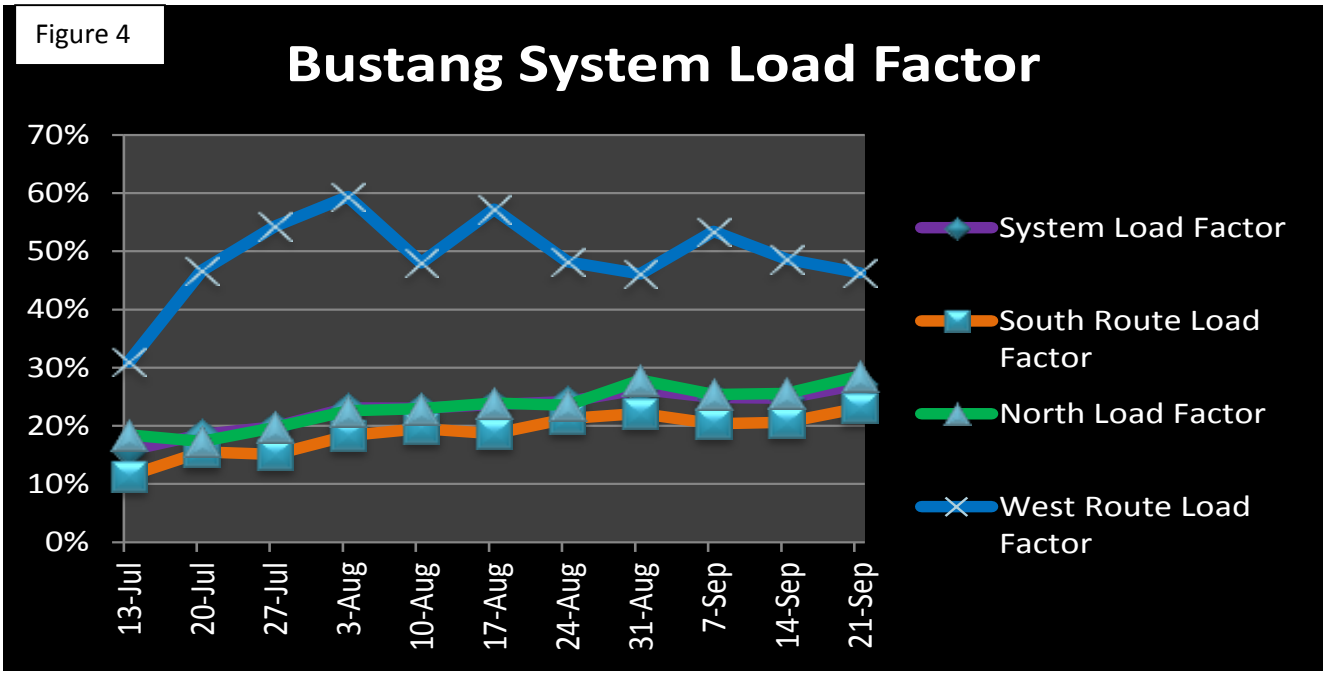


Figure 4
Bustang System Load Factor
70%
60%
50%
40%
30%
20%
10%
0%
13-Jul
20-Jul
27-Jul
3-Aug
10-Aug
17-Aug
24-Aug
31-Aug
7-Sep
14-Sep
21-Sep
System Load Factor
South Route Load Factor
North Load Factor
West Route Load Factor

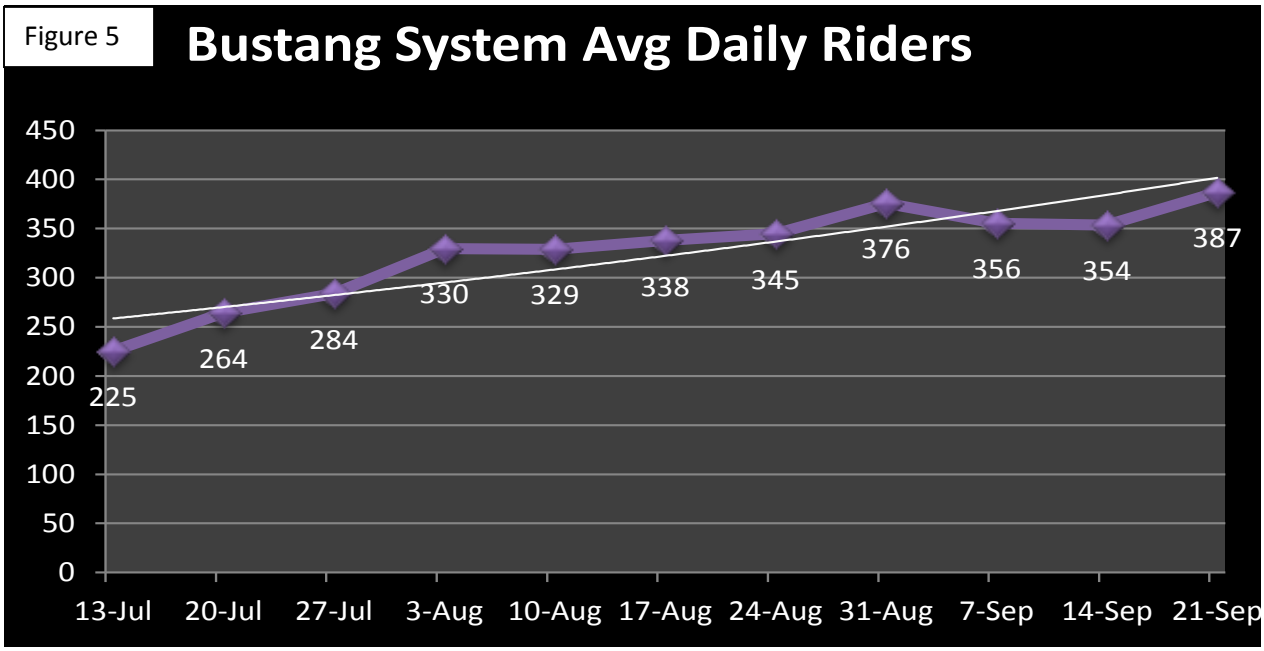


Figure 5
Bustang System Avg Daily Riders
450
400
350
300
250
200
150
100
50
0
225
264
284
330
329
338
345
376
356
354
387
13-Jul
20-Jul
27-Jul
3-Aug
10-Aug
17-Aug
24-Aug
31-Aug
7-Sep
14-Sep
21-Sep

COLORADO
Transportation Commission

4201 E. Arkansas, Room 270
Denver, CO 80222-3406

**DATE:** October 15, 2015
**TO:** Transit & Intermodal Committee
**FROM:** Mark Imhoff, Director, Division of Transit & Rail
**SUBJECT:** PD-1605 Review

Purpose
To review the duties and responsibilities of the TC, the T&I Committee and Staff as prescribed in PD-1605.

Action
No action is required.

Background
PD-1605 was adopted by the Transportation Commission in August, 2014, and outlines the Transit & Intermodal Committee oversight of the Bustang Program. With new Commissioners, and with Bustang in full operation, a review and refresher is presented.

Attachments
PD-1605

COLORADO
Department of Transportation
Office of Policy and Government Relations

4201 E. Arkansas, Room 275
Denver, CO 80222

# RELEASE MEMO

To: All CDOT Employees

From: Herman Stockinger / Mark Imhoff

Re: New Policy Directive 1605.0 "Interregional Express Bus Service Program"

Date: August 22, 2014

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1. Name of Policy Directive: 1605.0 "Interregional Express Bus Service Program"

2. Date of PD this Directive Supersedes: None; this is a new Policy Directive

3. Executive Summary: This new Policy Directive establishes the Division of Transit and Rail (DTR) reporting procedures regarding the Interregional Express Bus Service (IX Bus Program). This Policy Directive further defines roles and responsibilities associated with the newly developed IX Bus Service Program, and provides transparency and accountability for internal processes and external information.

4. Office to Contact with Questions: Division of Transit and Rail

5. Procedural Directive will be Implemented by: Division of Transit and Rail

6. Effective Date: August 22, 2014

| COLORADO DEPARTMENT OF TRANSPORTATION | | | ■ POLICY DIRECTIVE<br>□ PROCEDURAL DIRECTIVE |
|---|---|---|---|
| Subject<br>**Interregional Express Bus Service (IX Service) Program** | | | Number<br>1605.0 |
| Effective<br>8.22.14 | Supersedes<br>n/a | Originating Office<br>Division of Transit and Rail (DTR) | |

## I. Purpose

To establish the Division of Transit and Rail ("DTR") reporting procedures to the Transit and Intermodal Committee ("Committee") of the Colorado Transportation Commission ("Commission") regarding the interregional express bus service ("IX Program").

The Division of Transit and Rail ("DTR") IX Program was developed to augment and connect population and employment centers and local bus systems along the I-25 and I-70 Mountain Corridors and connecting routes to better integrate with a statewide transit system.

## II. Authority

Transportation Commission, § 43-1-106(8)(a), C.R.S.

§ 43-1-117.5(3)(a)(II), C.R.S.

§ 43-4-811 and 812, C.R.S.

## III. Applicability

This Policy Directive applies to the CDOT Division of Transit and Rail ("DTR").

## IV. Procedure

### A. General Provisions

1. The IX Program was developed to augment CDOT's commitment to provide the best multi-modal transportation system in the country. The IX Program fills a critical need by connecting with local bus systems serving populations and employment centers to better integrate a statewide transit system.

2. DTR shall initiate the IX Program on a base budget of $3 m/yr. (FASTER Transit funds) for operations expenditures. The IX Program will be limited to this annual allocation plus collected fare revenue and shall cover the total annual operating costs of the service using these funds.

3. DTR shall set targets for fare box recovery with the goal of attracting ridership to the IX Program and providing an alternative to driving that entices riders to reduce driving. The IX Program shall thus set a goal of achieving a minimum fare box recovery of 20% of operating costs within two years of service start up.

4. DTR shall manage the IX Program, oversee the service Contractor, monitor performance, and remain flexible to adjust the service in order to maximize performance, increase effectiveness, and achieve farebox recovery goals.

5. DTR, with the Office of Communications, shall develop a public outreach program to regularly solicit input from the public on the service in general, and specifically solicit input before implementing any route, service or fare modifications.

**B. Powers, Duties and Responsibilities**

1. Transportation Commission Oversight. The Commission shall:

a) Monitor the performance and success of the Program for three years of operation from the service start-up date (see Resolution TC-3133, "Approving the Implementation of the Interregional Express Bus, Service" dated January 16, 2014). The Commission shall determine at this time whether to continue, modify or cancel it.

b) Review and determine whether the need for capital expenditures beyond the approved IX Program ($3 million plus fare revenue) is warranted.

c) Approve all expenditures from the Cumulative Reserve fund.

2. Transit and Intermodal Committee Oversight. The Committee shall:

a) Meet a minimum of four times a year;

b) Monitor the performance of the Program and serve as the recommending body for any substantial modification, addition or deletion of services, including capital needs;

c) Evaluate reports and monitor the progress of DTR meeting milestones;

d) Recommend the IX Program budget annually to the Commission, including the review of any capital expenditures which vary from those previously approved;

e) Recommend to the Commission allocations from the cumulative reserve beyond the IX Program annual budget; and

f) Provide status updates at least annually to the Commission.

3. DTR Responsibilities.

a) The Director of DTR will manage the Program, monitor performance, remain flexible to adjust to maximize performance, be responsible for all day-to-day decision-making, and oversee all components of the Program, including, but not limited to:

(1) Updating the CDOT Chief Engineer and Executive Director on a regular basis by apprising him/her of the status of performance goals and service changes;

(2) Overseeing compliance with all applicable federal and state laws and regulations, including those arising from the Americans with Disabilities Act;

(3) Implementing Intergovernmental Agreements and Memoranda of Understanding with governmental and partner entities;

(4) Setting schedules and fare structures;

(5) Conducting an annual IX Program assessment (or twice annually if needed) of service coverage, routes, schedules and fares; and modify the service plan when justified.

(6) Preparing an annual budget (fiscal year);

(7) Purchasing of buses and other capital infrastructure elements;

(8) Negotiating and managing contractual agreements with a private provider for the annual operations and maintenance;

(9) Coordinating a communication plan with the Office of Communications;

(10) Implementing a public outreach program with the Office of Communications to regularly solicit input from the public on the IX Program in general, and specifically solicit input before implementing any route, service or fare modifications;

(11) Implementing a customer service plan with providers;

(12) Facilitating Park-n-Ride improvements with regions;

(13) Monitoring Contractors' Performance;

(14) Monitoring Risk Assessment; and

(15) Developing an annual work plan;

b) Director of DTR Reporting. The Director of DTR shall report to the Committee on a quarterly basis. The quarterly performance reports shall include the following data by corridor and Program total based on the fiscal year:

(1) Ridership;

(2) Fare box revenue;

(3) Fare box recovery ratio;

(4) On-time performance;

(5) Safety: collisions per 100,000 miles; and

(6) Public input received.

## V. Implementation Plan

1. This Policy Directive will be effective immediately upon signature.

2. The Originating Office shall confirm within one week of the effective date that all employees in the DTR have received a copy of this Policy Directive.

## VI. Review Date

This Policy Directive shall be reviewed on or before August, 2018.

Herman F. Stockinger III
Secretary, Transportation Commission

8-22-14
Effective Date

**Resolution # TC-3183**

**Adoption of Policy Directive 1605.0 "Interregional Express Bus Service (IX Service) Program"**

**WHEREAS**, pursuant to § 43-1-106(8)(a), C.R.S., the Colorado Transportation Commission is charged with formulating general policy with respect to the management, construction, and maintenance of public highways and other transportation systems in the state; and

**WHEREAS**, in 2009, the General Assembly passed Senate Bill 2009-094, codified at § 43-1-117.5, C.R.S., which created the Division of Transit & Rail; and

**WHEREAS**, the legislation set forth the powers and duties of the Division under the Executive Director, including the operation of interregional transit service and establishing schedules and fares; and

**WHEREAS**, at its January 2014 meeting, the Transportation Commission passed Resolution #TC-3133 approving the Implementation of the Interregional Express Bus program (the "IX Program") within the Division of Transit and Rail ; and

**WHEREAS**, Resolution # TC-3133 further included a provision to monitor the success of the program for three years of operation, and give the Transportation Commission the option at that time to continue service, modify service or cancel service; and

**WHEREAS**, the Program's governance model has been based on DTR administering the program, the Transit &Intermodal Committee providing oversight, and the Transportation Commission retaining ultimate control of critical business decisions; and

**WHEREAS**; Policy Directive 1605.0 defines the roles and responsibilities of the Program's implementation and provides transparency and accountability for internal processes and external information.

**NOW THEREFORE BE IT RESOLVED**, the Commission herein approves Policy Directive 1605.0 "Interregional Express Bus Service ("IX Program)"

Herman F. Stockinger III
Transportation Secretary

8-22-14
Date

COLORADO
Transportation Commission

4201 E. Arkansas, Room 270
Denver, CO 80222-3406

**DATE:** October 15, 2015
**TO:** Transit & Intermodal Committee
**FROM:** Mark Imhoff, Director, Division of Transit & Rail
**SUBJECT:** Bustang Operational Guidelines

Purpose
To inform the Transit & Intermodal Committee of operational guidelines that are in effect for the Bustang service.

Action
No action is required.

Background
PD-1605 outlines the Transit & Intermodal Committee oversight of the Bustang Program. The Committee shall "Monitor the performance of the Program and serve as recommending body for any substantial modification, addition or deletion of services, including capital needs."

Details
**Timeline for Route, Schedule and/or Fare Changes** - All public transit entities have timelines for carefully delineated schedule, route and fare changes at fixed dates within the calendar year which correspond to seasonal travel patterns. Public transit entities have a process of researching market / customer trends, developing proposed service changes to best serve that market, providing a period of public comment, refining based on public feedback, and making recommendations to their oversight authority for action. Changes are then implemented on the predetermined date.

Definitions: There are different types of schedule changes. Minor adjustments to the schedule to better reflect the actual timed arrivals of the bus can be made at any time, and do not need to follow a formal process to implement. Additional runs on a given route when justified do not need to follow a formal process to implement. Schedule changes that do require a formal process before implementation are service reductions or significant schedule modifications (e.g. changing the departure by more than 10 minutes). Any route change or fare change requires a formal process prior to implementation.

After review of the local transit agencies interfacing with Bustang, the Front Range agencies (RTD, Mountain Metro and Transfort) make changes to fares, schedules, and routes in January, May and August of each year. In the I-70 Mountain Corridor the transit agencies make more frequent changes as they respond to winter and summer tourism peaks and downsize for the fall and spring travel patterns.

Bustang will make any route, schedule and/or fare changes for the North and South Routes during January, May and August, consistent with the Front Range transit agencies. For the West Route, any changes will be made in coordination with the I-70 Mountain Corridor transit agencies.

Process: The Division of Transit & Rail has formed a Fare and Route Committee (FRC) comprised of the Deputy Division Director, Bus Operations Manager, Transit Grants Unit Manager, Transit Planning & Infrastructure Manager and our Contract Operator General Manager. One quarter in advance of a service change (e.g. October for a January change), The Bus Operations manager will present recommended changes to fares, schedules and route

changes to the FRC. The FRC will review and collaborate on the recommended changes. The draft changes will be advertised during the second and third week of the same month (e.g. October) via Bustang Web Page, Facebook and Twitter. The committee will review the public comment, finalize the new service plan and submit to the Director of Transit & Rail for approval during the last week on the month (e.g. October). Once approved, the service changes will take effect on the first day of month two months later (e.g. January). The T&I Committee and the TC will be informed during the monthly Bustang Update memo.

**Spare Ratio Guideline** – FTA Circular 9030.1C, "Urbanized Area Formula Program: Grant Application Instructions," chapter V, paragraph 9.a.5, require: "The number of spare buses in the active fleet for grantees operating 50 or more revenue vehicles should not exceed 20 percent of the number of vehicles operated in maximum service."

The American Public Transportation Association (APTA) published a study on May 31, 2009 advising fixed route transit agencies with fleets of 50 – 200 have the flexibility to go to go as high as 25%, fixed route fleet sizes above 200 should set a minimum 25% or higher spare ratio.[i] They further recommend fixed route agencies with fewer than 50 vehicles set their own spare ratio based on local conditions.

The Bustang operation has adopted a minimum spare ratio of 20%. The FTA defined spare ratio as the number of spare buses divided by the number of vehicles operated in maximum service. Bustang has a fleet of 13 MCI over-the-road coaches; 6 dedicated to the South Route, 5 dedicated to the North Route, and 2 dedicated to the West Route. Ten (10) buses are in daily use with three (3) buses (one for each corridor) dedicated as spares giving the Bustang fleet a spare ratio was 30%. With the size current Bustang fleet, one additional bus to the vehicles operated in maximum service would lower the Bustang spare ratio to 18%, below the 20% minimum. Therefore, we have no flexibility to add additional service with the existing fleet.

Although the Bustang fleet is new, the geographic spread over 230 miles along I-25 and I-70 presents challenges for the operation, and the ability to deploy a spare when needed is critical. Spares are deployed:

- in case of breakdown
- during accident repair
- allow rotation of buses for routine maintenance
- malfunctioning fare box, wifi, wheelchair lift, etc.
- Loop extra- possible overloads during holidays, special events, etc.

**Service level/schedule assessment.** The Bustang operations team is monitoring the useage and loads of each route, including directional flows, on a daily basis. The results are being tabulated to track daily, weekly and monthly trends. As a general guideline, when the average load factor trend for any given route reaches 40%, it likely means that some runs are exceeding 50%, and a more in-depth analysis begins to assess whether schedule additions need to be considered. The guideline includes a proposed schedule addition when the route reaches a 60% average load factor, unless the analysis indicates the need in an earlier timeframe. A critical element of the planning is whether the schedule addition can be accommodated with the existing fleet, or whether additional buses are required.

Transit agencies use a number performance factors like passengers hours, passenger miles, load factor, and farebox recovery ratio. The Bustang system has an additional feature of having the ability to gather advance sales data in our planning tool box. This feature helped on Friday, September 4 as sales from Fort Collins Downtown Transit Center was observed to increase significantly. An extra bus was deployed for run 633 at 3:00 PM from the Fort Collins Downtown Transit Center loading 84 people on two buses for the long Labor Day weekend to Denver.

Within the next year through our collaboration with RTD, Bustang will activate the pre-installed INIT Intelligent Transportation. The INIT system features an on-board central processor that will dispatch buses, automatically count passengers by stop, automatically communicate traffic conditions to drivers recommending detours, monitor on-time performance, provide vehicle location service, monitor vehicle health, provide next stop announcements

both verbal and visual and provide granular service data automatically. Once activated, the INIT system will enhance the day-to-day operations management of the Bustang service.

The Bustang West Route experience prior to Labor Day had the Average Load Factor exceeding 60%, and it is expected that that trend will return in December for the winter recreation season. The North and South Routes are currently operating under load factors of 21% and 26% respectively. One run on the South and two on the North exceed 40% load factors. An overload for one of these runs means a 15 -30 minute wait for the next bus.

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[i] Bus Fleet Management in an Era of Increasing Technical Complexity: Analysis of Bus Fleet Spare Ratios FINAL REPORT, May 31, 2009

COLORADO
Transportation Commission

4201 E. Arkansas, Room 270
Denver, CO 80222-3406

**DATE:** October 15, 2015
**TO:** Transit & Intermodal Committee
**FROM:** Mark Imhoff, Director, Division of Transit & Rail
**SUBJECT:** Bustang West Route Weekend Service

Purpose
To recommend and request the Transit & Intermodal Committee approval to increase the Bustang West Route service level from Monday through Friday to daily service including major Holidays.

Action
T&I approval to increase the Bustang West Route service level from Monday through Friday to daily service including major Holidays.

Background
PD-1605 outlines the Transit and Intermodal Committee oversight of the Bustang Program. The Committee shall "Monitor the performance of the Program and serve as recommending body for any substantial modification, addition or deletion of services, including capital needs."

The West Route from the beginning has surpassed expectations in ridership, load factor and farebox recovery. The current load factor has settled in at 50%. A significant amount of public comment originating from the communities served by the West Route is requesting seven day a week service.

Details
The Bustang Quarterly Report shows the ridership and load factor trends for the West Corridor. The current average weekly load factor has settled in at 50%, after exceeding 60% prior to Labor Day. In fact, there was a trend during July and August of Denver area recreational travelers riding Bustang to the Mountians on Friday nights returning Monday morning with heavy load factors of 85-90% on certain days. It is expected that the summer trend will return in December for the winter recreation season.

The West Route supports a strong seven (7) day a week economy. While the North and South Routes largely cater to a weekday commuter market, the West Route serves an "essential services" market; i.e. medical, business, shopping, pleasure, etc. Mountain residents do not have a convenient fixed route option to Denver or between Garfield, Eagle, and Summit Counties. For example, in September through September 25, 2015, reported revenue showed 32 passenger trips between Frisco and Vail and 10 passenger trips between Vail/Eagle and Glenwood Springs. A significant amount of public comment originating from the communities served by the West Route is requesting seven day a week service.

It is recommended that the current West Route schedule of one round trip per weekday be extended to seven (7) day a week service; each day departing Glenwood Springs at 7:05AM and arriving at DUS 10:35AM, and departing DUS at 6:00Pm and arriving back in Glenwood Springs at 9:45PM. There is no increase to Bustang Vehicles Operating in Maximum Service (VOMS) therefore no loss in Spare Ratio. We believe that adding weekend service gives Mountain Corridor travelers a more flexible schedule, and by adding weekend service the West Route likely will continue to grow and spread some of the Friday and Monday peaks to the weekend. It is further recommended that the daily service begin on November 16, 2015 before the Thanksgiving rush.

Costs:
Increase in operating days – 110
Contract Mileage/day – 340 Miles @ $3.76 = $1,278
Fuel 5.0 miles per gallon @ $2.93/gallon - $199
Total Costs - $1,477 per day or $162,470 annually.

Revenue:
Avg Fare West Route July & August = $16.62
100% Farebox % (Break Even) - 44 passengers /scheduled run
40% Farebox % - 18 passengers/ run

Forcasted additional revenue @ 40% Farebox % per day - $598; Annual - $65,780

The current weekday schedule is not conducive for Denver residents to use Bustang for day use recreational trips, and the weekend addition is also not conducive for day use recreational trips. Denver residents have options for convenient fixed route day trips into the Summit and Eagle County resort areas such as Front Range Ski Bus, Colorado Mountain Express as well as Greyhound's convenient daily 7:00 AM departure from Denver arriving in Frisco & Vail at 8:45 AM & 9:20 AM. The reverse daily return picks up in Vail at 4:00 PM and Frisco at 4:35 PM.

Recommendation
It is recommended that the Transit & Intermodal Committee approve to increase the Bustang West Route service level from Monday through Friday to daily service including major Holidays, effective November 16, 2015.

Next Steps
1. Work with the Communications Office to alert customers through the Bustang social media sites (Facebook and Twitter), the Bustang web site, a press release and local media.
2. Further analyze the possibility of weekend service for the North and South Routes, and present the analysis to the T&I Committee at the January Quarterly Meeting.

COLORADO
Department of Transportation
Division of Transit & Rail

4201 E. Arkansas Ave., Rm. 227
Denver, CO 80222

**DATE:** October 15, 2015
**TO:** Transit & Intermodal Committee
**FROM:** Mark Imhoff, Director - Division of Transit & Rail
**SUBJECT:** Purchase Three New Bustang Buses

Purpose
The purpose of this memo is to seek a recommendation from the Tranist & Intermodal Committee to the Transportation Commission to purchase three (3) new Bustang buses.

Action
The Division of Transit & Rail requests a recommendation from the T&I Committee to the TC for the purchase of three (3) new Bustang buses; TC action will be requested in November.

Background
The Bustang interregional express bus service went into operation July 13, 2015. The West Route is experiencing loads nearing capacity. As an interim solution, a second bus is being staged in Frisco as needed on the current scheduled run.

A fleet expansion is desired to provide flexibility for all three routes as demand grows. CDOT has a five year price agreement with MCI to purchase additional Bustang buses. Once ordered, and depending on the assembly line availability, delivery of new buses will take 9 to 12 months. FASTER Transit (Bustang) Roll-Forward funds will be used to cover the cost of the three buses.

PD-1605 outlines the Transit & Intermodal Committee oversight of the Bustang Program. The Committee shall "Monitor the performance of the Program and serve as recommending body for any substantial modification, addition or deletion of services, including capital needs."

Details
The Bustang operations team is monitoring the useage and loads of each route, including directional flows, on a daily basis. The results are being tabulated to track daily, weekly and monthly trends. When the average load factor trend for any given route reaches 40%, it likely means that some runs are exceeding 50%, and a more in-depth analysis begins to assess whether schedule additions need to be considered. The planning includes a schedule addition when the route reaches a 60% average load factor, unless the analysis indicates the need in an earlier timeframe. A critical element of the planning is whether the schedule addition can be accommodated with the existing fleet, or whether additional buses are required.

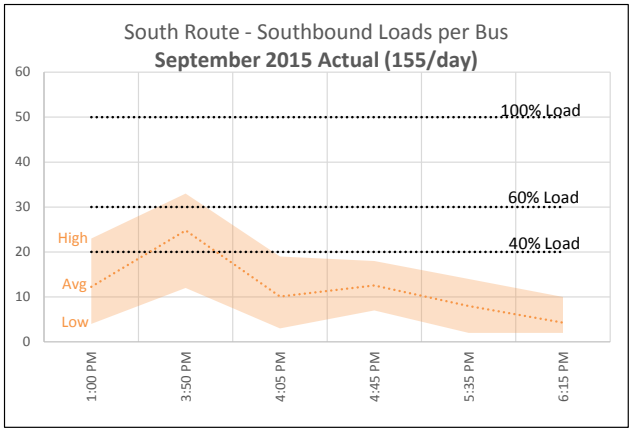
The Bustang Quarterly Report shows the ridership and load factor trends for the West Corridor. The current average weekly load factor has settled in at 50%, after exceeding 60% prior to Labor Day

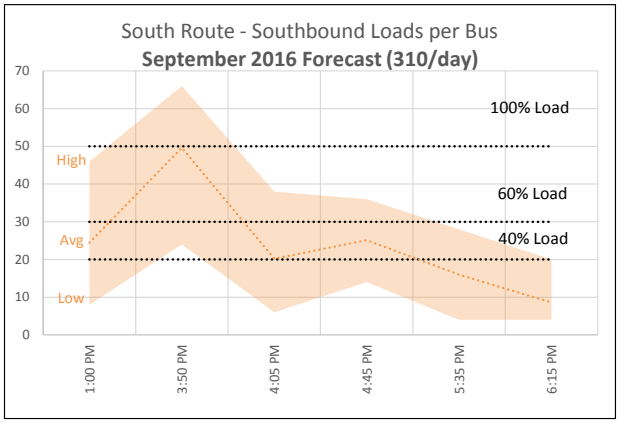
Between July 27 and August 21 the West Route eastbound average weekly load factor reached and maintained 63% in August with instances of the daily load factor reaching 85% on certain runs, indicating the need to make a schedule addition. As an interim solution, a second bus was being staged in Frisco as needed on the current scheduled run. This solution protects against an overload that could not be accommodated, but it added

approximately 70 miles of deadhead at a cost of $265/day. To better accommodate the West Route demand, a service addition to add a second round trip each day from Vail to DUS should be implemented, and at least one new bus ordered to allow the run addition. The second round trip adds the needed capacity to the West Route, and offers customers a second option for their travel which likely will increase demand. Also, with a bus housed in Vail, the second round trip will eliminate the deadhead miles and costs that are being incurred on the interim solution of a staged bus in Frisco.

After three months of operation, the ridership has increased (July to September) by 34% on the West Route. 51% on the North Route, 54% on the South Route. As a point of reference, the FREX service at its conclusion was carrying 397 passengers/day compared to the Bustang South Route at 155 passengers/day. With the spare ratio requirement of 20% minimum, there is no flexibility to add service if/when we near a capacity threshold in any corridor.

A trend analysis has been conducted for the South Route by run to project daily ridership for September 2016, one year from now. The current South Route trend of ridership increase after three months of operation would project an increased ridership of nearly triple what it is today. While we expect ridership to continue to grow, we do not expect to sustain this level of increase month after month. For analysis purposes, we chose a doubling of ridership as a more obtainable level of demand over the course of the next year, which equates to approximately 80% of the previous FREX ridership from 2012. The graphs below show the ridership levels for the South Route southbound daily runs. The first graph depicts the current condition for September 2015, with the solid line representing the daily averge for each run, and the shaded band representing the high and low days for the month. This analysis indicates the need for at least one additional bus by one year from today.

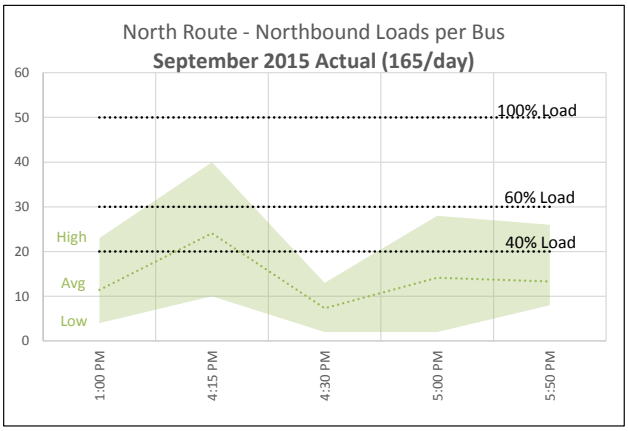


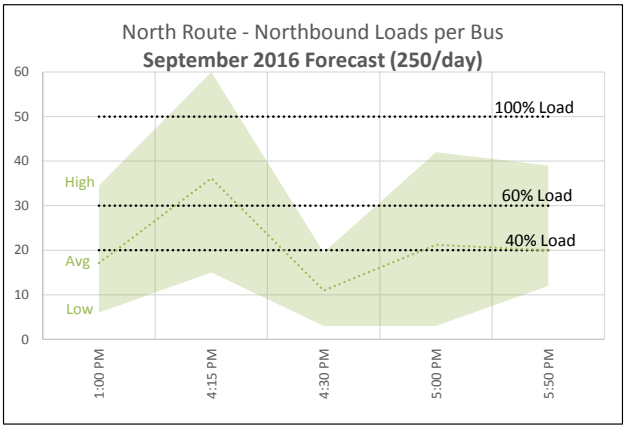




A trend analysis for the North Route was also conducted. A more conservative approach was taken given the smaller market size, the stability of the CSU campus, and lack of comperable past experience (like FREX for the South Route). For projection purposes a ridership increase of 1.5 was utilized, still significantly less than the current three month trend. The graphs below show the ridership levels for the North Route northbound daily runs. The first graph depicts the current condition for September 2015, with the solid line representing the daily averge for each run, and the shaded band representing the high and low days for the month. The North Route analysis also indicates the need for one additional bus by one year from today.

Bus delivery is estimated at 9 to 12 months followed by a month of livery wrapping, installation of fare boxes and wifi, and testing. The West Route needs one more run and bus today. The South and North Route forcasting analyses indicate a likelihood of additional runs being needed by a year from now, hence needing two additional buses to accommodate. Ordering three buses now will give us the flexibility to deploy them as needed in 9-12 months when they are delivered. Ridership and operational trends will continue to be monitored and analyzed, and reported to the T&I Committee. Adding three (3) buses would increse the fleet to 16 buses. Assuming all three new buses would be deployed (one in each corridor), the number of vehicles operated in maximum service (VOMS) would be 13, with three spares; yielding a spare ratio of 23%. If the actual ridership growth does not

justify the deployment of all three buses, the spare ratio would be increased until the demand warrents adding service. If, for example, only two of the three new buses were deployed, the VOMS would be 12, with four spares; yielding a spare ratio of 33%.




The cost of three additional buses, based on the MCI price agreement is approximately $588k/bus, or $1.76M for three. The FASTER Transit (Bustang) Roll Forward from last year is $4,097,796; representing unused funds from the Bustang FY2014 start-up budget and the FY2015 operating budget. These funds will be used to purchase the three new buses.

The T&I Committee needs to recommend the purchase to the TC for action. With the T&I recommendation, the TC Action Item will be placed on the November Agenda.

Benefits

Purchasing three new buses will provide for increased service while maintaining an adequate fleet spare ratio. Also, with ridership rising, and the unknowns of where ridership will plateau, an increase in fleet of three buses will allow for a small increase in service, when ridership warrants, by the time the buses are delivered in 9 to 12 months.

Options and Recommendations

1. Approve the purchase of three new Bustang buses—**Staff Recommendation.**
2. Approve the purchase of one or two new Bustang buses. This is not recommended because it does not provide the flexibility to respond to ridership demand on a timely basis.
3. Manage within the existing fleet. This is not recommended because the West Route already justifies an additional run.

Next Steps

- With the T&I recommendation, the TC will be asked for approval in November; an order would immediately be placed for three new buses.
- The Bustang Operations team will present updates to the T&I Committee at each quarterly meeting to keep the Committee appraised of the service options for utilizing the additional three buses.

COLORADO
Department of Transportation
Division of Transit & Rail

4201 E. Arkansas Ave., Rm. 227
Denver, CO 80222

**DATE:** October 15, 2015
**TO:** Transit & Intermodal Committeee
**FROM:** Mark Imhoff, Director - Division of Transit & Rail
**SUBJECT:** SB 228/SB 1 Transit Funds Conceptual Utilization Plan

Purpose

The purpose of this memo is to present an overview of the concept for the proposed utilization of the combined FY2016 SB 228 and remaining SB 1 dedicated transit funds, and to seek the Transit & Intermodal Committee recommendation to proceed with the Conceptual Plan.

Action

DTR is seeking a recommendation from the T&I Committee to the Transportation Commission for approval of the Conceptual Plan, and permission to spend the winter refining the overall approach, cost estimates, and implementation schedule. With the T&I recommendation, the Conceptual Plan will be included to the November TC agenda for action.

Background

Senate Bill 228 (SB 228) provides for approximately $200M in new revenue coming to CDOT, with at least 10% (approximately $20M) dedicated to transit. In addition, the Division of Accounting and Finance (DAF) has identified $12M of old Senate Bill 1 (SB 1) transit funds that remain unobligated due to project withdrawal and project savings. Both programs are specified to be used for TC approved strategic projects with statewide or regional significance. Staff from several divisions and regions within CDOT went through an exercise last fall to generate a comprehensive list of potential SB 228 projects; this list included transit projects that totaled in excess of $300M.

In February 2015 the TC adopted PD 14 to guide future allocation of resources and investment decisions. For System Performance, the transit objectives are to increase rural transit ridership (Transit Utilization), and to increase the miles of regional and interregional service (Transit Connectivity). Bustang is CDOT's first attempt to provide regional connectivity by connecting the six largest transit agencies over 230 miles in the I-25 and I-70 corridors. The Statewide Transit Plan was adopted by the TC this past spring, and one of the priority needs of rural communities across the state is for better rural to urban transit connections for essential services; i.e. medical, business, shopping, pleasure, connection to the intercity and interregional transit network, airports, etc. In response to that input, a performance measure was adopted within the Statewide Transit Plan that charges DTR with working to improve the percentage of Colorado's rural population served by public transit.

In addition, the Intercity and Regional Transit Network Study was completed in 2014 and identified an extensive statewide network of rural regional needs and priorities. These efforts all had significant public and stakeholder outreach, which culminated into the Statewide Transit Plan. An Informational Item was provided to the Transportation Commission last November outlining the concept of CDOT operated &/or contracted Rural Regional bus service.

Details

SB 228 and SB 1 funds are not continuing long term, so are not appropriate for operating purposes. They should be utilized only for capital investments. CDOT receives approximately $1.6M/year in FTA Section 5311(f) funds dedicated to providing rural connections to the intercity transit network, including national commercial bus

operators, such as Greyhound, and rail services provided by Amtrak. Figure 1 depicts the network of intercity bus routes currently funded by or subsidized by 5311(f) funds. These routes are proposed by others through a competitive process for individual routes. CDOT, utilizing the 5311(f) funds, contracts to public and private providers to operate the service. The current practice has benefits, but it is not coordinated into a state network, includes amortized capital in the reimbursed operating costs, and is not branded as an integrated product. The annual FASTER Transit Statewide program also includes up to $1.0M/year available for rural regional transit operations, of which approximately $550K/year are currently utilized.

From the Intercity and Regional Bus Network Study, a rural regional bus network has been developed by identifying high priority routes that provide rural to urban connections (see Figure 2). To better compliment and integrate interregional and rural regional routes into a statewide system, it includes an expansion of the Bustang service to Grand Junction, Greeley and Pueblo; also shown in Figure 2. This proposed operating plan has been developed as a sustainable service plan to utilize the combined 5311(f) and unallocated FASTER Statewide Transit operating funds. This proposal would rely on SB 228 and SB 1 funds to provide the capital needs, i.e. buses and Park & Rides. Smaller buses, sized to rural demand levels, would be procured and utilized for the rural regional and Bustang expansion. This proposal optimizes the usage of limited operating funds by leveraging other available sources of capital funding. Similar to Bustang, the rural regional system would be managed by CDOT through packages of operating contracts. With renewed packages of contracts bid in 2017, the revised network of services would begin in 2018.

A final piece of this integrated statewide plan is to further expand the current Bustang Park & Ride facilities, and provide the ability for Bustang service expansion as needed with additional buses. The Bustang annual budget would cover the operating costs, and rely on SB 228 funds for capital needs (buses and Park & Rides). Consideration could be given to additional stops and Park & Rides on the current routes for Castle Rock, SE Weld County and Idaho Springs; pending further policy discussion from the TC.

A consultant is being brought on board to assist in the SB 228/SB 1 program development. The established criteria will be used to focus the Conceptual Plan development and refinement to projects needed for the rural regional system, Bustang expansion, and other strategic transit projects with statewide or regional significance. The consultant will work with DTR and CDOT Regions to generate project cost estimates and an implementation schedule.

**Criteria/Rationale for project order and inclusion** - Last November staff presented the TC a comprehensive list of both highway and transit projects meeting the criteria established for SB 228 project eligibility: (1) strategic in nature with state/regional significance, (2) standalone project without significant existing funding, and (3) ready to go/begin construction within 5 years. Further evaluation criteria included mobility and economic development measures. SB 1 had similar and consistent eligibility criteria. Refining and scaling the comprehensive transit project list into an implementable program to utilize the available SB 228 funds ($20M) and the remaining SB 1 funds ($12M) was undertaken. This process constrained the eligibility criteria to include the priorities and goals of the Statewide Transit Plan and Policy Directive 14. In addition, each CDOT Engineering Region was given the opportunity to propose transit projects that met the broader SB 228 criteria, and were ready for implementation.

Table 1 identifies the draft list of projects for the Conceptual Plan. Detailed cost estimates have not been developed for all the projects in Table 1, and will not be developed until the Conceptual Plan comes closer to finalization over the winter with stakeholder input. Once finalized, projects would be implemented in the order of priority until the available funds are exhausted.

It is proposed that projects would be prioritized in an order that first addresses any outstanding capital needs impacting the effective and efficient provision of the current Bustang system; examples include improvements to the Harmony Road Park & Ride in Fort Collins and the Woodmen Road Park & Ride in Colorado Springs. The next priority category are projects that provide the necessary infrastructure to support the early steps of developing the statewide bus network. CDOT has limited operating resources, but needs to begin the acquisition and development of infrastructure to support the proposed services that can feasibly be provided at this time. Examples are bus

purchases and the development of new Park & Rides to support new or expanded routes in the statewide bus network, possibly including park & rides in Pueblo, Telluride, and other locations.

**Table 1**

| **Strategic Transit Capital Plan** from SB 1 & SB 228 Sources ($ Millions) | |
|---|---|
| Bustang and Rural/Regional PnR needs | $12.75 |
| Bustang and Rural/Regional rolling stock needs | $10.00 |
| Other Strategic Transit Projects | $9.25 |
| | $32.00 |
| Identified PnR Needs Beyond | $5.70 |
| | $37.70 |

**STAC Input** - The concept of the Rural/Regional bus network was presented to the STAC at their September 25, 2015 meeting. The general tone of the conversation was positive and supportive. STAC did ask very constructive questions regarding priorities/timing of individual projects, and what kind of metrics would be used to assess those priorities as well as overall system performance. Members would also like to see information on what other State's experience has been in developing this type of network. STAC also requested further information on proposed service metrics (revenue service hours, for instance) and performance metrics that would be used to set project/route priorities as well as all overall system performance. Given approval by T&I and the Transportation Committee to do so, DTR intends to refine this work over the winter and subsequently report back to the STAC and the T&I Committee on all of these points at future meetings.

Benefits

The transit plan outlined above implements elements of the Statewide Transit / Transportation Plans, further develops the Bustang interregional bus system, and expands the CDOT transit service area to include rural connections to urban centers. It delivers a truly statewide transit system, and furthers the Commission mission of providing the best multimodal system. Other benefits include:

- Utilizing the SB 228 10% for transit and the remaining SB 1 transit funds for strategic capital investments with statewide significance and covering all regions of the state. These projects meet SB228 list criteria in the areas of being strategic, stand-alone, ready-to-go projects with high mobility and economic benefit potential.
- These projects also work to fulfilling the PD 14 investment goal of connecting communities with interregional and regional transit service; including increased revenue miles of service.
- Fulfilling one of the priority goals from the Statewide Transit Plan; providing rural to urban center transit connections for essential services.
- Optimizing the designated rural regional operating funds for a sustainable service plan.
- Compliments and integrates with the Bustang service network.
- Provides for Park & Ride and additional buses (as needed) for the Bustang system.

Next Steps

- Execute task order contract with consulting firm to assist with refining service plans and cost estimates.
- TC Workshop and action to approve the Conceptual Plan in November.
- With TC concurrence in November; begin MPO, TPR and public outreach to refine the plan.
- Finalize the plan over the winter; seek TC approval of the plan in the spring 2016.
- Procure buses and contract operators; summer 2016 – Fall 2017.
- Begin the revised network of services in 2018.

Attachments

Figure 1: Current Intercity & Regional Bus Network
Figure 2: Conceptual Rural Regional Bus Network

Figure 1: Current Intercity Bus Network

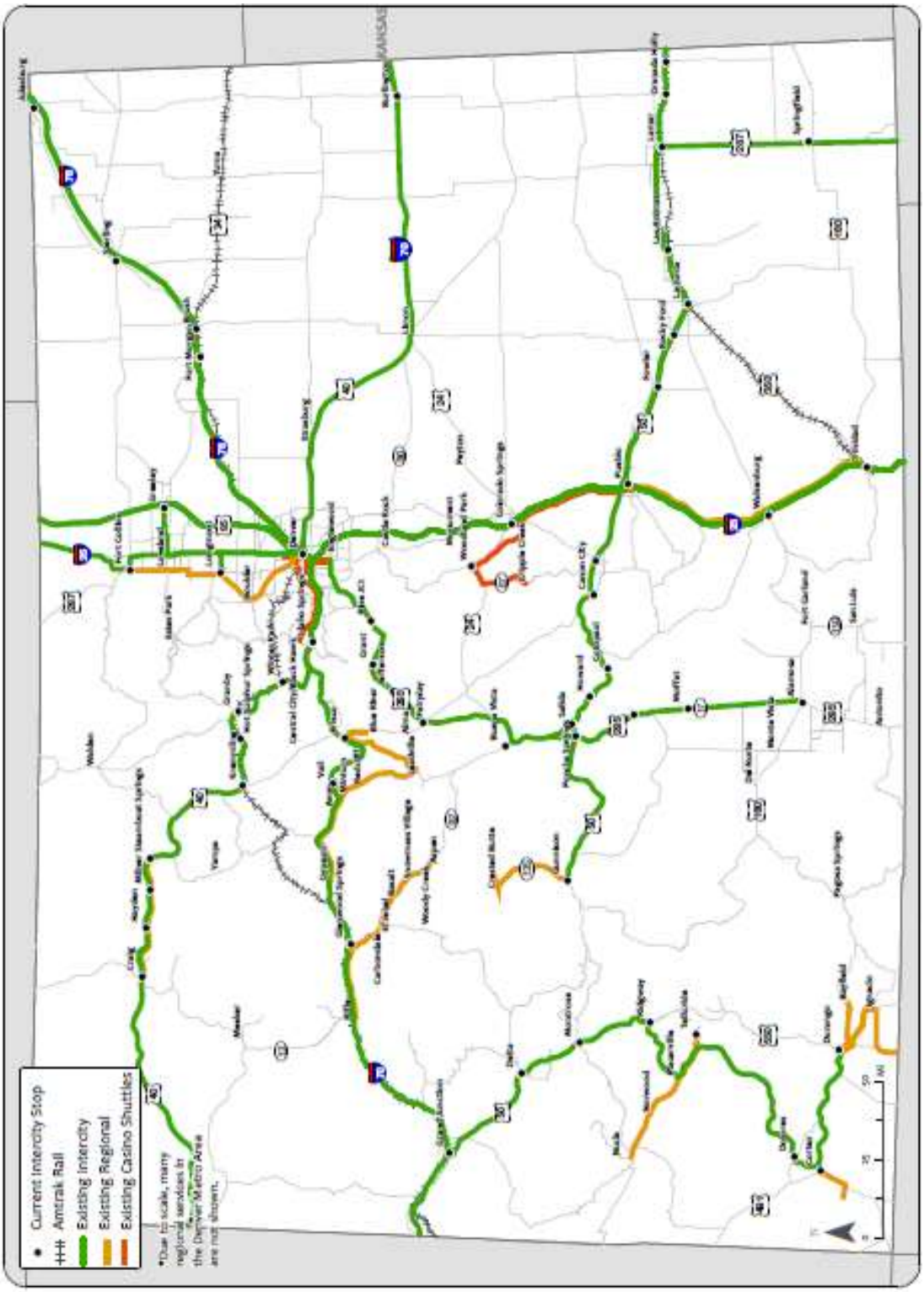
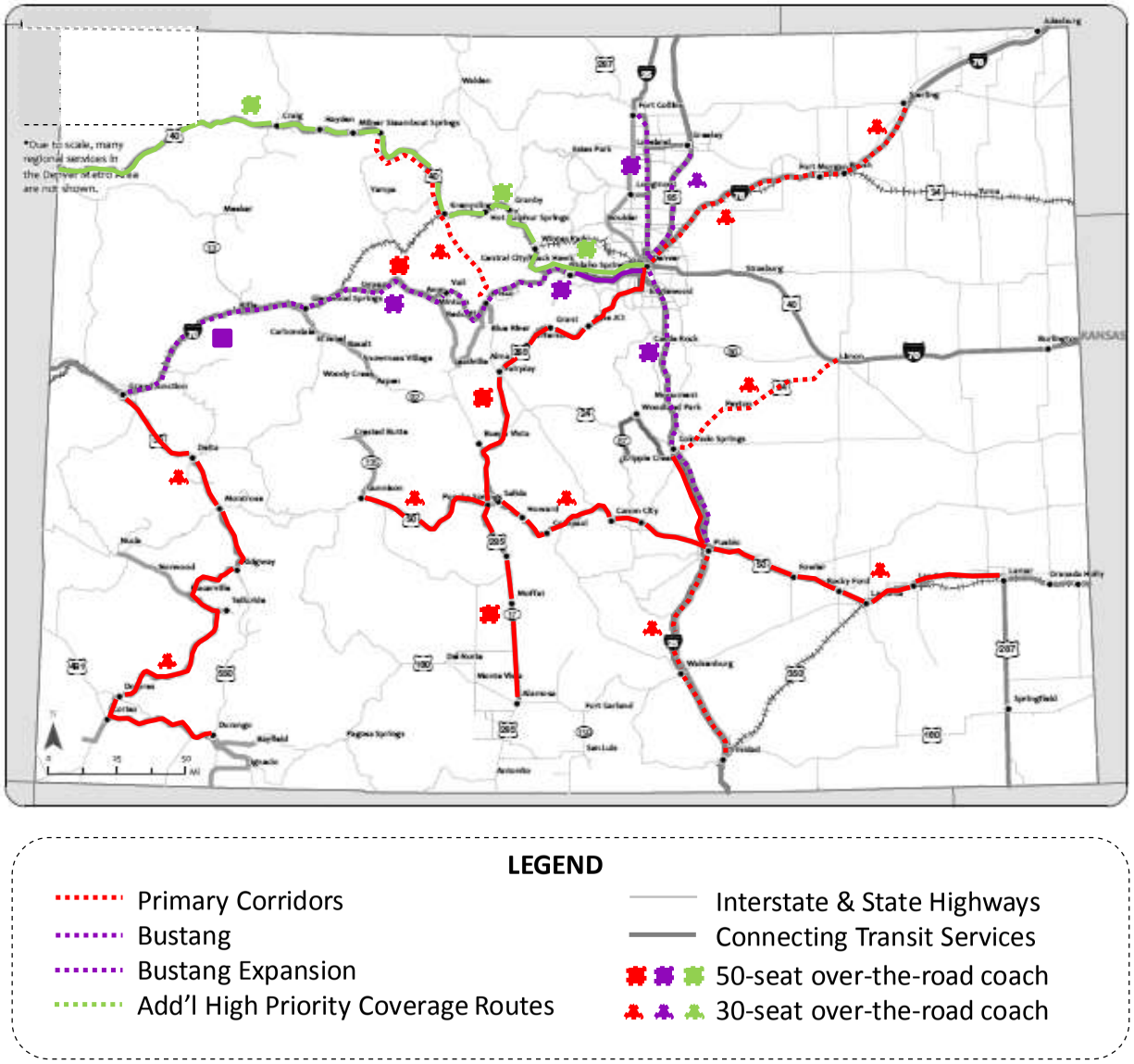



Figure 2: Conceptual Rural Regional Bus Network