



**DATE:** February 18, 2016

**TO:** Bridge Enterprise Board of Directors

**FROM:** Herman Stockinger, Office of Policy & Government Relations Director

**SUBJECT:** Department and Bridge Enterprise Compliance with Recommendations of the Colorado Office of the State Auditor “Collection and Usage of the FASTER Motor Vehicle Fees” dated August 2015

**Purpose and Action**

Provide a “deeper dive” into the actions taken by CDOT to comply with the FASTER Audit recommendations and improve the FASTER program overall and report on the impact of those actions. This month, we will focus on the Bridge Enterprise program.

**Audit Recommendation #1 Summary:**

The audit purpose was to determine whether there was an adequate bridge selection process to ensure bridges in need of repair are addressed in a timely and strategic manner.

The Audit found that while CDOT developed a "Prioritization Plan" for eligible bridges (bridges that are Structurally Deficient or Functionally Obsolete and rated Poor), CDOT and BE staff (staff) did not present projects for funding in the order they appeared on the Prioritization Plan. Further, staff did not provide the Bridge Enterprise Board of Directors (Board) with reasons why some projects were being selected "out of order" for funding. Staff explained to the auditors that the Prioritization Plan was not intended to be the sole consideration when strategically prioritizing projects, though auditors cited sources, such as their interpretation of the 2014 BE Annual Report, that indicated otherwise.

The auditors concluded that bridges were not being selected “strategically”, as required in statute, and asked that the department establish a documented process to strategically prioritize and program eligible bridge projects. The audit found that CDOT did not spend Bridge Enterprise dollars strategically because CDOT did not repair or replace the bridges in the exact Prioritization Plan order starting from the very worst. One example of how CDOT did not follow the Prioritization Plan is the Ilex project on I-25 through Pueblo. CDOT is repairing or replacing the bridges at Northern Ave, Indiana Ave, Ilex St, and Santa Fe over the Arkansas River. While these are all eligible poor bridges, they were not sequential on the list of worst bridges in the state. CDOT chose to fix or replace the bridges all at once because it was the most cost efficient since we are paying for a contractor to be at the site and because coming back later to replace a bridge would only prolong the construction a disruption to the people of Pueblo, our customers. CDOT stands by that decision, but agrees there was no documented process to explain staff or Board decisions.

**How is this resolved?**

Policy Directive 16.0 (PD 16.0) was adopted by the Board in January. Here's what the Board did by passing this new Policy:

- Set project eligibility requirements, mirroring statute and current practice, to define the universe of projects. This simply puts current practice and statute into formal BE Policy.
- Clarifies that the Prioritization Plan is a quantitative analysis and is not intended to be the sole source of information to identify strategic funding priorities. This is consistent with current practice, but may conflict a bit with previous statements/interpretations. Staff thought this was an important clarification that the Board make in response to the audit.



- The Board states in Policy Directive 16.0 that in order to strategically prioritize bridge projects, the analysis must be both quantitative and qualitative, and the Board requires a new document, called an evaluation summary, be provided to the Board at the time of a bridge funding request. The Procedural Directive goes into detail on what considerations are quantitative, and what is qualitative. While both the Board and staff "knew" that a variety of considerations, both quantitative and qualitative, were always considered when staff presented bridge projects for funding, it is true that not all of those factors were deliberately recorded and reported on. So the process is basically the same, but it is now supported by specific Policy statements from the Board and Procedures for staff to follow. Same process, but more documentation to back up that process.

**Bridge Enterprise Board "Hands-On" versus "Hands-Off" Options**

- From a project selection standpoint, the Board continues and increases its "hands-on" approach by continuing to require any proposed project be presented to the Board for approval before programming.
- The new process increases the Board's hands-on approach by requiring a new "evaluation summary" that articulates both the quantitative and qualitative reasons for funding an eligible bridge project.





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**SUBJECT:** Department and Bridge Enterprise Compliance with Recommendations of the Colorado Office of the State Auditor “Collection and Usage of the FASTER Motor Vehicle Fees” dated August 2015

**Purpose and Action**

Provide a “deeper dive” into the actions taken by CDOT to comply with the FASTER Audit recommendations and improve the FASTER program overall and report on the impact of those actions. This month, we will focus on the Bridge Enterprise program.

**Audit Recommendation #2 Summary:**

The audit purpose was to determine whether bridge surcharge revenue is managed effectively, through budgeting processes that maximize project closure processes to redirect all unused FASTER revenue to other projects in a timely manner. The auditors believed the two key ways to accomplish that task was to (1) budget projects in a realistic way, and (2) close completed projects in a timely manner so unused funds can be quickly redirected.

1. Budgeting projects in a realistic way: As the Transportation Commission has found from time to time, the auditors also found that sometimes bridge projects were reaching substantial completion with significant fund balances remaining in the project budget, in part due to the large amount of contingencies that were budgeted into the projects. The auditors looked at 23 closed projects and discovered that budgeted amounts exceeded actual expenditures by 19%. By tying up dollars unnecessarily, the auditors determined the department was not making efficient and timely use of FASTER bridge funds.
2. Closing projects in a timely manner: While the auditors did conclude CDOT follows federal project closure requirements, they felt the FASTER legislative intent was to accelerate projects as much as possible, and of 34 “substantially completed” projects they looked at, those projects held \$19.1 million of budgeted but unexpended funds, some of which may have been available for other projects. Consequently, the auditors recommended establishing and implementing a project closure process to ensure available funds are utilized for new projects in a timely manner.

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**How is this resolved?**

Policy Directive 16.0 (PD 16.0) was adopted by the Board in January. Here's what the Board did by passing this new Policy:

- PD 16.0 provides pretty soft language where the Board directs staff to develop “reasonable project contingency fund levels” and “review projects nearing completion so they may be closed out in a timely manner.”
- The Procedural Directive 16.1 provides the meat for implementation of this recommendation. In the areas of contingency and project close-out, the program management office was concerned about imposing different requirements for bridge projects than the rest of the construction program and took care not to impose requirements that couldn't be adopted by the program as a whole.



- Requires bridge projects to have a contingency that doesn't exceed 5% unless approved by the responsible Program Engineer with justification. That's something we've never done before.
- Requires contingency funds to be funded with *future* dollars. This was a pretty innovative idea and makes sense, since we wouldn't generally dip into contingencies until late in a project's life, using future dollars ensures current year dollars are being budgeted into project elements that would most likely be utilized that year. That's something we've never done before.
- We've put in place new procedures that require bridge and department staff, both at HQ and the regions, to review projects nearing substantial completion and work to debudget project funds not expected to be utilized before final close-out. These steps should go a long way toward ensuring dollars are not pointlessly left in substantially completed projects.

#### **Bridge Enterprise Board “Hands-On” versus “Hands-Off” Options**

- By offering general policy direction regarding contingency and project close-out, the Board is taking a hands-off approach in these areas. Alternatively, the Board could direct the staff to hold contingencies at a certain percent, or could put in place a more formal Board approval process to allow for higher contingencies rather than leaving it up to department staff.
- Similarly, the Board may want a policy that lays out every step in the project close-out process, or could ask for specific analysis and reporting at particular steps in the project. For instance, the Board could adopt policy that states “the Board requests a quarterly report on all projects at or near 90% complete, with an accounting of remaining budget versus expected needed budget, and what the department has done to debudget a project when the remaining budget is projected to be 50% more than necessary to complete remaining project elements.”





# COLORADO

Department of Transportation

Office of Policy and Government Relations

4201 E. Arkansas, Room 275  
Denver, CO 80222

## RELEASE MEMORANDUM

**TO:** ALL CDOT EMPLOYEES  
**FROM:** HERMAN STOCKINGER, TRANSPORTATION COMMISSION SECRETARY  
**DATE:** JANUARY 26, 2016  
**SUBJECT:** NEW POLICY DIRECTIVE 16.0 BRIDGE ENTERPRISE “OVERSIGHT OF FASTER FUNDING FOR STATE BRIDGES”

1. Name of Policy Directive: 16.0 Bridge Enterprise Policy Directive “Oversight of FASTER Funding for State Bridges”
2. Date of PD this Directive Supersedes: None (new PD)
3. Executive Summary: In August 2015, the Colorado Office of the State Auditor issued a Performance Audit titled “Collection and Usage of the FASTER Motor Vehicle Fees” (the “2015 FASTER Audit”). Bridge Enterprise Policy Directive 16.0 was approved by the Bridge Enterprise Board of Directors on January 21, 2016 in order to provide direction to the Bridge Enterprise Program Management Staff and to the Department with regard to the effective management and oversight of FASTER revenues utilized by the Bridge Enterprise Program. This Policy Directive should be read together with Bridge Enterprise Procedural Directive 16.1. The following summarizes both the Policy and the Procedural Directive responsibilities and requirements:

#### Bridge Enterprise Board of Directors (“BOD”):

- Determines criteria for project eligibility (PD BE 16.0)
- Directs staff to evaluate and recommend projects based on a qualitative and quantitative analysis (PD BE16.0)

#### Bridge Enterprise staff:

- Provides an evaluation summary with the Designated Bridge funding request to the Bridge Enterprise BOD (PD BE16.0)
- Continues to develop improvements on reasonable project contingency fund levels, reviews projects nearing completion in order to close out projects in an expedient manner, and provides regular progress reports to Bridge Enterprise BOD to ensure transparency (PD BE16.0)
- Maintains and updates a prioritized list of structures that meet the criteria for Designated Bridges (PD BE16.1)
- Applies the Bridge Enterprise BOD approved Prioritization Plan tool (quantitative analysis) to prioritize Designated Bridges, followed by a



qualitative analysis to further determine the prioritization of Designated Bridges (PD BE16.1)

- Requests funding for projects from the Bridge Enterprise BOD through the budget supplement process (PD BE16.1)
- Works with the Schedule Change Control Board to address underperforming projects (PD BE16.1)
- Evaluates project finances when projects are approximately 90% complete in order to determine what funds are needed to complete the project
- Works with regions to release all remaining budget and encumbrances and reprogram funds for other bridge projects (PD BE16.1)
- Achieves transparency by submitting progress reports to the Bridge Enterprise BOD, providing updates on key program metrics to the Department Communications Office, holding regularly scheduled meetings with stakeholders to discuss project issues, and submitting its annual report to the Bridge Enterprise BOD and the Transportation Committee (PD BE16.1)

4. Effective Date: January 26, 2016



<b>Statewide Bridge Enterprise</b>		<input checked="" type="checkbox"/> <b>POLICY DIRECTIVE</b> <input type="checkbox"/> <b>PROCEDURAL DIRECTIVE</b>
<b>Subject</b> <b>Oversight of FASTER Funding for State Bridges</b>		<b>Number</b> <b>BE16.0</b>
<b>Effective</b> <b>01.26.16</b>	<b>Supersedes</b> <b>n/a</b>	<b>Originating Office</b> <b>Statewide Bridge Enterprise</b>

## I. PURPOSE

Pursuant to § 43-4-805(2)(b), C.R.S., the business purpose of the Bridge Enterprise is to finance, repair, reconstruct, and replace any designated bridge in the state and, as agreed upon by the Transportation Commission (“Commission”), or the Colorado Department of Transportation (“Department”) to the extent authorized by the Commission, to maintain the bridges it finances, repairs, reconstructs, and replaces.

It is the intent of the Bridge Enterprise Board of Directors to ensure that the State obtains the greatest benefit in increased bridge safety per FASTER dollar spent by establishing and utilizing a documented process to strategically prioritize and program bridge projects in a thorough and integrated manner.

The Bridge Enterprise Board of Directors, through its oversight of the Bridge Enterprise Program, will use FASTER funding effectively and efficiently to facilitate the financing, repair, reconstruction, and replacement of designated bridges as promptly and efficiently as possible.

## II. AUTHORITY

Statewide Bridge Enterprise Board of Directors established pursuant to § 43-4-805, C.R.S.

Statewide Bridge Enterprise established pursuant to § 43-4-805(2), C.R.S.

§ 48-4-801 to 805, C.R.S. “Funding Advancements for Surface Transportation and Economic Recovery Act of 2009” “FASTER Act”

23 CFR 650 subpart C National Bridge Inspection Standards, March 1 2009

Recording and Code Guide for the Structure Inventory and Appraisal of the Nation’s Bridges, FHWA, Report No. FHWA-PD-96-001 <https://www.fhwa.dot.gov/bridge/nbi/library.cfm>

### **III. APPLICABILITY**

This Policy Directive shall apply to the Statewide Bridge Enterprise as well as all Divisions, Regions, and Offices of the Colorado Department of Transportation.

### **IV. POLICY**

A. Project Eligibility. The Bridge Enterprise Board of Directors shall make the most strategic use of available FASTER funds using the following criteria to determine which statewide bridges should be Designated Bridges and eligible to receive FASTER funds.

1. A sufficiency rating of less than 50, which means the bridge is “poor”; and
2. The status must be functionally obsolete and/or structurally deficient.

B. Project Selection. Designated Bridges are eligible for FASTER funding and will be evaluated by Bridge Enterprise staff on both a qualitative and quantitative basis. The quantitative prioritization plan is not intended to be a rank order strategic priority list in which Designated Bridges should be funded. Strategic bridge priorities are determined through a combination of both the qualitative and quantitative analysis. At the time of the funding request, an evaluation summary will be provided to the Bridge Enterprise Board. Staff will follow Procedural Directive BE 16.01 when evaluating and recommending projects for funding to the Bridge Enterprise Board.

C. Project Execution and Transparency. The Bridge Enterprise Board provides staff with the following additional guidance to Bridge Enterprise and CDOT staff for the project execution and reporting stages.

1. Continue to provide guidelines to project engineers and seek other process improvements for the development of reasonable project contingency fund levels in order to make best use of funds available.
2. Work with CDOT project staff to review projects nearing completion so that the projects may be closed out in a timely manner and excess project funds shall be returned for funding to other priority projects.
3. Provide regular progress reports to the Bridge Enterprise Board at regular meetings and develop other methods to insure transparency of Bridge Enterprise decisions and progress.

Subject <b>Oversight of FASTER Funding for State Bridges</b>	Number <b>BE16.0</b>
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**V. IMPLEMENTATION PLAN**

This Policy Directive shall be effective upon signature.

**VI. REVIEW DATE**

This Policy Directive shall be reviewed on or before January 2021.

  
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Herman Stockinger  
Secretary, Bridge Enterprise Board of Directors

  
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Date of Approval



## COLORADO

### Department of Transportation

Office of the Executive Director  
4201 East Arkansas Ave, Suite 262  
Denver, CO 80222

### RELEASE MEMORANDUM

**TO: ALL CDOT EMPLOYEES**  
**FROM: SHAILEN P. BHATT, DIRECTOR, BRIDGE ENTERPRISE**  
**DATE: JANUARY 29, 2016**  
**SUBJECT: NEW PROCEDURAL DIRECTIVE 16.1 BRIDGE ENTERPRISE**  
**“OVERSIGHT OF FASTER FUNDING FOR STATE BRIDGES”**

1. Name of Procedural Directive: 16.1 Bridge Enterprise Procedural Directive  
“Oversight of FASTER Funding for State Bridges”

2. Date of PD this Directive Supersedes: None (new PD)

3. Executive Summary: In August 2015, the Colorado Office of the State Auditor issued a Performance Audit titled “Collection and Usage of the FASTER Motor Vehicle Fees” (the “2015 FASTER Audit”). Bridge Enterprise Policy Directive 16.0 was approved by the Bridge Enterprise Board of Directors on January 21, 2016 in order to provide direction to the Bridge Enterprise Program Management Staff and to the Department with regard to the effective management and oversight of FASTER revenues utilized by the Bridge Enterprise Program. This Policy Directive should be read together with Bridge Enterprise Procedural Directive 16.1. The following summarizes both the Policy and the Procedural Directive responsibilities and requirements:

#### Bridge Enterprise Board of Directors (“BOD”):

- Determines criteria for project eligibility (PD BE 16.0)
- Directs staff to evaluate and recommend projects based on a qualitative and quantitative analysis (PD BE16.0)

#### Bridge Enterprise staff:

- Provides an evaluation summary with the Designated Bridge funding request to the Bridge Enterprise BOD (PD BE16.0)
- Continues to develop improvements on reasonable project contingency fund levels, reviews projects nearing completion in order to close out projects in an expedient manner, and provides regular progress reports to Bridge Enterprise BOD to ensure transparency (PD BE16.0)
- Maintains and updates a prioritized list of structures that meet the criteria for Designated Bridges (PD BE16.1)



- Applies the Bridge Enterprise BOD approved Prioritization Plan tool (quantitative analysis) to prioritize Designated Bridges, followed by a qualitative analysis to further determine the prioritization of Designated Bridges (PD BE16.1)
- Requests funding for projects from the Bridge Enterprise BOD through the budget supplement process (PD BE16.1)
- Works with the Schedule Change Control Board to address underperforming projects (PD BE16.1)
- Evaluates project finances when projects are approximately 90% complete in order to determine what funds are needed to complete the project
- Works with regions to release all remaining budget and encumbrances and reprogram funds for other bridge projects (PD BE16.1)
- Achieves transparency by submitting progress reports to the Bridge Enterprise BOD, providing updates on key program metrics to the Department Communications Office, holding regularly scheduled meetings with stakeholders to discuss project issues, and submitting its annual report to the Bridge Enterprise BOD and the Transportation Committee (PD BE16.1)

4. Effective Date: January 29, 2016



<b>BRIDGE ENTERPRISE BOARD OF DIRECTORS</b>		<input type="checkbox"/> <b>POLICY DIRECTIVE</b> <input checked="" type="checkbox"/> <b>PROCEDURAL DIRECTIVE</b>
<b>Subject</b> <b>Bridge Enterprise Management of FASTER Revenue and Selection of FASTER Bridge Projects</b>		<b>Number</b> <b>BE16.1</b>
<b>Effective</b> <b>01.29.16</b>	<b>Supersedes</b> n/a	<b>Originating Office</b> <b>Statewide Bridge Enterprise</b>

### **I. PURPOSE**

The purpose of this Procedural Directive is to set forth the processes to implement Policy Directive BE16-1 so that FASTER revenues are effectively and efficiently leveraged to strategically and quickly complete bridge projects, and to ensure that the State obtains the greatest benefit in increased bridge safety from FASTER dollars.

### **II. AUTHORITY**

Bridge Enterprise Director pursuant to § 43-4-805, C.R.S

Funding Advancements for Surface Transportation and Economic Recovery Act of 2009, §48-4-801 to 805, C.R.S.

Recording and Code Guide for the Structure Inventory and Appraisal of the Nation’s Bridges, FHWA, Report No. FHWA-PD-96-001 (“SIA”)

§ 43-4-801, et seq., C.R.S. “Funding Advancement for Surface Transportation and Economic Recovery” “FASTER”

### **III. APPLICABILITY**

This Procedural Directive shall apply to the Bridge Enterprise and all Divisions, Regions, and Offices of CDOT.

### **IV. DEFINITIONS**

“Bridge” shall mean a structure including supports erected over a depression or an obstruction, such as water, highway, or railway, and having a track or passageway for carrying traffic or other moving loads, and having an opening measured along the center of the roadway of more than 20 feet between undercopings of abutments or spring lines of arches, or extreme ends of openings for multiple boxes; it may also

include multiple pipes, where the clear distance between openings is less than half of the smaller contiguous opening. 23 C.F.R. § 650.305

“Bridge Enterprise Board of Directors” shall mean the Type 2 Board established pursuant to § 43-4-805, C.R.S.

“Bridge Enterprise Director” shall mean the position established by § 43-4-805(2)(a)(I), C.R.S., who shall oversee the discharge of all responsibilities of the bridge enterprise and shall serve at the pleasure of the Bridge Enterprise Board of Directors.

“Designated Bridge” is defined by § 43-4-803(10), C.R.S. as “every bridge, including any roadways, sidewalks, or other infrastructure connected or adjacent to or required for the optimal functioning of the bridge, that: (a) is part of the state highway system, as described in section 43-2-101, C.R.S.; and (b) has been identified by the department as structurally deficient or functionally obsolete, and has been rated by the department as poor, as of January 1, 2009, or is subsequently so identified and rated by the department.”

“Executive Director” shall mean the Executive Director of the Colorado Department of Transportation or his/her designee, pursuant to § 43-1-105, C.R.S.

## **V. PROCEDURE**

### **A. Identification and Designation of Eligible Candidates for FASTER Bridge Enterprise Projects**

1. The Bridge Enterprise Board of Directors (hereinafter “the Bridge Enterprise BOD”) determines the criteria for bridges to be candidates for Designated Bridges and thus eligible for FASTER funding. See Policy Directive BE16.0.
2. The CDOT Staff Bridge Office is charged with performing scheduled bridge inspections and performing maintenance of bridges pursuant to 23 C.F.R. 650.305.
3. Staff Bridge utilizes the Recording and Code Guide for the Structure Inventory and Appraisal of the Nation’s Bridges, FHWA, Report No. FHWA-PD-96-001 (“SIA”) to determine a sufficiency rating for bridges.
4. The CDOT Staff Bridge Office provides the Bridge Enterprise Program Management with the current list of bridges determined to have a “poor” rating.
5. The Bridge Enterprise Program Management staff applies the criteria established by the Bridge Enterprise BOD and develops a list of “Designated Bridges” which are FASTER funding eligible.

## **B. Prioritization of Projects**

### **1. Quantitative Analysis Using the Prioritization Plan Tool**

a) The Bridge Enterprise Program Management staff maintains and updates a prioritized list of structures that meet the criteria for Designated Bridges. It applies the Bridge Enterprise BOD approved Prioritization Plan tool to prioritize Designated Bridges.

b) The Prioritization Plan Tool weighs the following factors and arrives at a quantitative number for each Designated Bridge. The list of factors includes:

- (1) The severity of the deficiency or obsolescence;
- (2) The severity of the Sufficiency Rating;
- (3) The severity of the entire Designated Bridge condition or the structural condition of the bridge components;
- (4) The average daily traffic (“ADT”);
- (5) The percentage of truck traffic (“%TT”);
- (6) The importance of the Designated Bridge (i.e., is it a primary access to a community, emergency route, has freight/tourism agriculture/other industry importance, etc.);
- (7) The program-specific economic impacts; and
- (8) Other structure specific issues.

### **2. Qualitative Program and Funding Analysis**

a) The Bridge Enterprise Program Management staff gathers data from CDOT Staff Bridge and the Regions regarding the factors set forth below. This data is used to augment the initial prioritization of Designated Bridges.

b) The Regions provide to Bridge Enterprise Program Management staff a preliminary project estimate, a drawdown schedule of funds, and a progress schedule for the Designated Bridge project(s). Bridge Enterprise Program Management staff reviews these documents to determine whether all information has been included and confirms that an appropriate level of detail has been provided.

c) The Bridge Enterprise Program Management staff then conducts a qualitative analysis to further determine the prioritization of Designated Bridges. This analysis includes consideration of the following dynamic factors when applicable:

- (1) Project readiness with regard to design completion influencing considerations, such as long-term or long-duration studies or analysis;
- (2) Coordination with external stakeholders, etc.;
- (3) Project staffing/resource availability;
- (4) Anticipated project cost;
- (5) Anticipated length of project development and delivery;
- (6) Region input regarding the importance of the Designated Bridge to the health, safety and welfare of the public;
- (7) The availability of Non-FASTER funds;
- (8) The Designated Bridge service life;
- (9) Anticipated project delivery method (Design-Build, Design Bid Build, CM/GC, public-private partnerships, etc.) final determination will be by a project delivery workshop during design phase;
- (10) Multi-modal transportation considerations;
- (11) Project-specific variables including but not limited to: environmental considerations, utilities, railroad involvement, State Historic Preservation Office involvement, alternative construction methods including Accelerated Bridge Construction (ABC) and traffic impacts; and
- (12) Economies of scale.

### **C. Project Selection and Budgeting**

1. The Bridge Enterprise Program Management staff shall adhere to all established CDOT and Bridge Enterprise procedures and guidance documents with regard to internal budgeting processes. The management of the budgeting process shall ensure that only eligible project features are funded through the Bridge Enterprise, and ensure that the allocation of FASTER revenues are readily identifiable.

2. The Bridge Enterprise Program Management staff, with the oversight of the Bridge Enterprise BOD and the Department Executive Director, shall continually update a short-term and sustainable long-term plan for revenue streams dedicated to the construction of important surface transportation infrastructure projects pursuant to § 43-4-802(3)(a), C.R.S. These short and long-term plans shall include as a paramount requirement that FASTER funding be made available to respond to urgent present needs to repair and replace structurally deficient and functionally obsolete bridges and improve highway safety in the state pursuant to § 43-4-802(2)(b), C.R.S.

3. Projects will be selected first for programming and then for budgeting. These two steps combined constitute the funding process.

4. Programming the Project. The Bridge Enterprise Program Management staff will either seek to program a project at once, or program in incremental phases, depending on the outcome of the prioritization process above. A project that is identified for pre-construction only results in a set of plans, specifications and estimates (the "PS&E Package"). Upon completion of a pre-construction only project, the project re-enters the population of Designated Bridge projects and will have a 'shelved' PS&E Package. If a project has been identified for pre-construction and construction phase, the following also apply; however, the project will not need to be reevaluated between phases.

a) Pre-Construction Phase

(1) The Bridge Enterprise Program Management staff submits recommendations for project programming to the Bridge Enterprise Director with supporting documentation. The supporting documentation shall include an Evaluation Summary, justifying the selection of a Designated Bridge for programming based on the quantitative and qualitative analysis set forth above.

(2) The Bridge Enterprise Director or his management designee shall provide input on the Designated Bridge Projects. Projects that receive concurrence proceed with the procedure below, rejected projects return to the list of future projects.

(3) The Regions provide to Bridge Enterprise Program Management staff, scope, schedules and preliminary cost estimate for Designated Bridge projects.

(4) Bridge Enterprise Program Management staff then:

(a) Conducts a final review to determine whether all information has been included and confirms that an appropriate level of detail and transparency has been provided;

(b) Confirms that the scope, schedule and budget are within program resources; and

(c) Develops a final list of Designated Bridges recommended for approval with supporting information that includes a Bridge Enterprise Evaluation Summary clearly documenting the rationale for selecting bridges to repair or replace. The summary shall include both the quantitative and qualitative elements that cause the project to be recommended for funding over other eligible projects.

(5) The budget requests for project approval shall follow the established budgeting process for inclusion in a Budget Supplement request for Bridge Enterprise BOD approval, which includes Department management review. For all projects using FASTER funding, if the project exceeds the approved budget by the amount specified in Policy Directive 703.0, the process set forth in Policy Directive 703.0 must be followed.

(6) The Bridge Enterprise Evaluation Summary shall be included in the budget supplement request.

(7) After being approved by the Bridge Enterprise BOD, the project is budgeted in CDOT's accounting system and added to the Statewide Transportation Improvement Plan by OFMB.

(8) If FASTER funds are utilized to fund a Bridge that is later determined to have not been a Designated Bridge, the FASTER revenue must thereafter be returned to the FASTER pool.

**b) Construction Phase**

(1) Approved Bridge projects that were previously programmed for preconstruction only, and have a shelved PS&E Package may be programmed for construction phase.

(2) Selection of a project for programming for construction phase will follow the same programming and approval process described

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in section 4. a) above.

(3) Budgeting the construction phase. When an approved project is identified to be programmed for construction, the following budgeting process applies:

(a) The completed PS&E Package shall be submitted to the CDOT Cost Estimates and Marketing Analysis unit for development of the official engineer's estimate.

Engineering Estimates & Marketing Analysis shall provide Bridge Enterprise Program Management staff with the official engineer's estimate.

(b) After completing the engineer's estimate for the project, the project engineer shall establish a contingency for the initial construction budget based on the total estimated cost of the biddable items. The established contingency shall not exceed 5% of the estimated cost of the biddable items unless approved in writing by the responsible Program Engineer based on a justification for the increase.

(c) Regional business managers shall fund the contingency portion of a project with future year dollars.

(d) Bridge Enterprise Program Management staff shall review the official engineer's estimate with the region to ensure that the construction engineering and in-direct costs are accurate.

## **D. Building the Project**

### **1. Oversight of Designated Bridge Projects**

a) Oversight of the Bridge Enterprise Program Management Staff. In order to execute and achieve the goals of an independent government owned business, the Bridge Enterprise Program Management Staff participates in the development of a project from concept through completion. As part of this process it:

(1) Provides input on individual Designated Bridge project goals, scope, budget, structure design, procurement and schedule to maintain consistency with program objectives.

(2) Performs eligibility reviews of project features at appropriate intervals during development.

- (3) Tracks the performance of each project.
  - (4) Advises the Schedule Change Control Board (SCCB) which consists of the members of the CDOT Executive Management team.
2. Oversight of the Schedule Change Control Board (“SCCB”). The SCCB acts in an advisory capacity to the Bridge Enterprise BOD, the Bridge Enterprise Director, and the Bridge Enterprise Program Management, with the goal of addressing underperforming projects.
3. Project Close
- a) Region staff and the Bridge Enterprise Program Management staff shall consistently review projects nearing substantial completion so that projects may be closed in a timely manner.
  - b) At approximately 90% complete, the Bridge Enterprise Program Management staff will evaluate the project finances with the appropriate region staff in order to determine what funds are needed to complete the project.
  - c) Bridge Enterprise Program Management staff shall work with the regions to determine the appropriate funds necessary to complete the project. The regions shall take all measures to immediately release excess funds.
  - d) The Bridge Enterprise Program Management staff shall have the final discretion to determine the amount necessary to complete the project.
  - e) The regions shall then work with the Bridge Enterprise Program Management staff to release all remaining budget and encumbrances. All FASTER Bridge Enterprise project savings shall be returned to the FASTER Bridge Enterprise Fund (538) for reprogramming.

#### **E. Bridge Enterprise Transparency**

- 1. Progress Reporting. The Bridge Enterprise Program Management staff:
  - a) Prepares progress reports on Bridge Enterprise matters and submits them to the Bridge Enterprise BOD at regular meetings.
  - b) At no less than quarterly intervals, provides an update of key program metrics to the CDOT Office of Communications which are then posted on the Bridge Enterprise website.

c) Holds regularly scheduled meetings with CDOT departments, regions, state agencies and other stakeholders to discuss project issues, initiatives, and plans.

d) Submits its annual report to the Bridge Enterprise BOD at least one month in advance of its submission to the State House and Senate Transportation Committee for their review, comment, and approval.

d) Provides its annual report to the House and Senate Transportation Committees no later than February 15th of each year in accordance with § 43-4-805(6), C.R.S.

## **VI. DOCUMENTS RELEVANT TO OR REFERENCED IN THIS PROCEDURAL DIRECTIVE**

1. Recording and Code Guide for the Structure Inventory and Appraisal of the Nation's Bridges, FHWA, Report No. FHWA-PD-96-001 ("SIA")
2. American Association of State Highway and Transportation Officials (AASHTO) Manual, "The Manual for Bridge Evaluation"
3. Bridge Inspector's Reference Manual (BIRM), See 23 C.F.R. § 650.305
4. Bridge Enterprise Guidance Documents
5. Appendix A Bridge Enterprise Program Planning Process

## **VII. IMPLEMENTATION PLAN**

This Procedural Directive shall be effective upon signature.

## **VIII. REVIEW DATE**

This Procedural Directive shall be reviewed on or before January 2021.

  
\_\_\_\_\_  
Bridge Enterprise Director

  
\_\_\_\_\_  
Date of Approval

## Bridge Enterprise Program Planning Process

