

Transportation Commission
July 20 & 21, 2016
Meeting Schedule & Agenda
4201 East Arkansas Avenue
Denver, Colorado 80222

Gary M. Reiff, Chairman
Englewood, District 3

Shannon Gifford
Denver, District 1
Ed Peterson
Lakewood, District 2
Heather Barry
Westminster, District 4
Kathleen Gilliland
Livermore, District 5
Kathy Connell
Steamboat Springs, District 6

Kathy Hall
Grand Junction, District 7
Sidny Zink, Vice Chair
Durango, District 8
Nolan Schriener
Colorado Springs, District 9
William Thiebaut
Pueblo, District 10
Steven Hofmeister
Haxtun, District 11

THE CHAIRMAN 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.

Wednesday, July 20, 2016

8:30 a.m. to 11:30 a.m. – TC Retreat at Hyatt Place, 4150 E. Mississippi Ave, Glendale, CO 80246.

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

1:05 p.m. HPTE Board Break

1:15 p.m. HPTE Board Meeting [Reconvenes in Auditorium]

12:30 p.m. Commission Lunch (Optional)[Commission Conference Room]

2:00 p.m. **Executive Session** Joint HPTE and Transportation Commission Central 70 work session (David Spector) [Will take place immediately following the adjournment of the HPTE board meeting]

2:30 p.m.	Program/Cash Management Workshop (Josh Laipply, Maria Sobota, Jane Fisher)	P. 28
2:45 p.m.	RUC Workshop (Debra Perkins-Smith).....	P. 37
3:15 p.m.	Workforce of the Future (Amy Ford).....	P. 64
3:45 p.m.	Executive Session HQR1 New Building Workshop (David Fox)	
5:15 p.m.	Adjournment	

TRANSPORTATION COMMISSION MEETING

Thursday, July 21, 2016

7:30 a.m.	Breakfast Meeting [Room 262]	
9:00 a.m.	1. Call to Order, Roll Call	
9:05 a.m.	2. Audience Participation; Subject Limit: 10 minutes; Time Limit: 3 minutes	
9:10 a.m.	3. Comments of Individual Commissioners	
9:15 a.m.	4. Executive Director’s Report (Shailen Bhatt)	
9:20 a.m.	5. Chief Engineer’s Report (Josh Laipply)	
9:25 a.m.	6. HPTE Director’s Report (David Spector)	
9:30 a.m.	7. FHWA Division Administrator Report (John Cater)	
9:35 a.m.	8. STAC Report (Vincent Rogalski)	
9:40 a.m.	9. Act on Consent Agenda	
	a) Resolution to Approve the Regular Meeting Minutes of May 19, 2016 (Herman Stockinger)	P. 66
	b) Repeal of Policy Directive 8.0 “Residence and Telephone Requirements” (Herman Stockinger)	P. 71
	c) Repeal of email, internet and web-site Policy Directives 26.0, 27.0, and 31.0(Herman Stockinger)	P.75
	d) SH 74 Parcel Exchange (Paul Jesaitis).....	P. 83
	e) SH 265 Abandonment (Paul Jesaitis)	P. 86
	f) SH 85 Exchange (Paul Jesaitis).....	P. 90
	g) CDC Memo (Andy Karsian).....	P. 94
9:45 a.m.	10. Discuss and Act on the 1st Budget Supplement of FY 2017 (Maria Sobota).....	P. 97

9:50 a.m. 11. Authorize Rule-Making Process by opening Transportation Commission Rules (Herman Stockinger) P. 107

9:55 a.m. 12. Discuss and Act on DBE FTA Goal (Greg Diehl) P. 119

10:00 a.m. 13. Other Matters
• US 6 Bridge Project Recognition
• PPSL Recognition

10:00 a.m. 14. Adjournment

.....
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

10:00 a.m. 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 June 16, 2016 (Herman Stockinger) P. 142

b) Acknowledgement and recognition of new Chair and Vice Chair P. 144

4. Discuss and Act on Resolution to acknowledge asset ownership of FASTER Funded Structures P. 145

5. Quarterly Progress and Financial Update..... P. 147

6. Adjournment

.....
10:15 a.m. Transit and Intermodal Committee Meeting (Mark Imhoff)..... P. 4

Transit and Intermodal Committee Meeting

**Meeting Agenda
Wednesday, July 20, 2016**

CDOT / Auditorium

**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**

**Nolan Schriener
District 9**

**Ed Peterson
District 2, Lakewood**

- **Introductions / Approval of April Minutes (Kathy Gilliland-5 min.)**
- **Transit Grants Quarterly Report - Information**
- **Bustang Quarterly Report (Mark Imhoff - 5 min.)**
- **Bustang Expansion/Rural Regional Bus Reconfiguration (Mark Imhoff – 15 min.)**
- **SB228 Transit Recommendations (Mark Imhoff – 15 min.)**
- **FAST Act Freight Provisions - Information**
- **Adjourn**

THE AGENDA MAY BE ALTERED AT THE CHAIR'S DISCRETION.



COLORADO
Department of Transportation
Division of Transit & Rail

4201 E. Arkansas Ave., Rm. 227
Denver, CO 80222

DATE: July 20, 2016
TO: Transit & Intermodal Committee
FROM: Mark Imhoff, Director - Division of Transit & Rail
SUBJECT: Transit Grants Quarterly Report

Purpose

The memo provides the Transit & Intermodal Committee a quarterly update on the Transit Grants Program.

Action

Review only. No action needed.

Background

Policy Directive 704 states that the T&I Committee shall receive a quarterly update on FASTER Transit grants. Because FASTER and FTA funds are managed together as a whole, and each individually is approximately half of the overall CDOT transit program, this report includes information about both revenue sources and grants.

Details

Policy Directive 704 states, that the T&I Committee shall review quarterly reports submitted by DTR which contain the expenditures and status of all FASTER funded projects and the reconciliation of FASTER funding. FTA Circular 5010.1D requires that CDOT, as a recipient of FTA funds, provide Federal Financial Reports (FFR's) and Milestone/Progress Reports (MPR's). This information is assembled by members of the Division of Transit & Rail (DTR), the Business Office within the Division of Accounting and Finance (DAF), and the Office of Financial Management & Budget (OFMB).

FASTER Update

FASTER revenues were allocated by state statute into "local" and "statewide" pools. In June 2014, a TC decision further sub-allocated "local" into two uses, and "statewide" into five uses. This was done to move FASTER transit funds towards better performance management, to respond to the increasing demand for vehicle replacements which are more routine decisions by age/mileage criteria, and to spend money on transit operations for the first time (Bustang and other Regional bus service). The seven total use categories are shown in Table 1.

The rest of Table 1 provides a status update on State Fiscal Year (SFY) 2014-2015; projects awarded two years ago (February 2014), for which budget was available to write contracts (July 1 2014), and which are now 24 months into project completion since then. As compared to three months ago, these projects have moved further along toward being fully expended.

Table 2 shows the update on SFY 2015-2016; projects awarded just over a year ago (February 2015), for which budget was available to write contracts (July 1, 2015), and which are now 12 months into project contracting (+2.6 Million contracted since last quarter) and starting on their way toward completion. Contracted but unexpended projects are typically vehicles which have 6-24 month pre-order timelines. In the case of Bustang, it is a combination of vehicle orders, and the contract "year" being different from the fiscal year.

Table 1: FASTER Funding Available SFY 2015: July 2014 - June 2015
Status Report as of June 30, 2016
(\$Millions, rounded)

FASTER Pool	Annual Budget	Prior Year Roll Fwd	Total Available	Contracts Unexpended	Contract Expended	Awarded But UnContracted	UnProg. Next Yr Roll Fwd
Local Pool	\$5.0	\$0.0	\$5.0	\$3.5	\$1.0	\$0.5	\$0
Small Agency Capital Expenses	N/A	\$0.0	N/A	N/A	N/A	N/A	N/A
Large Urban Capital Expenses (MMT, FT)	N/A	\$0.0	N/A	N/A	N/A	N/A	N/A
Subtotal Local Pool	\$5.0	\$0.0	\$5.0	\$3.5	\$1.0	\$0.5	\$0.0
Statewide Pool							
DTR Admin, Planning, Technical Assistance	\$1.0	\$0.3	\$1.3	\$0.0	\$0.6	\$0.0	\$0.7
Bustang Interregional Express Service	\$3.0	\$10.0	\$13.0	\$0.0	\$8.6	\$0.0	\$4.4
Regional Operating Assistance	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Large Urban Capital Expenses (RTD)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Statewide Competitive Capital Pool	\$6.0	\$0.0	\$6.0	\$1.2	\$1.7	\$3.1	\$0.0
Subtotal Statewide Pool	\$10.0	\$10.3	\$20.3	\$1.2	\$10.9	\$3.1	\$5.1
TOTAL	\$15.0	\$10.3	\$25.3	\$4.7	\$11.9	\$3.6	\$5.1

Table 2: FASTER Funding Available SFY 2016: July 2015 - June 2016
Status Report as of June 30, 2016
(\$Millions, rounded)

FASTER Pool	Available Overall	Prior Year Roll Fwd	Total Available	Contracts Un-expended	Contract Expended	Awarded But UnContracted	UnProg. Next Yr Roll Fwd
Local Pool							
Small Agency Capital Expenses	\$4.1	\$0.0	\$4.1	\$3.9	\$0.0	\$0.2	\$0.0
Large Urban Capital Expenses (MMT, FT)	\$0.9	\$0.0	\$0.9	\$0.0	\$0.0	\$0.9	\$0.0
Subtotal Local Pool	\$5.0	\$0.0	\$5.0	\$3.9	\$0.0	\$1.1	\$0.0
Statewide Pool							
DTR Admin, Planning, Technical Assistance	\$1.0	\$0.7	\$1.7	\$0.6	\$0.7	\$0.0	\$0.4
Bustang Interregional Express Service	\$3.0	\$4.4	\$7.4	\$4.1	\$2.5	\$0.0	\$0.8
Regional Operating Assistance	\$0.5	\$0.0	\$0.5	\$0.5	\$0.0	\$0.0	\$0.4
Large Urban Capital Expenses (RTD)	\$3.0	\$0.0	\$3.0	\$2.2	\$0.0	\$0.8	\$0.0
Statewide Competitive Capital Pool	\$2.5	\$0.2	\$2.7	\$1.0	\$0.7	\$0.8	\$0.0
Subtotal Statewide Pool	\$10.0	\$5.3	\$15.3	\$8.4	\$3.9	\$1.6	\$1.6
TOTAL	\$15.0	\$5.3	\$20.3	\$12.3	\$3.9	\$2.7	\$1.6

FTA Update

Table 3 shows the federal fiscal year (FFY) 2014-2015 allocation of FTA dollars available to Colorado to sub-award to transit agencies around the state, and to use for CDOT administrative purposes. In 2015, \$17.2 Million was available from FTA. Of the \$17.2 Million, CDOT has now obligated and sub-awarded to transit agencies \$15.4 Million of that (no change since last quarter), and has \$1.1 Million to administer the funds.

Table 4 shows the federal fiscal year (FFY) 2015-2016 allocation of FTA dollars available to Colorado to sub-award to transit agencies around the state. Table 4 also shows how roll-forward dollars from the prior fiscal year are being programmed to new capital projects just awarded in February/March 2016. Of the total \$18.3 Million, \$17.4 Million of the funds are obligated for calendar-year Administrative & Operating grants (+7.3 Million since last quarter). The newly-awarded capital projects have not yet been contracted, and therefore \$6.2 Million shows up in the "Awarded" column. Roll-forwards for next fiscal year are unknown at this point.

Table 3: FTA Funding Available FFY 2015 Program Pools: October 2014 - September 2015

Status Report as of June 31, 2016
(\$Millions, rounded)

FTA Program	Annual Budget	Prior Year Roll Fwd	Total Available	Contracts Un-Expended	Contracts Expended	Awarded But UnContracted	Available as CDOT Admin	UnProg. Next Yr Roll Fwd
5304 - State/Non-Urban Planning	\$0.4	N/A	\$0.4	\$0.1	\$0.0	\$0.3	\$0.0	\$0.0
5310 - Senior/Disabled Large UZA	\$1.6	N/A	\$1.6	\$0.8	\$0.7	\$0.0	\$0.1	\$0.0
5310 - Senior/Disabled Small UZA	\$1.0	N/A	\$1.0	\$0.4	\$0.5	\$0.0	\$0.1	\$0.0
5310 - Senior/Disabled Rural	\$0.6	N/A	\$0.6	\$0.2	\$0.1	\$0.0	\$0.1	\$0.2
5311 - Rural Transportation	\$11.0	N/A	\$11.0	\$3.1	\$6.9	\$0.2	\$0.8	\$0.0
5312 - Research & Technology	\$0.2	N/A	\$0.2	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0
5339 - Bus & Bus Facilities	\$2.4	N/A	\$2.4	\$1.0	\$0.0	\$0.7	\$0.0	\$0.7
TOTAL	\$17.2		\$17.2	\$5.8	\$8.2	\$1.2	\$1.1	\$0.9

Table 4: FTA Funding Available FFY 2016 Program Pools: October 2015 - September 2016

Status Report as of June 31, 2016
(\$Millions, rounded)

FTA Program	Annual Budget	Prior Year Roll Fwd	Total Available	Contracts Un-Expended	Contracts Expended	Awarded But UnContracted	Available as CDOT Admin	UnProg. Next Yr Roll Fwd
5304 - State/Non-Urban Planning	\$0.4	\$0.0	\$0.4	\$0.0	\$0.0	\$0.4	\$0.0	\$0.0
5310 - Senior/Disabled Large UZA	\$1.6	\$0.0	\$1.6	\$0.9	\$0.3	\$0.3	\$0.1	\$0.0
5310 - Senior/Disabled Small UZA	\$1.0	\$0.0	\$1.0	\$0.0	\$0.0	\$0.9	\$0.1	\$0.0
5310 - Senior/Disabled Rural	\$0.6	\$0.2	\$0.8	\$0.0	\$0.0	\$0.6	\$0.1	\$0.1
5311 - Rural Transportation	\$11.0	\$0.0	\$11.0	\$6.8	\$3.0	\$1.2	\$0.0	\$0.0
5312 - Research & Technology*	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
5339 - Bus & Bus Facilities	\$2.8	\$0.7	\$3.5	\$0.0	\$0.0	\$3.0	\$0.0	\$0.5
TOTAL	\$17.4	\$0.9	\$18.3	\$7.7	\$3.3	\$6.4	\$0.3	\$0.6

*Note: 5312 program is not a formula program, and therefore does not have consistent funding level from year to year.

Project Assistance / Lessons Learned

PD 704 asks DTR to more regularly identify projects that are experiencing significant changes to scope, schedule, or budget. Once identified, DTR staff then can apply more project management controls, offer more technical assistance, or it can serve as an advance notice to the T&I Committee that some projects may be subject to PD 703's rules regarding budget changes. Table 5 presents the highlights for relevant projects and agencies, some with positive outcomes (MMT and Greeley), and others of a more cautionary note (Trinidad and Winter Park Express).

Table 5: Projects Experiencing Significant Changes		
Project	Change being Experienced	Description / Response
Trinidad Multimodal Station - FASTER Funds 2011 - FASTER Funds 2013 - \$330,920 FASTER	The project is substantially delayed. Delays occurred because the property sale / acquisition did not close as expected. The project cannot be cancelled, because it is a required "mitigation" action to CDOT highway re-construction through Trinidad. Federal funding has been withdrawn.	Not all partners in the project were able to fulfill original commitments. Partner entities (Trinidad, Amtrak, and others) have requested six months, through September 2016, to make a final determination about a minimalist shelter versus something closer to the original project scope.
Mountain Metropolitan Transit (MMT) - Multiple years	CDOT and MMT completed a reconciliation of 30 projects dating back to 2010. This effort was parallel to a regular FTA certification (triennial) review.	MMT's records were found to be in good order. CDOT was able to complete internal "closure" of projects and make "old" money available for new projects. CDOT and MMT will be discussing new projects for the available FASTER money.
Downtown Greeley Transit Center - FASTER Funds 2015 - \$1,509,920	As has been the case for highway projects, this project has experienced cost escalation as it transitioned from design to bid-for-construction.	CDOT has engaged program oversight consultant AECOM to do a review of the prior bid package and cost estimates. AECOM found the cost escalation to be consistent with market trends. In May, the Commission approved a \$1.3 M budget supplement to support project completion.
Winter Park Express - SB 228 Funds 2016 - \$1.5 Million	This project was approved for funding in April 2016 on a very tight schedule. Based on delays in the engineering design, and complications among multiple entities involved in this project (Amtrak, Union Pacific, FRA), this project is approximately one month behind schedule.	CDOT and Winter Park Resorts are closely managing the schedule. Current estimates put the start of construction around the beginning of August, which narrowly allows completion this fall prior to snow stalling construction efforts.

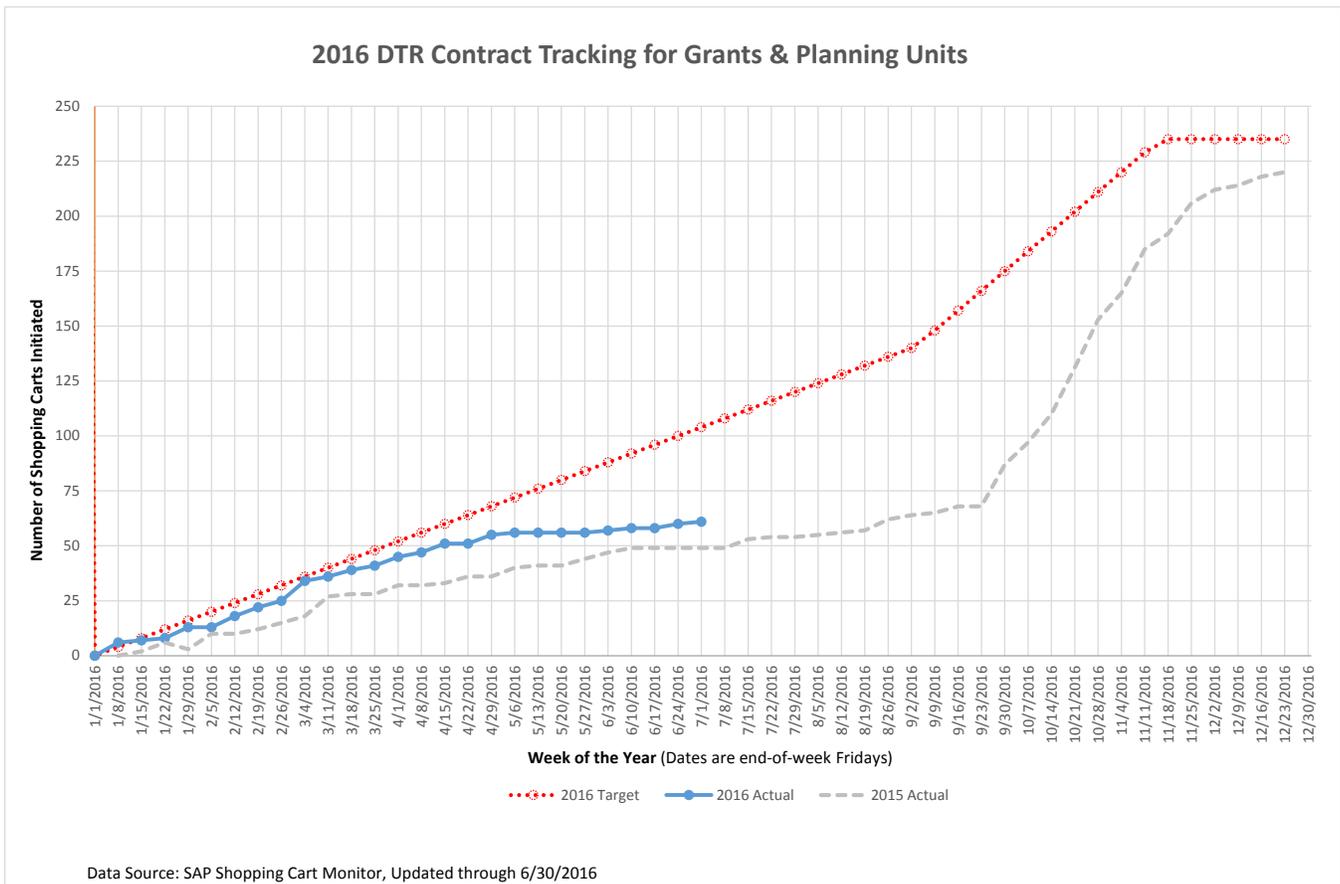
Continuing Grants Improvement in 2016

For several years, the Division of Transit & Rail, the Business Office (DAF), OFMB, and the Office of Procurement have been working to improve several areas of the management of all transit grants, affecting both FASTER and FTA revenues. A LEAN process was undertaken several years ago to streamline some steps. In other areas, controls have been tightened or changed to improve the capability of CDOT to complete contracts in a timely manner, to pay invoices in a timely manner, and to prevent instances of spending occurring outside a contract (i.e. before it's signed, or after it expired). Table 6 below summarizes the year-over-year progress.

Figure 1 provides graphic representation of the timely contracts goal. The top line is the target trend line. The middle line is 2016 progress from January 1 through June 30, 2016. The 2016 progress stands at 61 of 235 contracts delivered so far, and is eleven contracts or agreements ahead of last year's line (bottom line). DTR has taken steps in pre-contracting work with scope-writing that also have positioned the delivery of future contracts to stay well ahead of last year's effort, and to get performance to targeted levels.

Table 6: Summary of Grants Improvement in 2016	
Goal Area	Results
Timely Contracts	Normal Year: 150 to 175 Grant Agreements & Contracts (excluding Bustang) 2015 Goal: 210 Contracts by Thanksgiving. Met goal. Finished with 228 for the year. 2016 Goal: 235 Contracts <u>and</u> complete most (~200) a month earlier by mid-October.
Timely Payments (Average Days)	45 days to payment, average for FY Jul 1 2013 - Jun 30 2014 35 days to payment, average for FY July 1 2014 - Jun 30 2015 30 days to payment target for FY July 2015 - Jun 2016 Fiscal year to date: 28 days to payment through March 31 st .
No Statutory Violations	12 Statutory Violations occurred in 2014 2 Statutory Violation in 2015 2 Statutory Violations to-date in calendar 2016

Figure 1: Timely Contracts Tracking, Goal vs. Actual for Calendar Year 2016



The following are additional guidance & reference documents DTR is finalizing in 2016 to further the overall management of the program, in compliance with State Legislature and FTA triennial State Management Review expectations, and for transparency of the process:

- State Management Plan
 - Policies for Management of FTA & FASTER Funds
 - Released Draft January 2016, comment period closed February 2016, Draft Submitted to FTA in March 2016, FTA provided comments in April 2016. Allowed additional time through May 20th, 2016 for Grant Partner Manual review.
 - CDOT submitted final Draft June 17, 2016. Awaiting FTA final review and comments or approval.
- Grant Partner Manual
 - Instructions & Guidance for Grant Partners / Grant Recipients
 - Released Draft early April 2016, comment originally set to close April 29th, extended to May 20th
 - Currently responding to comments and preparing the final document

- Standard Operating Protocols
 - Instructions & Guidance for CDOT Staff
 - Went “live” in April 2016 for staff use
 - Additional protocols being added on an on-going basis

Next Steps

The next quarterly report will be available at the October 2016 meeting.

Attachments

None



COLORADO
Department of Transportation

Division of Transit & Rail

4201 E. Arkansas Ave., Rm. 227
 Denver, CO 80222

DATE: July 20, 2016
TO: Transit & Intermodal Committee
FROM: Mark Imhoff, Director - Division of Transit & Rail
SUBJECT: Bustang Quarterly Update

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 April 2016 through June 2016 as well as the 2016 fiscal year end.

Details for FY2015/16 4th Quarter & Year Total

Fiscal Year 2015-16 Bustang Operations Data								
<i>Bustang System</i>								
	Q1:Jul-Sep 2015	Q2:Oct-Dec 2015	Q3:Jan-Mar 2016	Q4:Apr-Jun 2016	Total FY2015-16	16-Apr	16-May	16-Jun
<i>Revenue riders</i>	18,497	25,035	29,363	29,682	102,577	9,707	9,596	10,379
<i>Revenue</i>	\$ 172,660	\$ 258,905	\$ 291,392	\$ 291,824	\$ 1,014,781	\$ 94,101	\$ 97,344	\$ 100,379
<i>Cumulative Avg. Fare</i>	\$ 9.82	\$ 8.58	\$10.24	\$ 9.83	\$ 9.89	\$ 9.80	\$ 10.21	\$ 9.65
<i>Load Factor</i>	23%	26%	31%	31%	28%	31%	31%	32%
<i>Farebox Recovery Ratio</i>	28%	38%	42%	41%	38%	42%	42%	41%
<i>South Route</i>								
<i>Revenue riders</i>	7,636	9,822	10,934	12,012	40,404	3,812	3,806	4,394
<i>Revenue</i>	\$ 63,897	\$ 92,182	\$ 102,777	\$ 106,571	\$ 365,427	\$ 34,123	\$ 31,959	\$ 40,489
<i>Cumulative Avg. Fare</i>	\$ 8.87	\$ 9.54	\$ 9.54	\$ 8.87	\$ 9.04	\$ 9.06	\$ 8.79	\$ 9.21
<i>Load Factor</i>	19%	21%	24%	26%	23%	25%	25%	28%
<i>Farebox Recovery Ratio</i>	21%	28%	32%	32%	29%	32%	30%	35%
<i>North Route</i>								
<i>Revenue riders</i>	8,036	10,612	11,549	12,762	42,959	4,193	4,184	4,385
<i>Revenue</i>	\$ 68,909	\$ 90,661	\$ 88,244	\$ 101,284	\$ 349,098	\$ 35,058	\$ 35,058	\$ 31,168
<i>Cumulative Avg. Fare</i>	\$ 8.55	\$ 8.58	\$ 7.84	\$ 7.94	\$ 8.13	\$ 7.75	\$ 8.49	\$ 7.11
<i>Load Factor</i>	23%	26%	29%	33%	28%	33%	33%	33%
<i>Farebox Recovery Ratio</i>	32%	38%	39%	42%	38%	46%	46%	38%
<i>West Route</i>								
<i>Revenue riders</i>	2,825	4,601	6,880	4,908	19,214	1,702	1,606	1,600
<i>Revenue</i>	\$ 43,470	\$ 79,089	\$ 100,371	\$ 85,084	\$ 308,014	\$ 27,998	\$ 28,939	\$ 28,147
<i>Cumulative Avg. Fare</i>	\$ 16.49	\$ 17.99	\$ 15.23	\$ 17.34	\$ 16.03	\$ 16.89	\$ 19.16	\$ 17.59
<i>Load Factor</i>	48%	56%	73%	54%	58%	58%	51%	52%
<i>Farebox Recovery Ratio</i>	41%	65%	70%	61%	59%	64%	60%	59%

*Farebox Recovery for Q4:Apr-Jun2016, Total FY2015-16, and 16-Jun are estimates based on estimated expenses provided by contractor

Attachment A - Bustang operational measure graphs.

First year (FY2015/16) results versus forecasts -

- | | | |
|--------------------|----------------------|----------------------|
| • System Ridership | (forecast) 87,376 | (actual) 102,577 |
| • System Revenue | (forecast) \$647,817 | (actual) \$1,014,781 |
| • Farebox Recovery | (forecast) 30% | (actual) 38% |

First year anniversary celebration - A small celebration was held on July 13, the one year anniversary. Thank You banners were placed at the Harmony Road Park & Ride (North Route), the Tejon Park & Ride (South Route), and 27th Street Station (West Route). In addition, a banner and staff welcomed morning inbound passengers at Denver Union Station (DUS) with thank yous, coffee and snacks.

Quarterly Safety/Collisions - Ace Express noted five (5) preventable collisions and two (2) non-preventable collisions. All were minor collisions, none resulting in significant property damage nor injury. For fiscal 2016 there were 31 collisions of which 17 were rated preventable for a cumulative accident frequency rate for FY2015/16 of 2.6 collisions per 100,000 miles. This rate is high, unacceptable and must be reduced. Ace was put on notice in April and responded with an action plan of "refresher training" for all drivers. That training was administered, however the results have not improved. The high accident frequency rate was discussed with Ace Express Executive Management. They have hired an experienced Corporate VP of Safety and Security, and he is tasked with correction to this problem. He has been in Denver multiple days, is assessing and evaluating the situation, and will have a revised action plan to us by the end of the month. The Bustang management team is monitoring daily.

All "preventable" collisions were with fixed objects except one which was a moving vehicle collision. Preventable accidents:

- 4/25 - bus 38007 - bus made contact with sign at 18th & California in Denver.
- 4/25 - bus 38000 - bus made contact with a moving vehicle at 20th & Wazee in Denver
- 5/9 - bus 38008 - bus bike rack made contact with pillar pulling into bus dock at Denver Bus Center.
- 5/23 - bus 38003 - backing accident
- 6/16 - bus 38003 - Struck a construction object at 20th & Chestnut in Denver.

Quarterly Other Incidents/Issues -

- Snow storm on April 15 caused cessation of West Route service the evening of April 15 through April 16. Three runs were cancelled.
- Ace Express notified us of a suspicious passenger boarding at Tejon P & R, talking on his cell phone divulging ridership information and trying to avoid security cameras. CIAC was notified and Colorado Springs Police immediately followed up. The passenger was detained the following week but no information was given for follow up.

Quarterly On-Time Performance -Departures:

- System - 99.5%
- West Line - 100.0%
- North Line - 99.6%
- South Line -99.0%

RamsRoute -The CSU Spring semester ended with last trip to DUS May 13, 2016.

- 1,448 passengers handled on 60 days of service- average of 24.1 per trip for 2015-16 school year.
- \$33,458 in total Revenue
- 40% fare box recovery for the school year
- Collaboration began with CSU Parking and Transportation Services to plan enhancements for 2016-17 school year including special discounted multi-ride tickets for incoming freshmen parents.

Ticket Sales/Fareboxes Issues - All farebox issues have been resolved, with one exception. A problem still exists with the "bad listing" of the QR codes on printed tickets. The e-commerce vendor's engineers are continuing to

work on the solution. They promise a fix by the end of July, then testing and confirmation of the software implementation by late August.

Schedule Changes - Effective May 22 all North Line southbound departures originate at the Fort Collins Downtown Transit Center. North Line ridership has increased an average of 10 passengers per day. While ridership continues to grow on the North and South routes, demand on the South Route is showing marked improvement. The next service modifications will occur on August 21, and be comprised of schedule departure/arrival times consistent with actual experience.

Social Media Update:

- Web Page hits for April averaged 873 hits per day, May 860 hits/day, June 954 hits /day.
- Facebook Likes grew from 1060 likes in April to 1156 in June; Facebook received 31 surveys rating Bustang 4.4 stars out of 5.
- Twitter followers grew from 402 in April to 423 in June.
- Facebook "reach" for each post 101 in April, 122 in May, 77 in June (Facebook changed their delivery to newsfeeds).

Public Comment

- Many requests for a Arapahoe Rd. or other south Metro Denver stop from prospective El Paso County customers.
- Direct service to DIA.
- Day recreation trips to the I-70 mountain corridor resorts.
- Service to Grand Junction.
- Weekend service on North and South lines.

MCI Coach Purchase

- The three new Bustang coaches have been delivered and are in service prep. They will be ready for deployment in September. The deployment strategy is described in the Bustang Expansion/Rural Regional Reconfiguration memo, also in your packet.

Next Steps

August 21, 2016

- Next Schedule change - Minor time changes only.

RTD/INIT Intelligent Transportation System Integration:

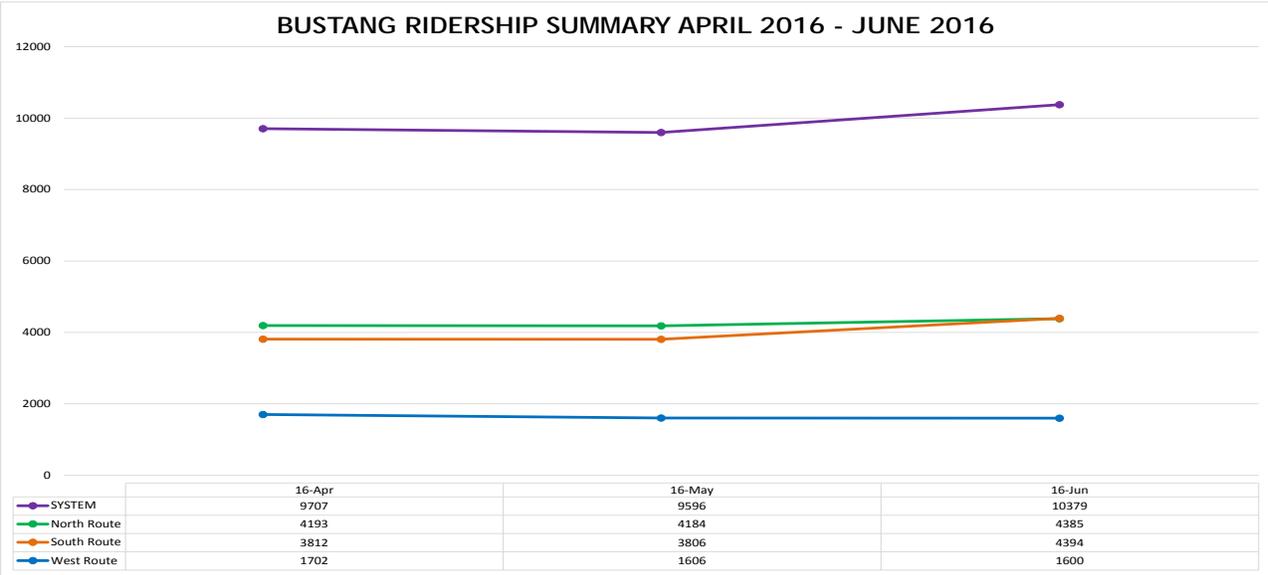
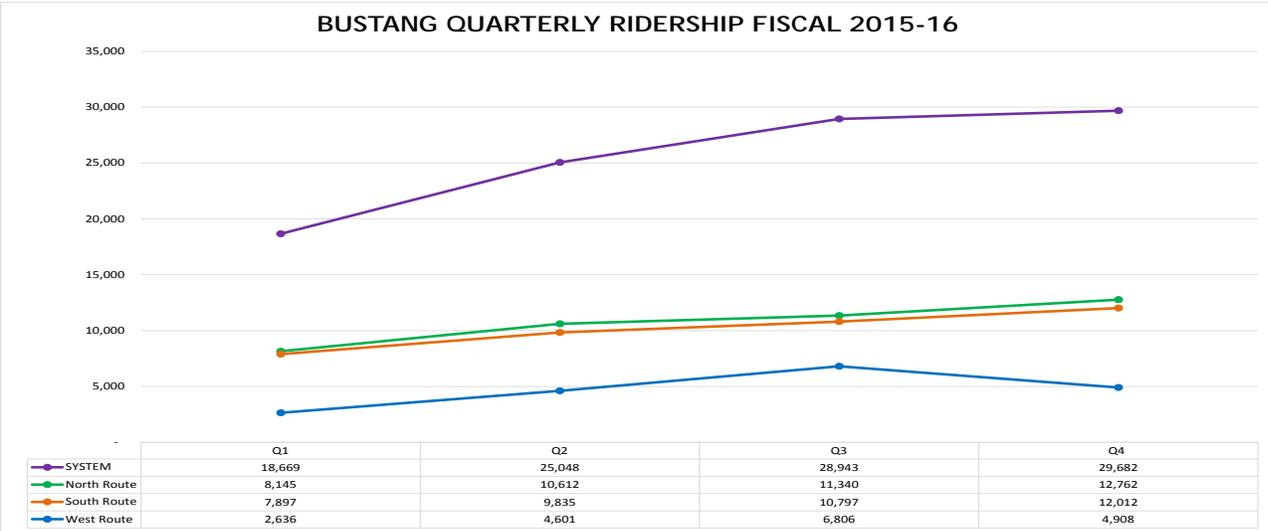
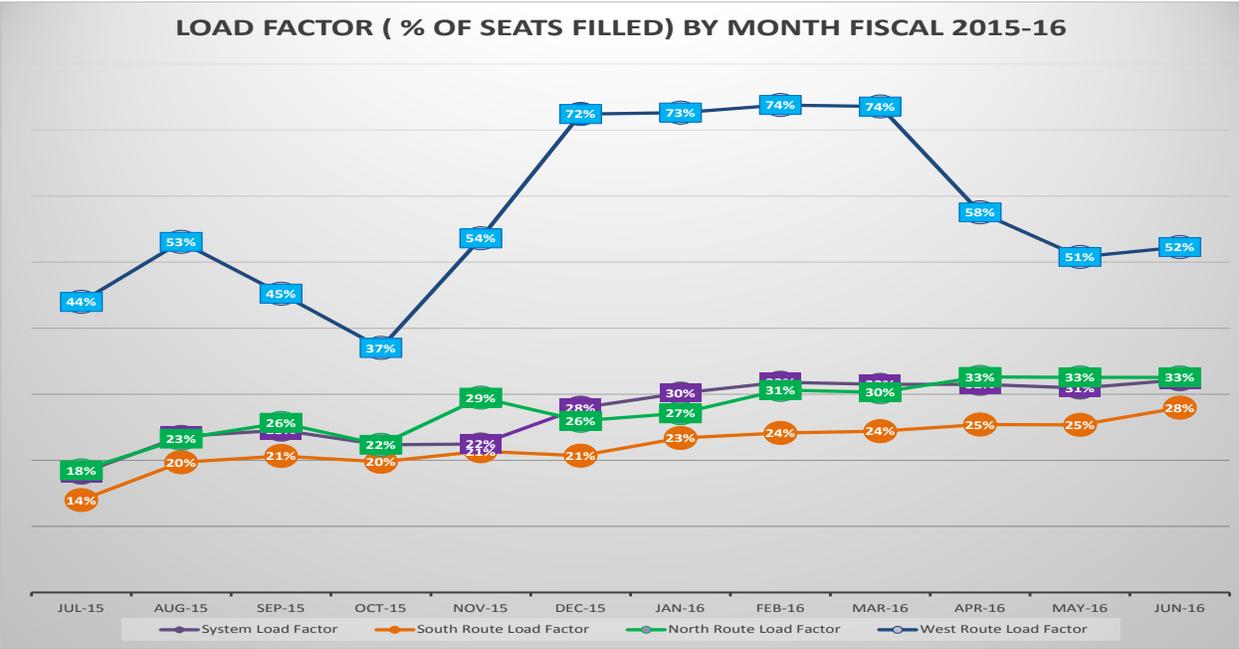
- Final Scope of Work ready to submit to INIT for review and quotation.
- Draft Service Level Agreement with INIT, RTD and Ace Express is going through review.

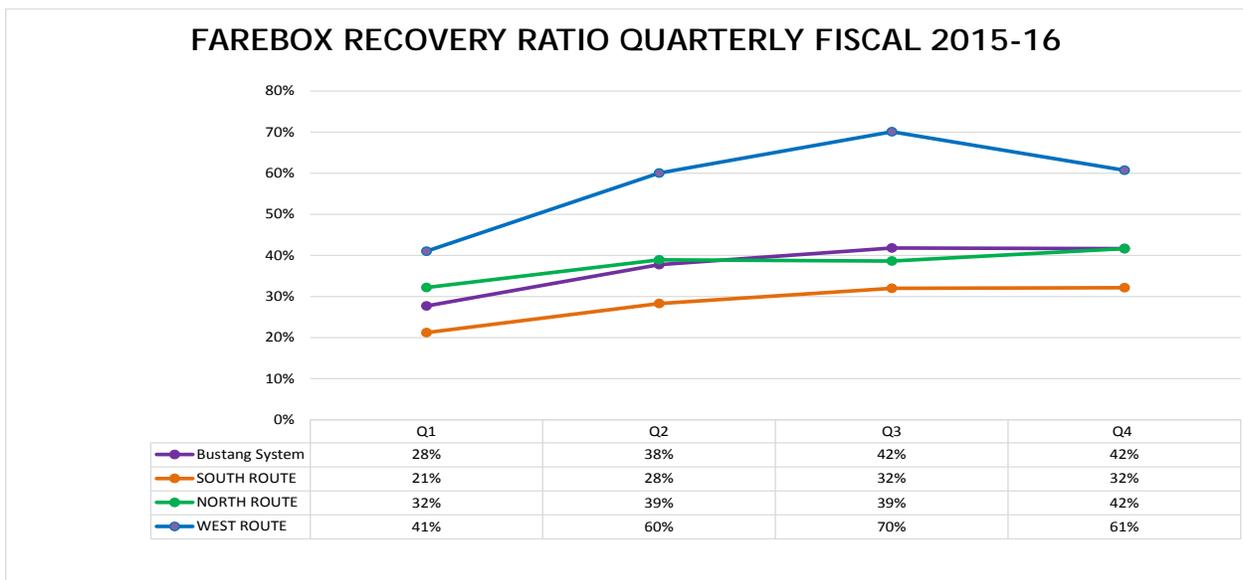
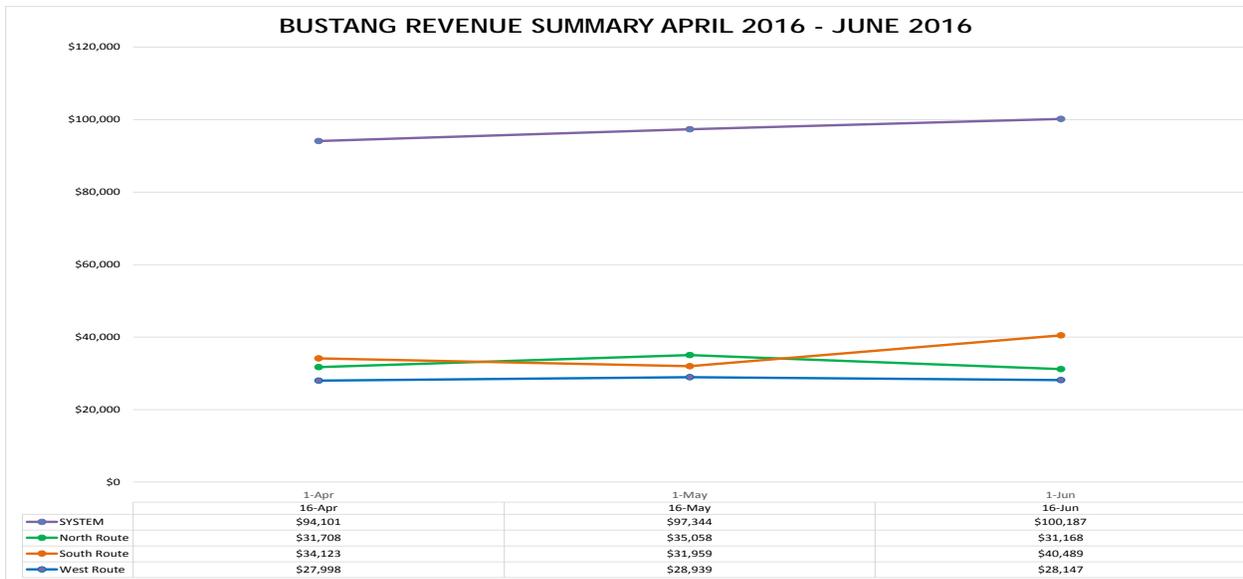
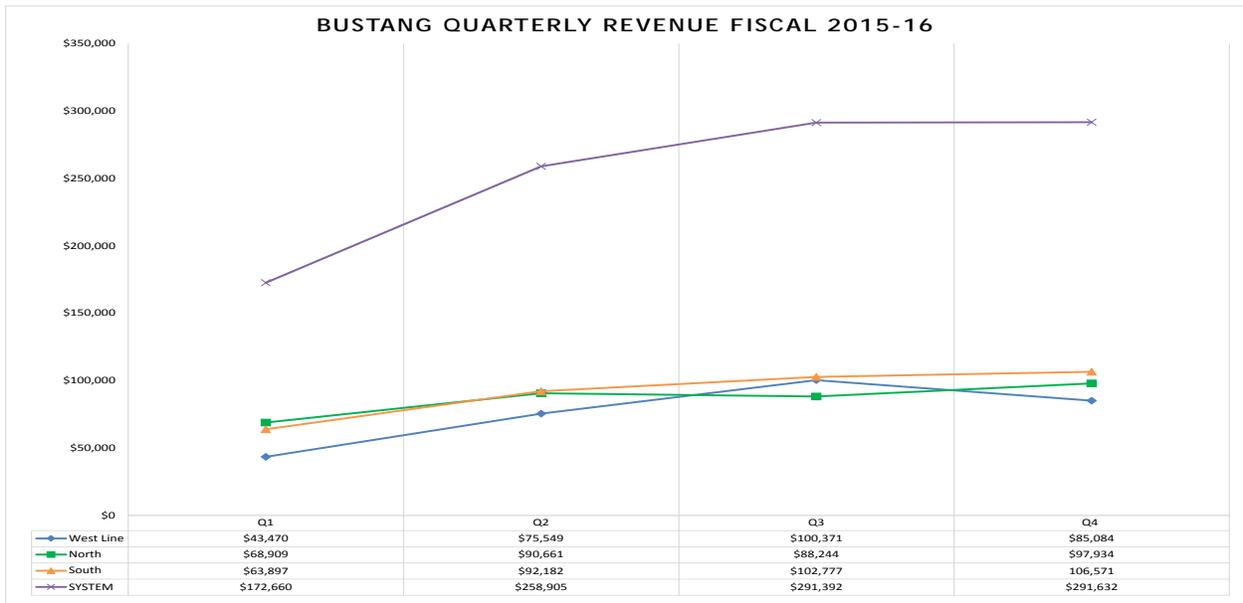
RamsRoute

- Launch new 10 ride RamsRoute Pass for 2016-17.

Attachments

Attachment A - Bustang operational measure graphs.







COLORADO

Department of Transportation

Division of Transit & Rail

4201 E. Arkansas Ave., Rm. 227
Denver, CO 80222

DATE: July 20, 2016

TO: Transit & Intermodal Committee

FROM: Mark Imhoff, Director, Division of Transit & Rail

SUBJECT: Bustang Expansion/Rural Regional Bus Restructuring Plan

Purpose

To present the Transit & Intermodal Committee with the FY2016/17 and FY 2017/18 plans for Bustang expansion and Rural Regional Bus reconfiguration. A more comprehensive white paper can be found at <https://www.codot.gov/about/transportation-commission/documents/2016-archive-of-supporting-documents/july-2016>

Action

Input is sought from the T&I Committee.

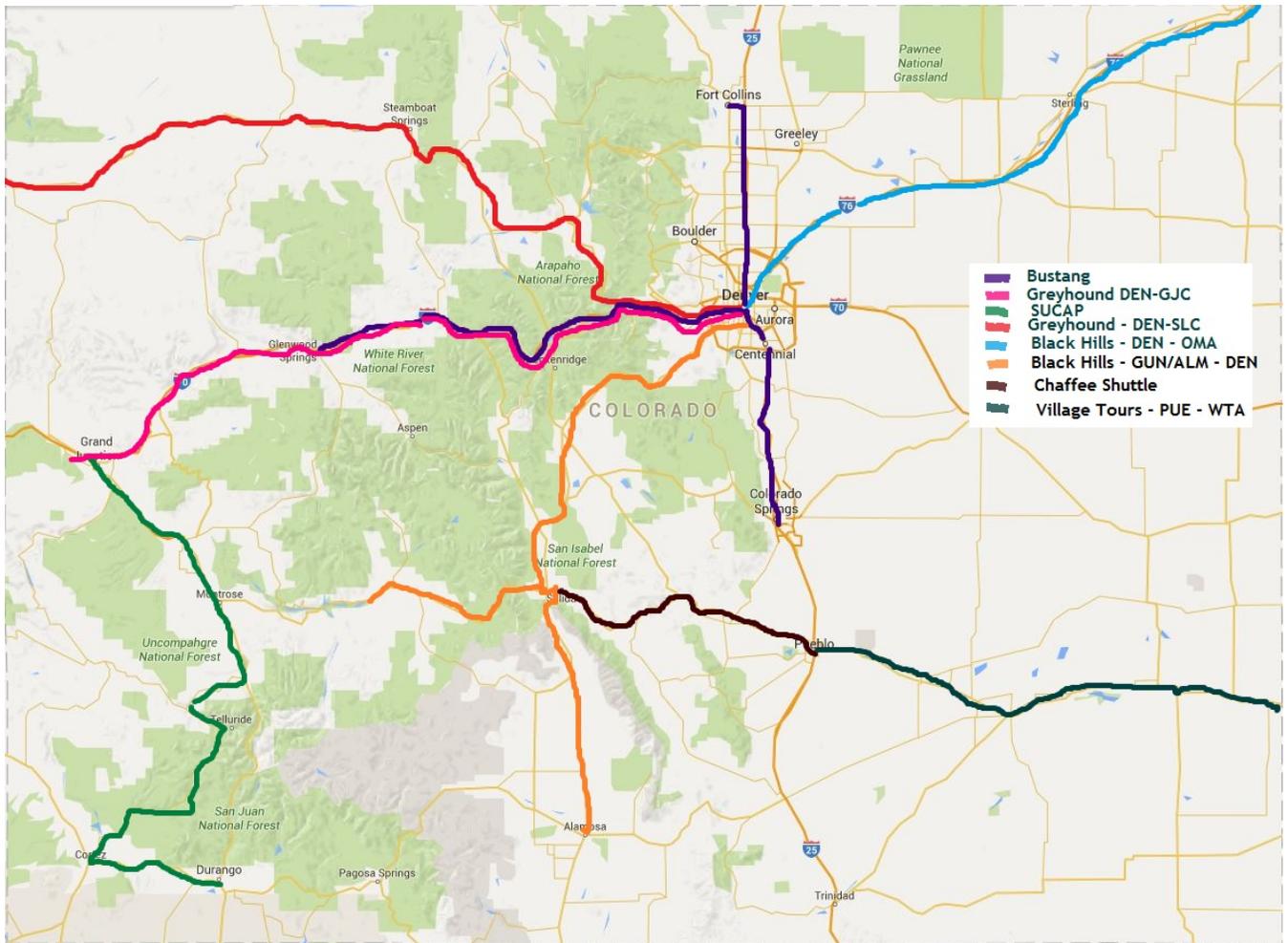
Background

The Transit & Intermodal Committee was briefed on the Statewide Rural Regional Bus Network plan at the October 2015 meeting; and the full TC in November. With no objections, the Commission agreed with a stakeholder outreach program for the winter, and the subsequent development of a Rural Regional restructuring plan.

CDOT manages limited federal funds which are available for rural regional bus connections, and the first task was to evaluate the current service and expenditures, and determine if improvements could be made to better serve the rural communities and maximize productivity. 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 some passenger rail services provided by Amtrak. The Office of Policy and Government Affairs has estimated that the new FAST Act will grow the Colorado 5311(f) apportionment to \$1.8M in calendar 2018.

CDOT, utilizing the annual 5311(f) funds, currently allows public and private providers to apply by route for subsidies/funding to operate rural connection routes, shown in Figure 1. 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 Intercity and Regional Bus Network Study (2014) and the Statewide Transit Plan (2015) identified the rural regional needs and began to develop a framework for a statewide rural regional system. After close evaluation of the current 5311(f) routes and stakeholder outreach, a reconfiguration of the current 5311(f) network routes has been developed. A reconfiguration will better serve the rural communities, increase productivity, and remain financially constrained. The reconfiguration will utilize SB 228 funds to provide the capital needs, i.e. buses and Park & Rides. Smaller buses, sized to rural demand levels, will be procured and utilized for the rural regional routes. The plan optimizes the usage of limited operating funds by leveraging other available sources of capital funding.

Figure 1: Existing Intercity & Regional Services Using 5311(f) Funds



Details

The Rural Regional concept has had significant stakeholder outreach:

- All local transit entities through the March Transit Town Hall meetings (four around the state).
- Presentations to all 10 rural TPRs and 5 urban MPOs during April, May and June.
- STAC updates throughout the winter and spring, and a full presentation at the June meeting.
- A TRAC sub-committee has been involved over the past year in the development of the Rural Regional plan.

The input received has generally been very supportive. Two TPRs voiced the opinion that the funds could be better spent on rural roads. Many wanted the plan to include additional routes beyond the financial constraints placed on the system.

Although utilizing different funding sources, it is important to jointly view the statewide transit network concurrently; Bustang expansion (FASTER Statewide Bustang funds) and Rural Regional reconfiguration (5311(f) and SB228 funds). The plan is broken into two phases:

- Phase 1, FY2016/17. Deploy three new Bustang coaches and begin the reconfiguration of the current 5311(f) routes into a branded integrated service network. Phase 1 is depicted below in Table P1 and Figure P1.
- Phase 2, FY2017/18. Package the remainder of the current 5311(f) routes into a service package to be competitively procured and awarded to a private contract operator (similar to Bustang), with operation to begin in 2018. Phase 2 is depicted below in Table P2 and Figure P2.

It is important to stress that Phases 1 and 2 are reconfiguring the existing 5311(f) rural regional network, and redefining the delivery methods, all with current available funding. They are NOT adding routes to the current system. While Phases 1 and 2 are being implemented, a Phase 3 will be further developed. Phase 3 will consist of partnerships with local transit entities to operate and expand the rural regional branded network. Phase 3 will utilize any residual 5311(f) funds (limited amounts, if any), the remaining unused FASTER Statewide Operating funds (\$450K of the \$1M/year allocation), and SB228 for bus purchases.

Next Steps

- Deploy three new Bustang coaches.
- Seek approval from the Transportation Commission for the SB228 transit projects - August 2016.
- Begin procurement of six Rural Regional branded coaches (assuming TC approval of SB228 projects) - Fall 2016.
- Prepare for and procure the contract operator for the Phase 2 Rural Regional routes - Fall 2016 through Summer 2017.
- Continue stakeholder outreach and begin process to define Phase 3 Rural Regional partnerships with local providers - 2016/2017.

**Table P1
Phase 1 - FY2016/17**

Action	Description	Funding Source
Deploy 3 new Bustang coaches	1) Bustang; West Route, Denver - Vail 2) SUCAP loan; Durango – Grand Junction 3) 5311(f); Denver – Grand Junction	Bustang
Procure price agreement for new smaller Rural Regional buses	<ul style="list-style-type: none"> Phase 1 - 6 buses; deployed in 2018 Phase 2; up to 10 additional buses, as needed. 	SB228
Brand the Rural Regional system	Unique statewide system.	NA
Eliminate Denver – Omaha route (I-76)	Black Hills Stage Lines; becoming profitable.	5311(f) savings
Continue subsidy for Denver – Salt Lake City (US40)	Greyhound	5311(f)

Figure P1: FY 2016/17

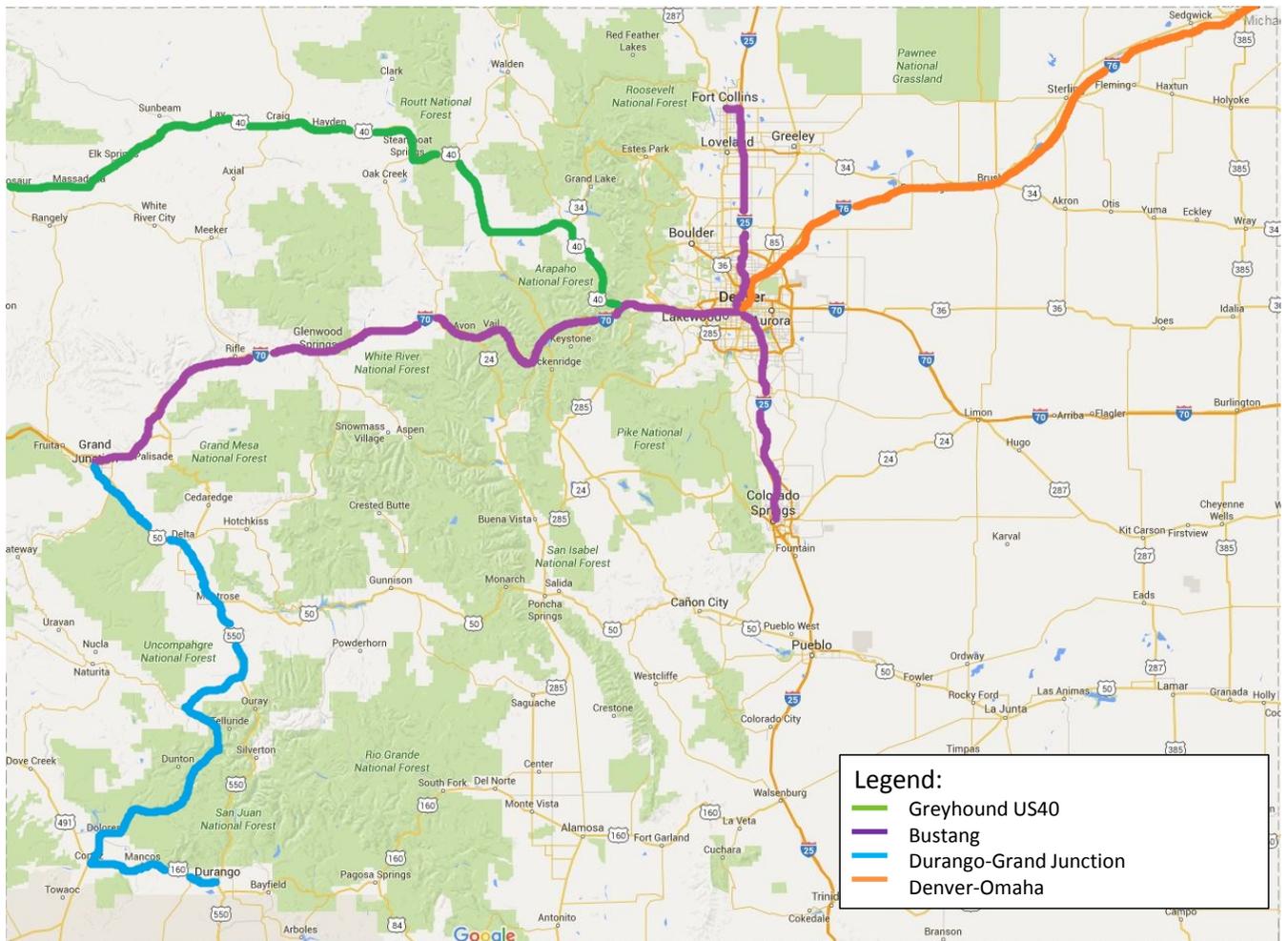
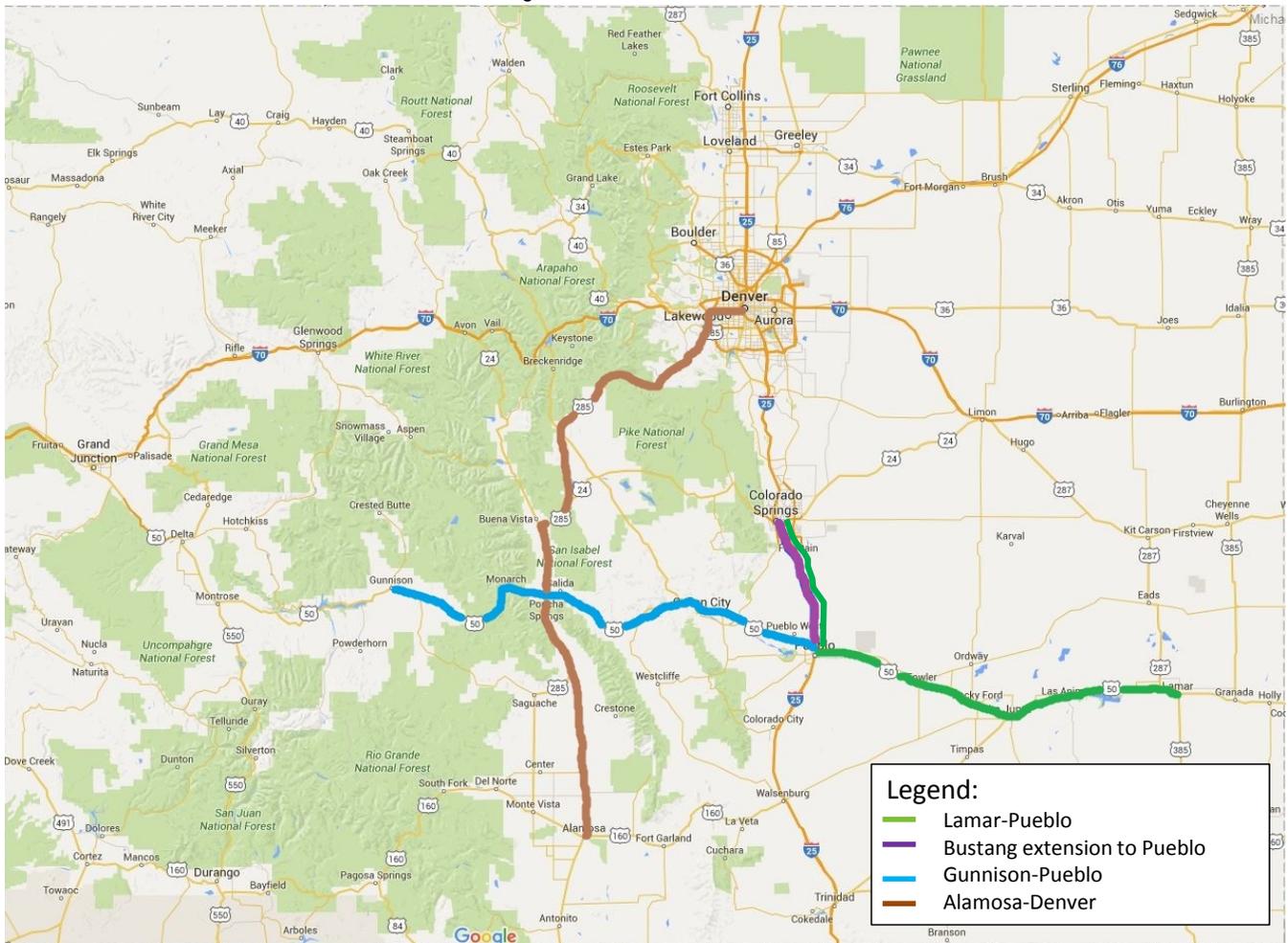


Table P2
Phase 2 - FY 2017/18

Action	Description	Funding Source
Exchange 2 Rural Regional buses upon delivery	SUCAP; Durango – Grand Junction	SB228; P1
Add new North Route weekday roundtrip	Bustang; Ft Collins - Denver	Bustang
Extend South Route weekday roundtrip	Bustang; Pueblo – Colorado Springs	Bustang
Procure Rural Regional contract operator. <ul style="list-style-type: none"> ○ Utilize 4 Rural Regional buses 	1) Lamar – Pueblo – Colorado Springs; 1 roundtrip/weekday 2) Gunnison – Pueblo; 1 roundtrip/day 3) Alamosa – Denver; 1 roundtrip/day	5311(f)

Figure P2: FY 2017/18





COLORADO
Department of Transportation
Division of Transit & Rail

4201 E. Arkansas Ave., Rm. 227
Denver, CO 80222

DATE: July 20, 2016
TO: Transit & Intermodal Committee
FROM: Mark Imhoff, Director - Division of Transit & Rail
SUBJECT: SB228 Transit Recommendations

Purpose

The purpose of this memo is to provide the Transit & Intermodal Committee with recommendations for the use of Senate Bill 228 transit funding. A more comprehensive white paper detailing the SB228 recommendations can be found at <https://www.codot.gov/about/transportation-commission/documents/2016-archive-of-supporting-documents/july-2016>

Action

Approval is sought from the T&I Committee to forward to the full Transportation Commission for action in August for the FY2016/17 SB228 transit funds, and the plan for FY2017/18 funds.

Background

In February 2015 the TC adopted PD 14 to guide future allocation of resources and investment decisions. Under "System Performance", the transit objectives are to increase rural transit ridership (Transit Utilization), and to maintain or increase the miles of regional and interregional service (Transit Connectivity). Bustang is CDOT's first attempt to provide interregional connectivity by connecting the six largest transit agencies over nearly 300 miles in the I-25 and I-70 corridors.

The Statewide Transit Plan was adopted by the TC a year ago, 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 CDOT with working to improve the percentage of Colorado's rural population served by public transit.

Senate Bill 228 (SB 228) provides approximately \$200M in new revenue for CDOT in FY 2016, and forecasts an additional \$150M in expected new revenues in FY 2017; with at least 10% (approximately \$35M) dedicated to transit. The SB 228 program must be used for TC approved strategic projects with statewide or regional significance.

Details

Table 1 identifies the recommended transit projects to utilize the SB228 funding. Transit has been allocated approximately \$20M from FY2015/16; these funds are available for use now. Forecasts indicate an additional \$15M for FY2016/17; available at the end of the fiscal year. The projects identified in Table 1 are listed in priority order, with associated conceptual cost estimates. The projects would be developed/implemented in series, such that construction or manufacture bids would be in place before committing to the next projects in the series. If bids are less than the conceptual estimates, more projects can be undertaken; if bids are more than the conceptual bids, fewer projects can be undertaken. Any projects not completed within the \$35M allocation for transit will be included in the 10 Year Development Plan.

The first section of Table 1 contains the projects to be undertaken in FY2016/17; \$20M. The second section contains projects to be undertaken in FY2017/18. The final section identifies the projects that would be undertaken if any funding remains, or if the forecast for FY2016/17 is increased.

Table 1: Recommended Transit Projects for SB 228 Funding

Cost	Project Description
Phase 1: State Fiscal Year 2016-2017	
\$2.0 M	Program & Construction Management of all the Phase 1 Projects below
\$1.5 M	Winter Park Express Platform (approved Apr. 2016)
\$2.5 M	Six branded over-the-Road Coaches, 30-35 foot
\$5.0 M	I-25 Managed Lanes Project: Kendall Parkway replacement / expansion of existing Loveland park-and-ride at US 34 / I-25
\$3.0 M	Woodmen Road park-and-ride replacement / expansion in Colorado Springs
\$1.5 M	Lawson / Telluride / San Miguel County park-and-ride
\$2.5 M	Frisco Transit Center Expansion
\$2.0 M	Rifle Park & Ride Relocation
<i>\$20.0 M</i>	<i>Phase 1 Subtotal</i>
Phase 2: State Fiscal Year 2017-2018	
\$1.5 M	Program & Construction Management of all the Phase 2 Projects Below
\$4.0 M	Up to ten (10) Branded over-the-road Coaches for the Rural Regional System
\$10.0 M	Outer Loop Park & Rides <ul style="list-style-type: none"> • Idaho Springs / Clear Creek County • Castle Rock / Douglas County • Frederick, Firestone, Dacono, Erie, Longmont / Weld County • Potential Denver Tech Center Stop
<i>\$15.5 M</i>	<i>Phase 2 Subtotal</i>
<i>\$35.5 M</i>	<i>Phases 1 + 2 Subtotal</i>
Phase 3: State Fiscal Year 2017-2018 and Beyond if Funds Available	
\$4.0 M	Pueblo park & ride for Bustang service extension
\$2.0 M	Brush Creek Park & Ride Expansion
\$3.0 M	Glenwood Springs Maintenance Facility to include Bustang, USFS Shuttle, RFTA
\$2.5 M	Harmony Road park-and-ride expansion
\$2.0 M	Tejon park-and-ride expansion
\$4.0 M	Monument park-and-ride access improvements, saving Bustang 10 minutes per trip, each direction
<i>\$17.5 M</i>	<i>Phase 3 Subtotal</i>
<i>\$53.0 M</i>	<i>Phase 1 + 2 + 3 Subtotal</i>

Benefits

Because transit operating funds are currently the most limited resource, and because SB 228 funds are not a continuing funding source, use of SB 228 funds on capital projects is recommended. The use of SB 228 funds for capital projects provides supporting infrastructure to maximize the efficiency and effectiveness of the limited operating dollars.

Options

- Approve the above SB228 program of projects, and recommend the full Commission to approve at the August TC meeting. This is the staff recommended action.
- Approve a sub-set of the above SB228 program of projects, such Phase I for approval. This would give the Commission the opportunity to seek further clarification on Phase 2 or Phase 3 projects before making a commitment.
- Reject selected projects, and approve the remainder of the program of projects. This is not recommended as it could dilute the effort to create an integrated statewide system.
- Reject the above SB228 program of projects. This is not recommended as it would not be responsive to the transit stakeholders around the state, and would not advance CDOT in providing a statewide integrated system.

Next Steps

- Begin procurement of Rural Regional branded coaches, including authorization to purchase six now, with a contractual option for up to 10 additional.
- Engage AECOM through a task order to generate a Park & Ride development and implementation schedule.
- Coordinate Park & Ride development and implementation with the respective Regions.
- Continue coordination and negotiations with the Outer Loop Park & Ride communities, and the potential for a Denver Tech Center stop.



COLORADO
Department of Transportation

Division of Transportation Development
Multimodal Planning Branch
4201 E. Arkansas Ave, Shumate Bldg.
Denver, CO 80222

DATE: July 20, 2016
TO: Transit & Intermodal Committee
FROM: Debra Perkins-Smith, Director, Division of Transportation Development
SUBJECT: FAST Act Freight Provisions

Purpose

To provide an update on efforts to address FAST Act provisions for the National Highway Freight Network (NHFN), National Multimodal Freight Network (NMFN), and National Highway Freight Program (NHFP).

Action

Informational item. TC input requested in August and subsequent months.

Background

The FAST Act established the National Highway Freight Network (NHFN) to “strategically direct Federal resources and policies toward improved performance of highway portions of the U.S. freight transportation system.” The NHFN is an element of the National Multimodal Freight Network (NMFN), which includes other freight facilities including rail systems, ports, waterways, and airports. Portions of the NHFN have already been designated by USDOT (see Attachment A). In Colorado this is primarily the interstates. States and MPOs are responsible for designating two subsets of the NHFN- Critical Rural Freight Corridors and Critical Urban Freight Corridors, within mileage limits and criteria established by USDOT. The NHFN is related to another creation of the FAST Act, the National Highway Freight Program (NHFP). The NHFP (formula freight program) provides formula funds to the States to improve the efficient movement of freight on the NHFN. In order for a project to be eligible for funding under the NHFP, a project must be located on the NHFN, or be a freight intermodal or freight rail project. The formula freight program will provide approximately \$15 million per year to Colorado over the five years of the FAST Act.

Details

Staff is conducting analysis based on the established criteria to identify potential corridor segments to be designated Critical Rural and Urban Freight Corridors. This analysis is based heavily on the State Highway Freight Plan, completed in 2015 and available at www.coloradotransportationmatters.com. The State Highway Freight Plan included significant analysis to identify a network of “Colorado Freight Corridors” (see Attachment B) as well as “Freight Project Areas,” areas with identified freight related investment needs. Transportation Planning Region (TPR), Statewide Transportation Advisory Committee (STAC), and Freight Advisory Council (FAC) input is being sought on which particular corridors or corridor segments are of most importance for freight and most in need of investment under the formula freight program. Given mileage limitations imposed by USDOT (161 miles for rural and 80 miles for urban), the focus is on smaller logical corridor segments, rather than entire corridors.

MPOs with Urbanized Areas > 500,000 (i.e. DRCOG and PPACG) are responsible for designating Critical Urban Freight Corridors in their urbanized area, in consultation with the State. CDOT is responsible for designating Critical Rural Freight Corridors and Critical Urban Freight Corridors in other areas. Corridors can be designated at any time, and can be changed over time. This provides the flexibility to de-designate corridors and assign that mileage to other corridors as priorities change or as work is completed and the need for investment shifts to other corridors. We are targeting the submittal of the initial designations to USDOT by November. This will ensure that these corridors are included in the initial NMFN, designated on December 4, 2016, and will provide us with expanded eligibility of projects as we move forward in identifying priorities for funding under the formula freight program.

States are also afforded an opportunity to recommend additional highway corridors for inclusion on the NMFN. This is a separate process from that described above, and does not have bearing on funding eligibility under the formula freight program. These recommendations are also limited in terms of the number of miles, and must be made during a public comment period ending September 6, 2016. Staff is currently working to clarify requirements and to develop a recommendation to USDOT.

The current approach to these FAST Act freight provisions is to focus first on corridor identification, considering corridor segments where we are most in need of freight-related investment. As the corridor identification process moves forward, we'll initiate further discussion on project selection for the formula freight program. Region staff are currently soliciting MPO and TPR input on the 10-Year Development Program, seeking to validate the highest priorities from the more than \$8 billion in major investment needs identified through the Development Program process. This process will also provide valuable input that can further inform the corridor identification process and project selection for the formula freight program.

Other Freight Activities

In addition to the above, several other freight related activities are currently underway. The FAC has been meeting regularly since being reconstituted last summer. Beginning in July, the FAC will transition to a quarterly meeting format with a working group meeting monthly to address top short-term issues identified by the FAC - truck parking, highway safety, low vertical clearance bridges, rail-highway crossings, and communication. Additionally, development of the Multimodal Freight Plan and updated State Freight & Passenger Rail Plan will commence in July, with significant involvement from the FAC, STAC, and Transit and Rail Advisory Committee (TRAC). This will be a single, coordinated process leading to two separate but closely related plans. The State Freight & Passenger Rail Plan is an update to the 2012 plan, and a federal requirement. The Multimodal Freight Plan will build upon the State Highway Freight Plan completed in 2015, and provide an integrated freight plan for the state, considering all modes of freight movement in Colorado.

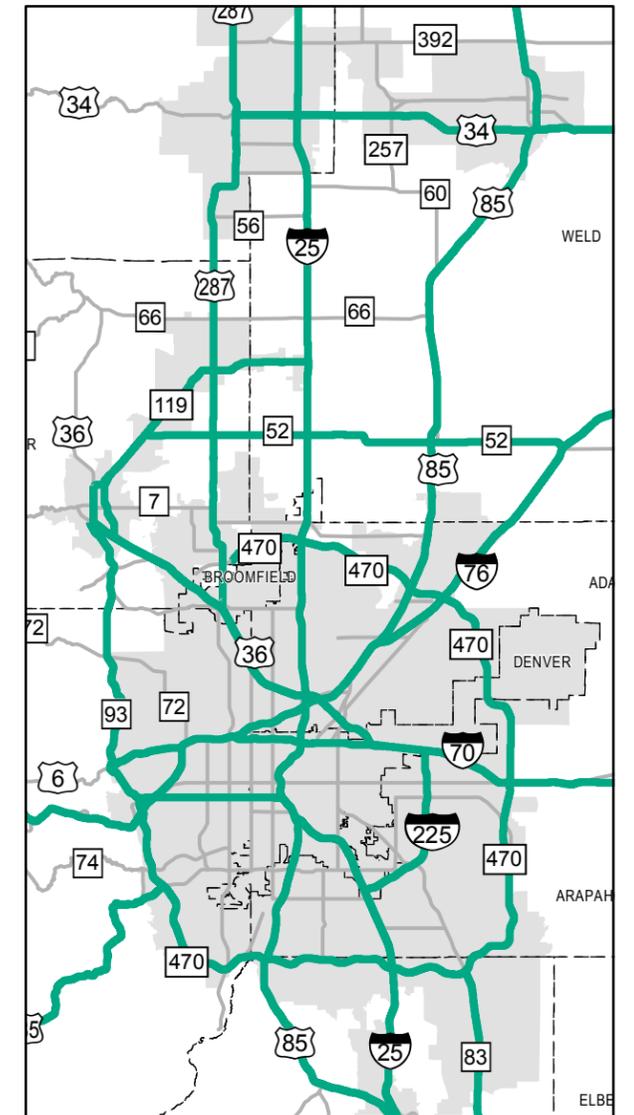
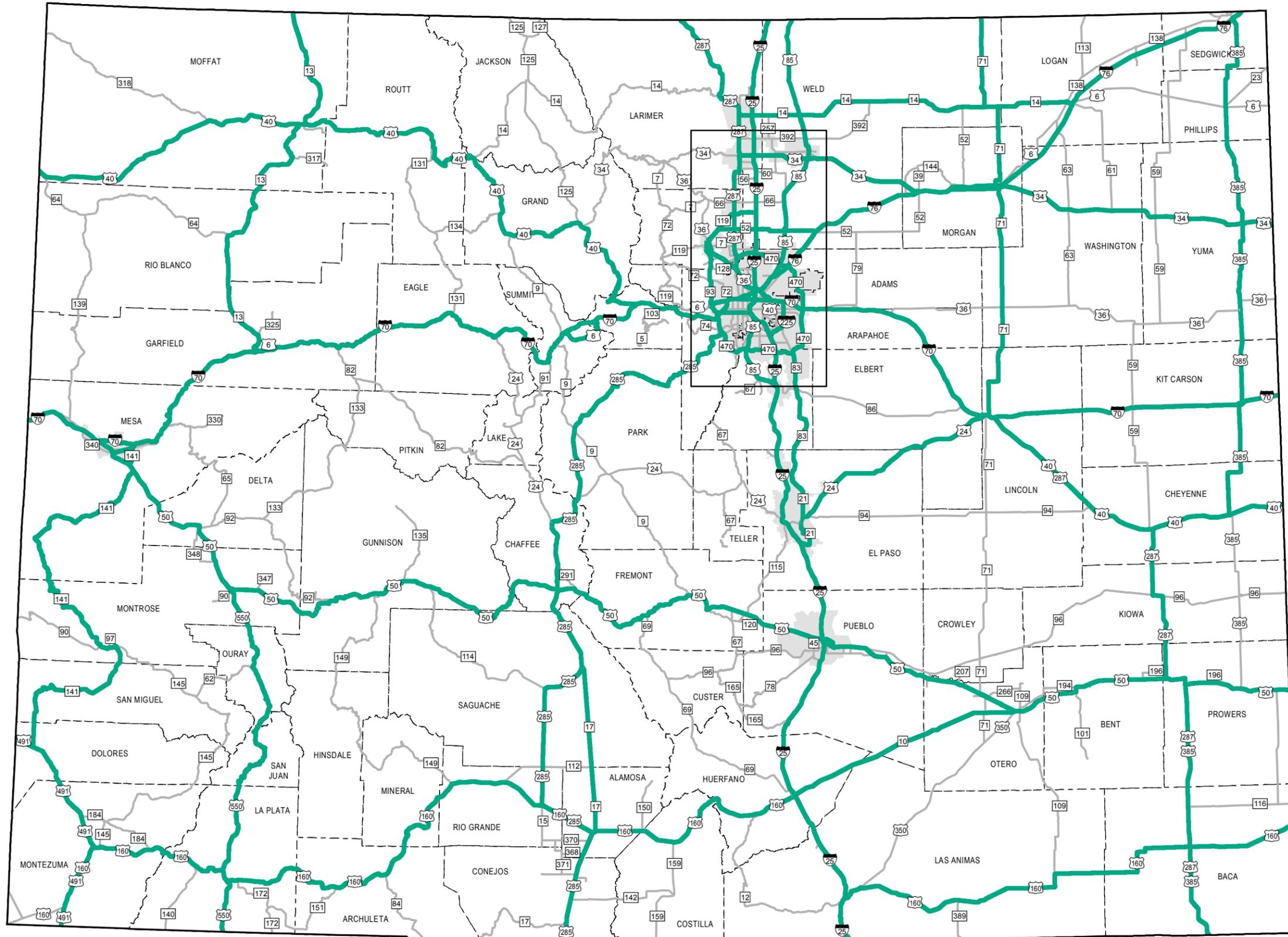
Next Steps

Additional workshops are planned with the Transportation Commission in the fall to review and provide input on the designation of Critical Rural and Urban Freight Corridors and to discuss project selection for the NHFP. In the short-term, recommendations on additional designations under the NMFN are due to USDOT in early September. Given the short timeframe, staff will develop and review a proposed recommendation with the Transportation Commission in August.

Attachments

Attachment A: National Highway Freight Network as of July 2016 (Critical Rural and Urban Freight Corridors to be added in future)

Attachment B: Colorado Freight Corridors from State Highway Freight Plan (2015)



-  Colorado Freight Corridors
-  Highways
-  Counties
-  Urban Areas (Pop. > 50,000)



COLORADO

Department of Transportation

Office of the Chief Engineer

4201 East Arkansas Avenue, Room 262
Denver, CO 80222

DATE: JULY 21, 2016
TO: TRANSPORTATION COMMISSION
FROM: JOSH LAIPPLY, CHIEF ENGINEER
MARIA SOBOTA, CHIEF FINANCIAL OFFICER
JANE FISHER, OFFICE OF PROGRAM MANAGEMENT DIRECTOR
SUBJECT: PROGRAM MANAGEMENT WORKSHOP

Purpose

The Program Management Workshop provides the Transportation Commission (TC) with an update on the integration of cash management and program management, asset management, and RAMP.

Action

1) Please see Budget Supplement for TC action required related to two (2) RAMP Partnership projects.

Background

Integration of Cash Management and Program Management:

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. Management of the Capital Construction Fund (Fund 400) is the most relevant, as it is the majority of CDOT's primary operational activity recorded in the fund. Fund 400 is approximately 90% of CDOT's entire state fiscal year 2016-2017 budget. The attached Fund 400 Cash Balance Memorandum provides additional details. As has been indicated previously, PMO will report on fiscal and calendar year expenditures through June 2016 and limit reporting to calendar year thereafter. As a result, this is the last month that addresses fiscal year reporting.

Asset Management:

The TC had no further questions on the asset management related material presented at the June Meeting. Moving forward, project specific asset management related content will be included as part of PMO Workshop updates when needed to support TC actions or decisions neither of which is requested this month.

RAMP:

The RAMP program was initiated in November 2012 as a means to reduce the cash balance. Shortly thereafter the TC approved a project list and has since approved groups of projects and individual projects. As has been the case for the past few months PMO workshop updates are now limited to background associated with requested TC actions.



Details

Integration of Cash Management and Program Management:

PMO is tracking program delivery at the statewide level using the expenditure performance index (XPI) to evaluate actual construction expenditure performance as compared to planned. As indicated in Figure 1 below, June's actual expenditures were slightly below target (XPI = 0.95). Fiscal year 2016 XPI is also below the target (XPI = 0.95 with actual expenditures of \$753M as compared to the \$790M target). The target was established in May 2015 based on anticipated project advertisement dates and associated monthly construction expenditures (drawdowns) as available.

The TC was first informed of the potential of not meeting the Fiscal Year 2016 target in the May TC meeting. At that time the TC indicated that achieving something less than 2% to 3% of the target would not be unexpected given the expenditure increase from previous years. However, in the end we were not able to overcome the cumulative difference between planned and actual expenditures that plagued us from the beginning of the fiscal year. The planned versus actual difference began at a low of about -\$24M last July, grew steadily throughout the construction season, reduced after the decision was made to add projects to the program over the winter, steadily increased again, and ultimately ended the fiscal year at about -\$37M.

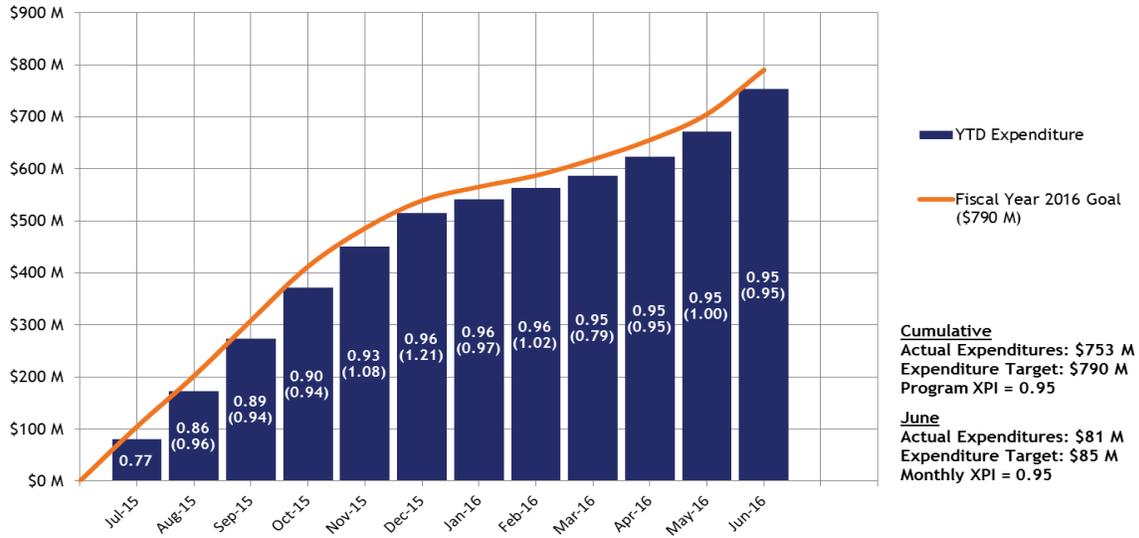
A number of actions are planned in support of improved performance moving forward:

1. *Only establish calendar year expenditure targets:* As has been discussed with the TC previously, eliminating establishment of fiscal year targets will be a benefit as it is very challenging to estimate expenditures in the middle of the construction season. In addition, calendar year targets are planned to be established as a range rather than as a point estimate.
2. *Increasing accuracy of project advertisement dates:* It has been determined that overly optimistic advertisement dates for projects included in the fiscal year 2016 baseline was one reason for the shortfall. In response, an increased emphasis on the development and monitoring of schedules for preconstruction activities is planned. This will include items such as ensuring design development has progressed sufficiently before advertisement dates are established and also that schedules are routinely revisited and advertisement dates updated if/as applicable as issues arise.
3. *Routinely including additional required elements (AREs) in construction bid documents:* This will enable project scopes to be more easily increased as may be needed to increase construction expenditures in support of calendar year 2017 targets.
4. *Increasing accuracy of projected monthly construction expenditures:* In fiscal year 2016 the expenditure target was established by a combination of project managers (if project included in baseline was in preconstruction) and construction contractor drawdowns (if project included in baseline was in construction). The inaccuracy of monthly construction expenditures for projects in preconstruction was influenced by a number of factors including items such as: inclusion of shelf and over-planned projects which only proceed to construction if funding is made available and establishing before sufficient design development has been completed. In the case of projects in construction, monthly construction expenditures were provided by construction contractors which were overly optimistic as is common given their interest in front end loading for cash flow purposes. Refinement of the approach for estimating expenditures is planned to change and will include items such as: ensuring design development is sufficient



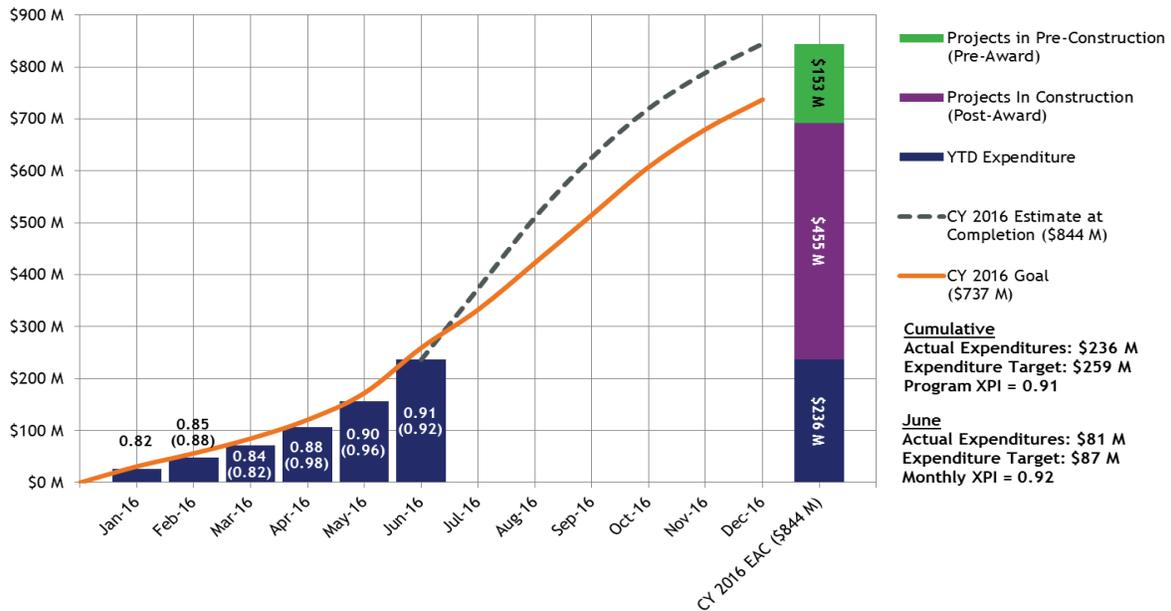
before setting project baseline values and considering a combination of statistical modeling and contractor drawdown data to improve accuracy.

Figure 1 - FY 2016 Capital Program Construction Expenditure



In Figure 2 below, the cumulative Calendar Year 2016 XPI is 0.91 which is an improvement since May. June's actual expenditures were below the expenditure target (XPI = 0.92).

Figure 2 - CY 2016 Capital Program Construction Expenditure



RAMP:

Table 1 details RAMP Partnership and Operations projects (CDOT & Locally Administered) that have not yet been awarded. As detailed in the Budget Supplement, staff is requesting TC action regarding two (2) RAMP Partnership projects. The first is a budget request of \$250,000 in RAMP HPTE Development Funds to conduct a more detailed analysis of the current Level 2 Traffic and Revenue Study for the I-25 North Corridor: Segments 7 & 8. If approved, this will reduce the RAMP HPTE Development Fund to \$15,150,000 in remaining RAMP funding. The second is a budget request of \$450,000 in Transportation Commission Contingency Reserve Funds to fund a Contract Modification Order (CMO) for safety repairs within the project limits of RAMP Partnership Project #5-10 - US160 / Wilson Gulch Rd Extension. (Please refer to this month’s Budget Supplement for more details about these two projects)

Table 1 - RAMP Program Controls Table (remaining unawarded CDOT & Locally Administered projects)

Project Name	Project Budget	RAMP Request	Local Contribution	Other CDOT Funds	Status
CDOT ADMINISTERED					
Adaptive Traffic Signals System in Longmont	\$5,500,000	\$4,670,000	\$770,000	\$60,000	Ad in July
SH 74 South of El Rancho Safety Shoulders	\$57,947	\$57,947	\$0	\$0	Ad in July
Crossroads Bridge Replacement @ I-25	\$37,000,000	\$35,000,000	\$2,000,000	\$0	Ad in July
US 385 Intersection at Yuma CR 33.6	\$736,000	\$485,000	\$254,000	\$0	Ad in July
New Traffic Signal Controllers in Denver Metro	\$1,060,000	\$1,060,000	\$0	\$0	Ad in August
Maintenance Decision Support System (MDSS)	\$250,000	\$250,000	\$0	\$0	Operations Procurement
HPTE P3 Development Fund †	\$40,000,000	\$15,400,000 [†] - (250,000)	\$0	\$0	Refer to Supplement for RAMP Request
LOCALLY ADMINISTERED					
US 287: Conifer to LaPorte Bypass (Phase III) - The Gap	\$2,200,000	\$1,106,000	\$0	\$0	Ad in July
Loveland I-25 and Crossroads Blvd. Anti-Icing Spray System	\$250,000	\$200,000	\$50,000	\$0	Ad in Aug



Project Name	Project Budget	RAMP Request	Local Contribution	Other CDOT Funds	Status
SH 14 / Greenfields Ct. - Frontage Rd. Relocation and Intersection Improvements	\$2,100,000	\$1,680,000	\$420,000	\$0	Ad in Nov
SH 392 & CR 74 Intersection Safety Improvements	\$2,249,875	\$1,000,000	\$1,249,875	\$0	Ad in Dec
SH 392 & CR 47 Intersection Safety Improvements	\$3,685,180	\$1,842,590	\$1,842,590	\$0	Ad in Jan
SH 119 Boulder Canyon Trail Extension	\$5,466,350	\$4,373,080	\$1,093,270	\$0	An in Jan
Federal Blvd: 6 th to Howard Reconstruction and Multimodal Improvements	\$29,181,821	\$23,341,821	\$5,840,000	\$0	Ad in Feb

‡ This total represents the remaining RAMP Development funding still available. HPTE staff has prepared a HPTE Development Fund Policy and Evaluation Criteria guidance document which the Executive Committee is in the process of reviewing. In accordance with PD703.0, the July 2016 budget supplement provides more detail regarding the Region 4 / HPTE budget request.

Attachments

1. Attachment A - Fund 400 Cash Balance Memorandum
2. RAMP Budget Request Memorandum





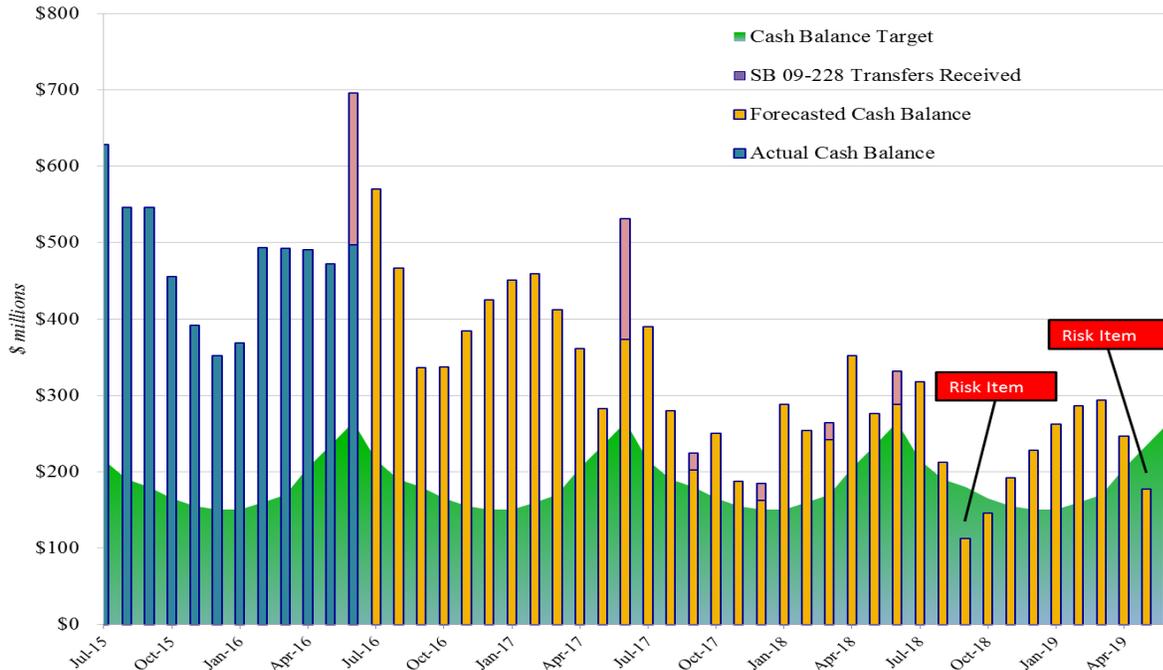
DATE: JULY 21, 2016
TO: TRANSPORTATION COMMISSION
FROM: MARIA SOBOTA, CHIEF FINANCIAL OFFICER; JOSH LAIPPLY, CHIEF ENGINEER
 JANE FISHER, PROGRAM MANAGEMENT OFFICE DIRECTOR
SUBJECT: ATTACHMENT A - FUND 400 CASH BALANCE MEMORANDUM

Details of Cash Balance Chart

A primary performance measure 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. Management of the Capital Construction Fund (Fund 400) is the most relevant, as a majority of CDOT’s primary operational activity flows through the fund. Fund 400 is inclusive of large budget items including payroll, vendor construction payments, and maintenance and facilities costs.

The actual and forecasted cash balances by month, as developed within the Fund 400 Forecast Model, is presented below in Table 1 titled *Fund 400 Cash Balance Forecast*. This chart is prepared by blending Fund 400 model revenues, expenditures and forecasts to calculate a current month cash balance and a 36 month cash balance forecast. Being able to forecast risk items up to 36 months in advance will allow CDOT to be proactive in risk management. This will allow advance opportunities for CDOT to affect change in the short-term and to manage risk in the long-term. This cash balance forecast is then positioned on top of the cash balance threshold targets. If, at any time in the 36 months window, the forecasted project values drop below the established cash balance threshold, a “risk item” is identified.

Table 1 - Fund 400 Cash Balance Forecast



The forecast attached shows a significant increase in cash balances over the next 24 months, relative to the forecast prepared in November 2015. The cash balances forecasted for late autumn 2016 have increased from approximately \$200 million to \$400 million. The change in the forecast primarily results from increased revenues related to SB 09-228 transfers.

A significant portion of SB 09-228 funds received in FY2015-16 will be used for Central 70. The cash outflow attributable to Central 70 costs consuming SB 09-228 funds is also included in the Fund 400 model. Future years' SB 09-228 transfers also assumed to be \$0 in the November 2015 forecast are now included in the forecast as shown in Table 2.

Table 2 - SB 09-228 Revenue Forecasts

State Fiscal Year	Revenue Forecasts
FY 2015-16	\$199,200,000
FY 2016-17	\$158,000,000
FY 2017-18	\$110,000,000
Total	\$467,200,000

The total cash balance at the end of June, 2016 was \$714,300,851. This amount includes balances for Fund 400 as shown in Table 1 (\$454,849,203) plus \$218,880,855 in Fund 538 (not shown in Table 1) and \$40,570,793 in all other funds (HPTE, Aeronautics and the SIB also not shown in Table 1).

Next Steps

Continued monitoring and refining of forecast data to support a Transportation Commission semi-annual review of the effectiveness of management processes and practices.





MEMORANDUM

DATE: JULY 21, 2016

TO: TRANSPORTATION COMMISSION

**CC: JOSH LAIPPLY, CHIEF ENGINEER; MARIA SOBOTA, CHIEF FINANCIAL OFFICER
JANE FISHER, PMO DIRECTOR**

FROM: MICHAEL D. MCVAUGH, REGION 5 TRANSPORTATION DIRECTOR

SUBJECT: RAMP PROJECT #5-10 (19902), US 160 / WILSON GULCH ROAD EXTENSION

Purpose

Region 5 is requesting approval to use \$450,000 of Transportation Commission Contingency Reserve Funds (TCCRF) to pay for unexpected costs associated with a bridge approach repair for the US 160 / Wilson Gulch Road Extension RAMP Partnership (RAMP #5-10) project in Durango under a Contract Modification Order (CMO).

Action

Per P.D. 703, staff is requesting Transportation Commission (TC) approval to budget an additional \$450,000 for the US 160 / Wilson Gulch Road Extension using TC Contingency funds via the July TC budget supplement. Approval of funding will minimize traffic impacts and allow for the timely completion of the repairs by late September 2016. Region 5 is prepared to reimburse the TC for a minimum of ½ of the requested cost of this repair (\$225,000) once the region has realized savings from current projects that are under construction. If additional funding is identified, the region will also consider reimbursing the contingency fund for the entire amount.

From a project scheduling standpoint, it makes sense to complete the safety repairs now prior to the opening of the Wilson Gulch Road Extension in late September 2016. The region considered requesting TPR approval to use RPP funds. However, this option risks delaying the repairs and would require advertising a separate contract. Advertising this project would likely increase the overall cost of the project by 50% pushing the repair cost to upwards of \$750,000 dollars.

The RAMP Sponsor Coalition discussed several alternative funding options. The Coalition fully supports the funding request given the nature of the repair required and the cost savings that would be recognized by securing additional funding in July. The region suggested that the Coalition consider using other RAMP project savings or RAMP Contingency funds. After reviewing RAMP funding guidelines, the Coalition determined that the use of RAMP funds was not necessarily the best option. However, during the workshop if the TC opposes using TCCRF funds, this alternative can be discussed further.

Background

The US160/US550 Interchange was awarded May 2008 and completed in November 2010. The scope included the construction of four (4) bridges. The approaches to these structures have experienced subgrade settlement of 6 to 10 inches due to unforeseen site conditions (settlement was anticipated in



the geotechnical design, but to an extent that was not foreseen, which must now be corrected). The second component of this regionally significant project is the originally approved RAMP Partnership project (#5-10) which is nearing completion. The RAMP Partnership project limit (beginning and end-point) includes the areas affected by the subgrade settlement (bridge structure approaches). The contractor associated with the original 2010 project would be doing the repairs as a subcontractor on the RAMP project. The work would be overseen by region staff.

The bridge structures are not affected as the foundations are bearing on bedrock deep below the subgrade soils.

Details

This project will connect the new Three Springs Development and new regional hospital to the US160/US550 Interchange which will increase traffic on the interchange and bridges. To minimize traffic impact and resolve a critical safety concern with regards to the bridge approach settlement, region staff has assessed all options to rectify the situation and recommends that contingency funding be used to mitigate the safety deficiency. The preliminary estimate for the CMO and the administrative costs is \$450,000. This is not a change in the scope to the RAMP Partnership project, but in order to bring the US160/US550 Interchange approaches into compliance with CDOT design standards prior to traffic increasing on the interchange, the project's contract must be modified to compensate for the CDOT requested safety repairs.

This CDOT and City are partnering on this project in a 33:67 ratio for the first \$6,400,000 of project costs. The City and La Plata County has funded an overmatch of an additional \$1,759,000 in addition to the RAMP project portion. The City is supportive of incorporating the repair work into the project as a CMO, the FHWA also concurs with the Region's plans that the work can be completed via a CMO. The region has also discussed this safety repair need with Transportation Commissioner Sidny Zink, who is in favor of completing this repair under the existing contract with the City.

Key Benefits

Approving the funds for this request will allow for the safety repairs to be completed within the current project schedule by the fall of this year with minimal disruption to the traveling public. The safety repairs will ensure that the public is not exposed to the bumps at the bridge approaches once Wilson Gulch Road is opened and traffic increases.

Options

- 1) Approve Region 5's request for \$450,000 of TCCRF funds with a commitment from Region 5 to reimburse the TC for a minimum of 50% of the request (\$225,000). (Staff Recommendation)
- 2) Request additional information regarding using RAMP savings or contingency funds.
- 3) Decline the request for additional funding.

Next Steps

Upon approval of the funding request, the Region will complete the necessary steps to fund the CMO and execute the repair work this fall. If denied, the Region will seek approval from the Region's TPRs to utilize RPP funding, potentially delaying the repair work until next year after the RAMP project is open to traffic.





COLORADO
Department of Transportation

Division of Transportation Development
Multimodal Planning Branch
4201 E. Arkansas Ave, Shumate Bldg.
Denver, CO 80222

DATE: July 20, 2016
TO: Transportation Commission
FROM: Debra Perkins-Smith, Director, Division of Transportation Development
SUBJECT: Road Usage Charge

Purpose

To familiarize the Transportation Commission with the Department's upcoming CDOT Road Usage Charge (RUC) Pilot Program.

Action

Informational Item.

Background

The automotive industry has made significant improvements in vehicle fuel efficiency during the last decade. It's great news for consumers who are looking to spend less on fuel costs. It's also outstanding progress for our environment in terms of auto emissions and our reliance on fossil fuels. But as the average fuel economy of the American vehicle fleet continues to improve in accordance with Corporate Average Fuel Economy (CAFE) standards and the emerging fleet of electric vehicles (EV) and plug-in hybrid electric vehicles (PHEVs), it's clear that the current gas tax model – the primary source of funding for our nation's critical transportation infrastructure needs – is not a sustainable solution for future infrastructure funding.

Colorado's annual funding for transportation can no longer keep pace with the costs of operating, maintaining, and improving the statewide transportation system. A recent needs and gaps analysis conducted as part of the 2040 Statewide Transportation Plan showed an estimated gap of \$1 billion annually over the next 25 years. An alternative funding method is required. One such alternative is a Road Usage Charge (RUC) system. Under a RUC, highway users are charged their equitable share of using the road, instead of by the amount of fuel consumed.

Details

Other States

Colorado is not alone in researching RUC as alternative funding mechanism. In recent years several other states, with the support and funding from their respective legislatures, have begun to test RUC as an alternative funding mechanism. Widely considered a leader in RUC systems, Oregon has been refining their RUC system for nearly a decade. Starting in 2007, Oregon launched the first of three legislatively mandated pilot programs that have taken place within the state. Since 2012, based on legislative direction, Washington has been evaluating the feasibility of RUC. In January 2016, the Washington State Road Usage Charge Assessment final report was submitted to the governor and legislature, summarizing the results of initial analysis and laying the foundation for implementing a pilot project. In 2012, Oregon, along with Washington and Nevada, launched an 88-person multi-state pilot program that assessed the cost effectiveness of mileage reporting and account management when states work together. Currently, Hawaii is conducting a feasibility study for implementing a statewide RUC to research and analyze all aspects of the current fuel tax issue. On September 29, 2014, California approved legislation that created the California Road Charge Pilot Program. Since then CalTrans has been developing the program structure and communication strategy for the deployment of its 5,000-person statewide pilot demonstration. The California Road Charge Pilot Program is slated for launch in July 2016.

RUC West

The RUC West, formerly known as the Western Road Usage Charge Consortium (WRUCC), is a multi-state research consortium of western state DOTs. Participation is voluntary and states work together to undertake collaborative research into systems and policy development of a potential new transportation funding method that would collect a RUC from drivers based on actual road use. CDOT has been a member of RUC West since 2014. Member states

include: Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, Texas, Utah and Washington.

On March 22nd, 2016, FHWA released a solicitation for proposals on the FAST Act Surface Transportation System Funding Alternatives (STSFA) grant program. The STSFA grant program's purpose is to provide grants to States to demonstrate user based alternative revenue mechanisms that utilize a user fee structure to maintain the long-term solvency of the Highway Trust Fund. The STSFA grant program is only available to States, or groups of States, and requires a State DOT to be the lead for purposes of receiving funds. In May 2016 RUC West submitted a STSFA grant to develop and implement a multi-state per-mile charge pilot research program.

Colorado Road Usage Charging Pilot Program

In December 2015, CDOT submitted an internal research proposal to test the viability of a RUC system in an operational environment in Colorado. The Colorado RUC Pilot Program will develop, implement, and evaluate a RUC system for passenger vehicles in Colorado based on current operating environments and available technology. The pilot will recruit approximately 100 participants for a period of four months and will evaluate a range of mileage collection methods.

The Colorado RUC Pilot Program will take 100 participants recruited from around the state through the full arc of RUC activities during a four-month operational pilot. Participants will create an account and register vehicle(s) with an account manager, select a mileage reporting option (GPS-enabled, Non-GPS-enabled, and Odometer Reading), install a mileage reporting device (if applicable to the reporting option chosen), report mileage on a periodic basis, receive/review invoices, and submit mock payments. At the conclusion of the pilot, the research team will prepare a final report that provides a summary of the pilot, lessons learned, and recommendations for future pilots and implementation.

Pilot Program Purpose

1. Create a sandbox environment in which legislators, CDOT administrators, policy-makers, can experience elements of an operational RUC.
2. Identify and evaluate potential issues related to implementation of a full system.
3. Test the feasibility and acceptability of various mileage reporting methods/technologies for Colorado.
4. Solicit feedback from pilot participants for future system design.

Next Steps

- July 2016 - August 2016 - Public Opinion Research for Baseline
- July 2016 - October 2016 - Pilot Participant Recruitment
- November 2016 - Internal Soft Launch
- December 2016 - April 2017 - Pilot
- July 2017 - Final Report and Briefing

Attachments

- Attachment A: RUC Talking Points
- Attachment B: RUC Presentation
- Attachment C: California RUC Pilot Program Article

COLORADO Road Usage Charge (RUC) Pilot Talking Points – July 20, 2016

Why

- Need a sustainable funding source (increased fuel efficiency results in less revenue from gas tax)
- Fairness issue – electric and other vehicles don't pay a gas tax but do use the roads

Approach

- Research Project with FHWA funds (this is different than Oregon and Washington, which received funding from legislature)
- Pilot Program follows on from a research study and research funded focus groups. (interestingly the focus groups revealed a complete lack of understanding on transportation funding)

Pilot Program Purpose – what do we hope to accomplish? PROOF OF CONCEPT

1. Create a **sandbox environment** in which legislators, CDOT administrators, policy-makers, can experience elements of an operational RUC.
2. Identify and evaluate **potential issues** related to implementation of a full system.
3. Test the **feasibility and acceptability of various mileage reporting methods/technologies** for Colorado.
4. Solicit **feedback** from pilot participants **for future system design**.

Pilot Program Design – keep it simple, provide choices

- 100 participants (urban, rural, varying fuel efficiency, local government officials, etc.)
- Several mileage reporting methods
 1. Manual self-report odometer reading (no in-vehicle technology)
 2. Basic (Non-GPS) mileage reporting from OBD2 port
 3. Advanced GPS mileage reporting from OBD2 port (can distinguish between public/non-public roads)
 4. Smartphone App
- Dummy mileage rate at 1.5 cents per mile (real rate would be set by legislature based on policy)
- Simulated invoice with fuel tax credited against RUC
- Soft launch by CDOT staff first to pre-test
- Executive Steering Committee (influencers and affected parties) and a Technical Advisory Committee
- Emphasis on Statewide Public Education and Recruitment Campaign
- Revenue and Operational Feasibility Reports for Decision-makers – i.e. State Legislature

Pilot Program Schedule

July 2016 – August 2016 - Public Opinion Research for Baseline

July 2016 – October 2016 - Pilot Participant Recruitment

November 2016 – Internal Soft Launch

December 2016 – April 2017 - Pilot

July 2017 - Final Report and Briefing



COLORADO

Department of
Transportation

The Colorado Road Usage Charge Pilot

July 20, 2016



Agenda

- Why is an alternative funding mechanism needed?
- What is a Road Usage Charge (RUC)?
- The Colorado Road Usage Charge Pilot

Why is an alternative funding mechanism needed?

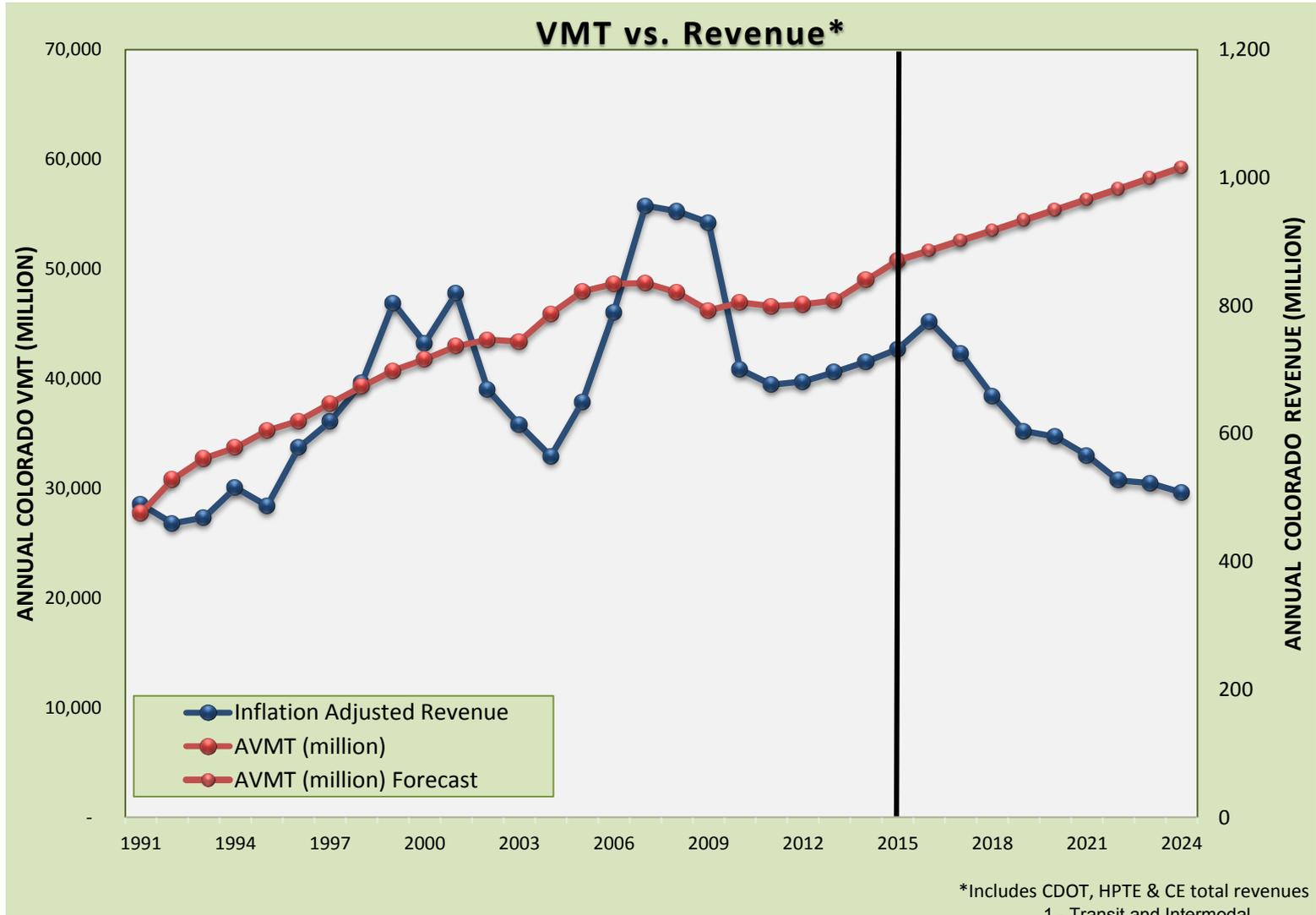


Funding Mechanisms to Close the Funding Gap

- Colorado Transportation Finance and Implementation Panel (2008)
- 39 Options Considered – 5 Final
 - Highway and Bridge User Fee
 - Vehicle Rental Fee
 - Motor Fuel Tax Increase/Indexed
 - Sales and Use Tax Increase
 - Severance Tax increase
- Vehicle Miles Traveled (VMT) Fee
 - Otherwise known as Road Usage Charging (RUC)



Colorado VMT vs. Revenue

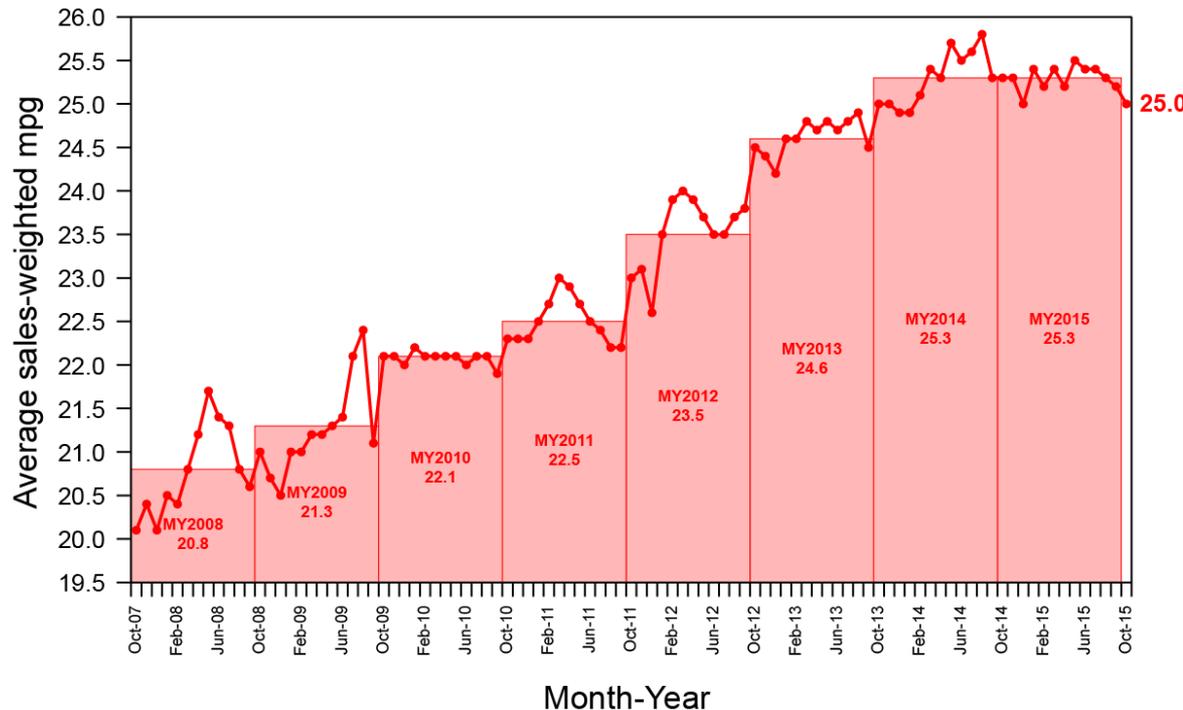


*Includes CDOT, HPTE & CE total revenues
1 - Transit and Intermodal



Increased Vehicle Fuel Efficiency has made the Gas Tax Funding Model Unsustainable

- Increased fuel efficiency of vehicles
 - New CAFE standards (average 35.5 mpg in 2016; average 54.4 mpg in 2025)
- Emerging fleet of electric vehicles and plug-in hybrids
 - Pay little or no fuel tax



Michael Sivak and Brandon Schoettle
University of Michigan Transportation Research Institute

What is a Road Usage Charge?



What is a Road Usage Charge (RUC)?

- Charge based on miles traveled
 - Also called Road Usage Fee (RUF), Mileage Based User Fee (MBUF), or Vehicle Miles Traveled (VMT Fee)
 - Treats roads like utilities (pay what you use)
 - Traveled miles are reported and fees paid
 - Replaces the fuel tax

The Colorado Road Usage Charge Pilot



Colorado Road Usage Charge Pilot

- Pilot Program Purpose (Proof of Concept)
 1. Create a **sandbox environment** in which legislators, CDOT administrators, policy-makers, can experience elements of an operational RUC
 2. Identify and evaluate **potential issues** related to implementation of a full system
 3. Test the **feasibility and acceptability of various mileage reporting methods/technologies** for Colorado
 4. Solicit **feedback** from pilot participants **for future system design.**



Colorado Road Usage Charge Pilot

- Framework
 - 4-Month Statewide Pilot (December 2016 – April 2017)
 - 100-participants consisting of transportation leaders, officials, media, and general public
 - Geographic (Urban/Rural) and Vehicular (MPG) stratification
 - Payments and associated revenues will be simulated
 - Communication and Advisory Committees



Reporting Options

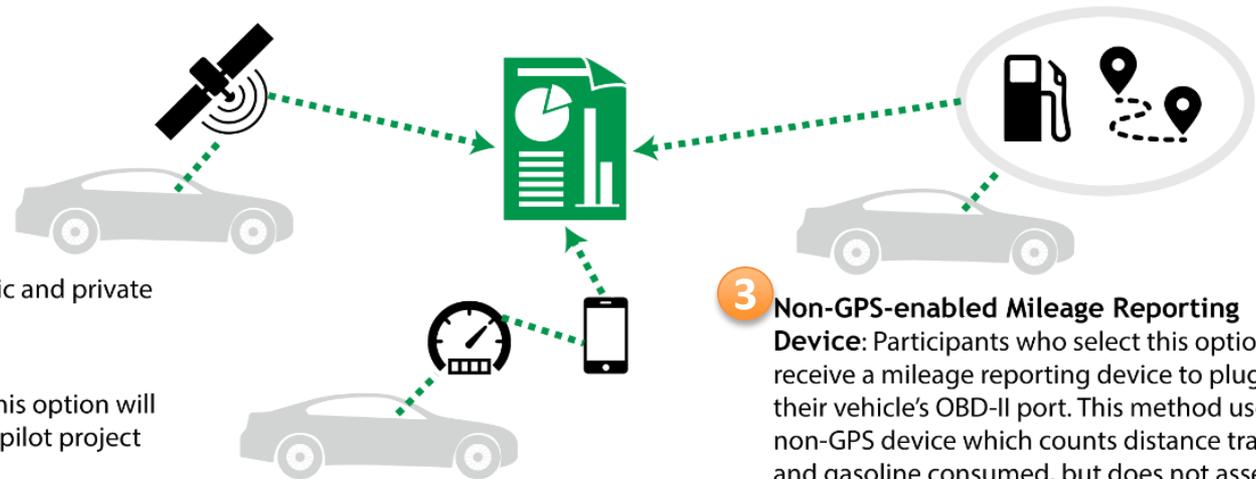
1

GPS-enabled Mileage Reporting Device:

Participants who select this option will receive a mileage reporting device to plug into their vehicle's OBD-II port. This method uses location-based data to calculate total miles driven with differentiation between public and private or in-state and out-of-state roads.

Odometer Reading: Participants who select this option will report their vehicle's odometer reading via the pilot project website, or mobile app.

2



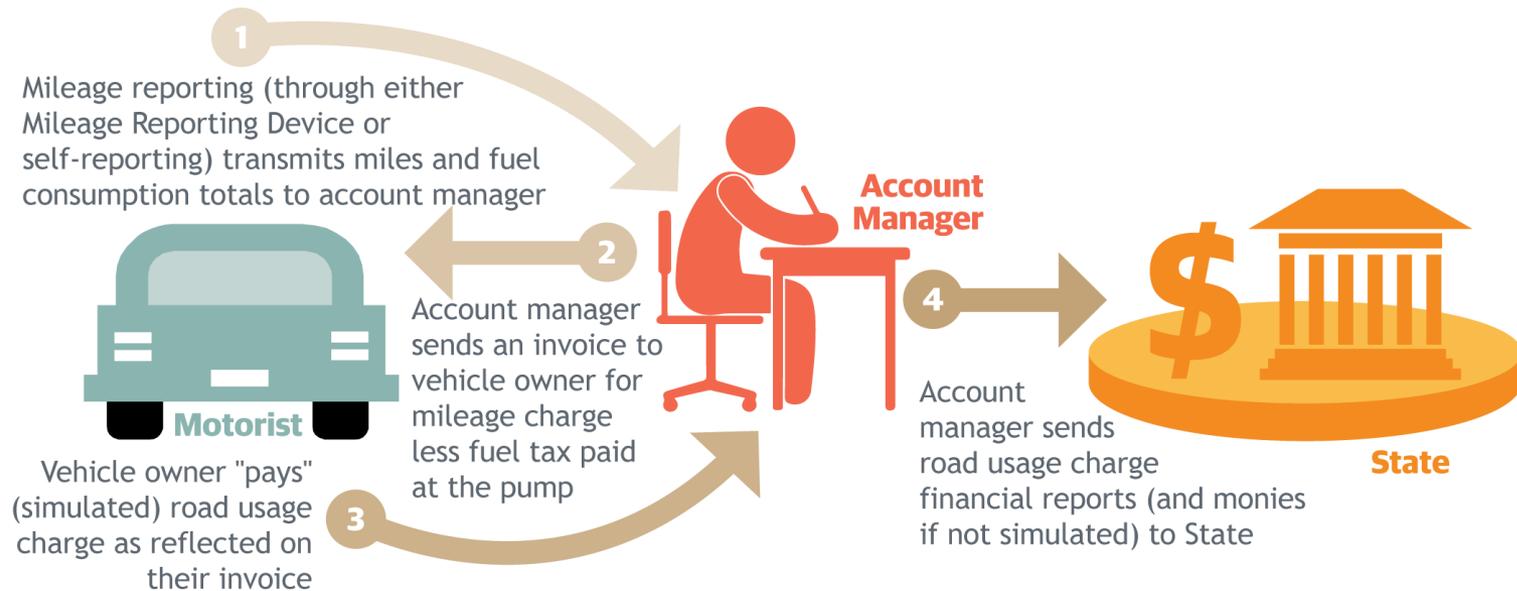
3

Non-GPS-enabled Mileage Reporting Device:

Participants who select this option will receive a mileage reporting device to plug into their vehicle's OBD-II port. This method uses a non-GPS device which counts distance traveled and gasoline consumed, but does not assess location.



RUC Programs Revolve Around the Motorist and the Account Manager





Advisory Committees

Executive Steering Committee

- Department of Revenue
- ACLU
- Legislative Representation
- Colorado Contractors Association
- Colorado Municipal League
- Statewide Transportation Advisory Committee (STAC)
- Environmental Organizations
- Denver Metro Chamber of Commerce

Technical Advisory Committee

- Data Privacy Expert
- Department of Revenue
- Public Engagement Expert
- Toll Operations Expert
- Intelligent Transportation Systems Expert
- CDOT Staff



Communications

- External
 - Pilot Website
 - Media (stories, press releases, etc.)
 - Informational Brochures
- Participants
 - Blog
- CDOT
 - Existing communications platforms
 - The Loop
 - Intranet
 - In Motion Magazine
- Transportation Commission
 - Periodic Project Updates



Common Misconceptions about RUC

- RUC is another tax charged by the government
 - Merely changes the mechanism
 - Restores equity that all users pay, instead of only gasoline or diesel vehicles
- Driver privacy is sacrificed
 - User has a choice of multiple methods for mileage measurement
 - From basic mileage counting to advanced GPS devices
 - Regardless of the option selected, privacy can be protected
- Rural drivers are unfairly penalized as they drive longer distances
 - If a gas tax refund is proposed, then rural drivers may actually pay less under a RUC
 - Road users currently pay taxes based on fuel consumed. Therefore, users who have less fuel efficient vehicles are paying higher taxes.



Schedule

Key Milestone	Proposed Date
Planning Workshop	6/30/16
Recruiting Plan Complete	7/8/16
Public Opinion Research for Baseline	7/11/16 - 8/2/16
Recruitment	7/11/16 – 10/15/16
Soft Launch	11/1/16 – 11/19/16
Pilot	12/5/16 – 4/21/17
Final Report & Briefing	7/14/17

As gas tax wanes, California tests pay-by-mile replacement

By Kate Galbraith | July 1, 2016 | Updated: July 1, 2016 4:43pm

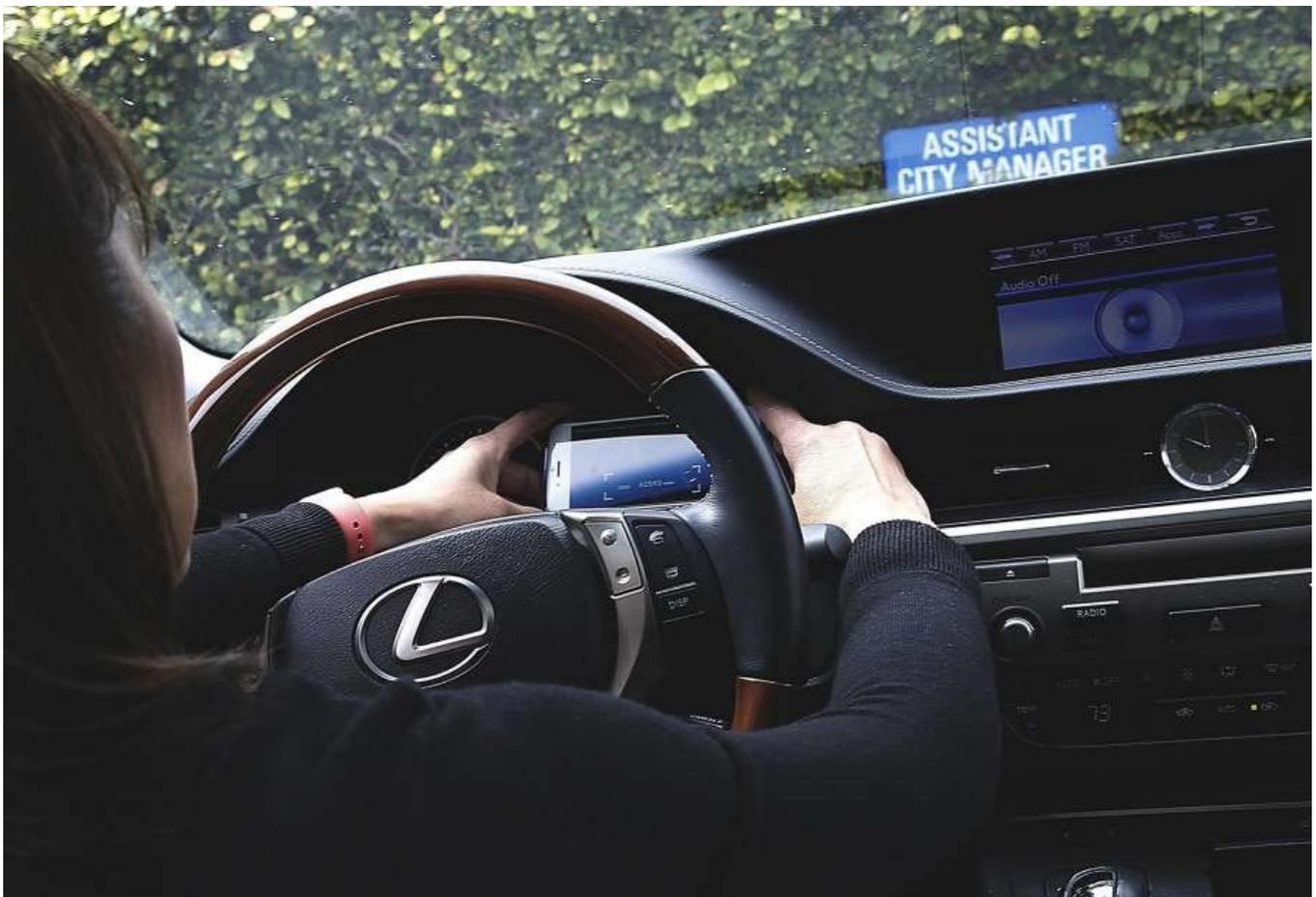


Photo: Liz Hafalia, The Chronicle

Daly City Assistant City Manager Julie Underwood shows how she records mileage on an app being used by the pilot program.

The surge of electric cars on California's roadways has created a conundrum for policymakers. While the vehicles reduce pollution, their drivers don't pay any gasoline tax, a vital source of

funding for road repairs.

This week, the state launched a **pilot program** called California Road Charge that could lead to a radical alteration of the way the state pays for roadway upkeep. Thousands of volunteers are testing different ways to pay fees by the mile, rather than being taxed at the pump. It's an acknowledgment that over the coming decades, gas-tax revenue **will dwindle** as fuel-efficient and electric cars proliferate.

“The whole purpose of the pilot is to really be a learning experience for the state, as we recognize the gasoline tax is no longer going to be a reliable source of funding,” said Jim Madaffer, who chairs the advisory committee that developed the program.

Volunteers in 5,000 vehicles will use a range of high- and low-tech methods to test the pay-by-mile system. They will not use real money, however. The exercise, lasting nine months, is designed to gauge how the technology works and what concerns arise. Lawmakers will evaluate the results to determine how and whether to move forward with a formal program.

Oregon is the only state with a pay-by-mile system already in place, in which people pay actual money — 1.5 cents per mile. OreGo accounts factor in credits for gas-tax payments that drivers make when buying gas. But participation is voluntary. So far, only about 1,000 Oregonians have signed up.

Some California participants, like Julie Underwood of Cupertino, will use smartphones to

MORE BUSINESS



Tesla's autopilot death: Are self-driving cars coming too fast?



Testing the clean-energy logic of a Tesla-SolarCity merger



Tesla's million-car goal: too ambitious?

photograph their odometers each month. It's a relatively simple method of keeping tabs on mileage and does not transmit information on where the car has traveled.

Others will plug a small device, roughly the size of a few matchboxes, into a slot in the front of their car. Some of the devices, called dongles, are provided by Azuga, a San Jose company that also helps the Oregon program. It can track where the car is going (though this is optional) as well as mileage.



Photo: Michael Noble Jr., The Chronicle

Deborah Garland of San Francisco explains the charging process for her 2014 Nissan Leaf.

Still others can opt for an even more basic method, with a simple permit, displayed on the windshield or bumper, that states the total mileage that the car owner has “bought.” Even simpler is a permit for unlimited driving for a given time period — a week, month or year.

The price per mile in California’s pilot program will be around 1.8 cents, Madaffer said. At that rate, commuting fees would amount to about \$1.44 per day for Underwood, who drives a hybrid 40 miles each way to her job as assistant city manager of Daly City.

The pay-by-mile system “seems like a creative approach,” said Underwood, who notes that with her commute, she puts plenty of wear and tear on California’s roadways. “I’m curious to see whether the greater public ... would be agreeable to the model.”

The need is growing. Electric cars accounted for about 1.4 percent of new-car sales in the first quarter of this year, according to the California New Car Dealers Association, and hybrids and plug-in hybrids together account for another 6.2 percent. Stricter federal fuel-efficiency standards should also reduce gas consumption.

Meanwhile, road-repair budgets are suffering as lawmakers hesitate to raise the gas tax. In January, the California Transportation Commission **cut its five-year funding projection** for a major state transportation program by \$754 million, citing reduced gas-tax revenue. The gas tax, part of which is linked to gas prices, dropped further this month, by 2.2 cents per gallon. (As of April 1, Californians paid more than 40 cents per gallon in total state taxes and fees, according to the American Petroleum Institute.)

Certain issues in California’s pay-by-mile test program will prove especially tricky, like how to know when a car travels out of state. In Oregon, the Azuga device can track out-of-state travel and omit it from charges. But as cars become more technologically sophisticated, such hurdles may be easier to overcome.

Madaffer’s car, for example, has built-in hardware and software that can transmit mileage information without even the need for a separate device.



Photo: Liz Hafalia, The Chronicle

Assistant city manager Julie Underwood volunteered for a pilot program to have electric car drivers measure their mileage on her Lexus hybrid's odometer on Friday, July 1, 2016, in Daly City, Calif.



Photo: Michael Noble Jr., The Chronicle

IMAGE 1 OF 3

Deborah Garland of San Francisco plugs in her 2014 Nissan Leaf to a charging point in San Francisco.

“I think that’s the way of the future,” he said.

But the potential proliferation of location data could cause political hand-wringing.

In developing the pilot program, “everything revolved around privacy, privacy and privacy,” he said.

Ultimately, the biggest hurdle to pay-by-mile aspirations could be getting people to pay real money into state coffers — a challenge that Oregon has experienced. OreGo’s 1,000 participants aren’t much in a state with 3.4 million registered vehicles.

“If California were to expand further, they would actually have to test that final aspect,” said Michelle Godfrey, a representative of the Oregon Department of Transportation.

Kate Galbraith is The San Francisco Chronicle assistant business editor. Email: kgalbraith@sfchronicle.com. Twitter: [@kategalbraith](https://twitter.com/kategalbraith)



Kate Galbraith

Assistant Business
Editor

HEARST *newspapers*

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DATE: July 20, 2016
TO: Transportation Commission
FROM: Amy Ford and Michael Lewis, Deputy Director
SUBJECT: Workforce of the Future

Purpose

To familiarize the Transportation Commission with the Workforce of the Future.

Action

Informational item.

Background

As emerging technology and external forces change the way we travel, Departments of Transportation, including CDOT, must innovate, evolve their workforce in order to embrace this change to better serve their customers. CDOT engaged Price Waterhouse Cooper to evaluate how influencing factors may impact key business functions and subsequent employee skill needs, by:

- Developing future state scenarios based on influencing factors
- Analyzing emerging technologies and their relevance to CDOT and the transportation industry
- Identifying future employee roles and skillset needs, factoring in projected attrition a scenario planning process to

Details

Other state DOTs around the country are looking at CDOT's Workforce of the Future study and following the process and outcomes of its evaluation. To conduct the evaluation, PwC conducted a current state analysis, future state scenarios and concluded by building a future scenario that looks at more realistic 10 year future scenario.

Major conclusions from the scenario planning:

- Technology advancements disrupt the status quo with significant technologies coming into play in the next decade including telematics, active traffic management, drones, vehicle to vehicle/infrastructure operations, mobile asset management and big data
- The workforce and workplace landscape is changing and in the next 10 years 50% of the CDOT workforce is eligible for retirement
- The role of the DOTs is evolving from design and build to also include operate and maintain. Key roles of the work force: (Strategic/Core Support/Fundamental/Specialist) will be evolving as the organization needs to upskill workers to take on more specialty roles like IT/data and core support roles like operations.

Next steps include a variety of different opportunities related to program development and workforce development including enhancing employee access to technology to new training programs and partnerships with universities/talent hubs.

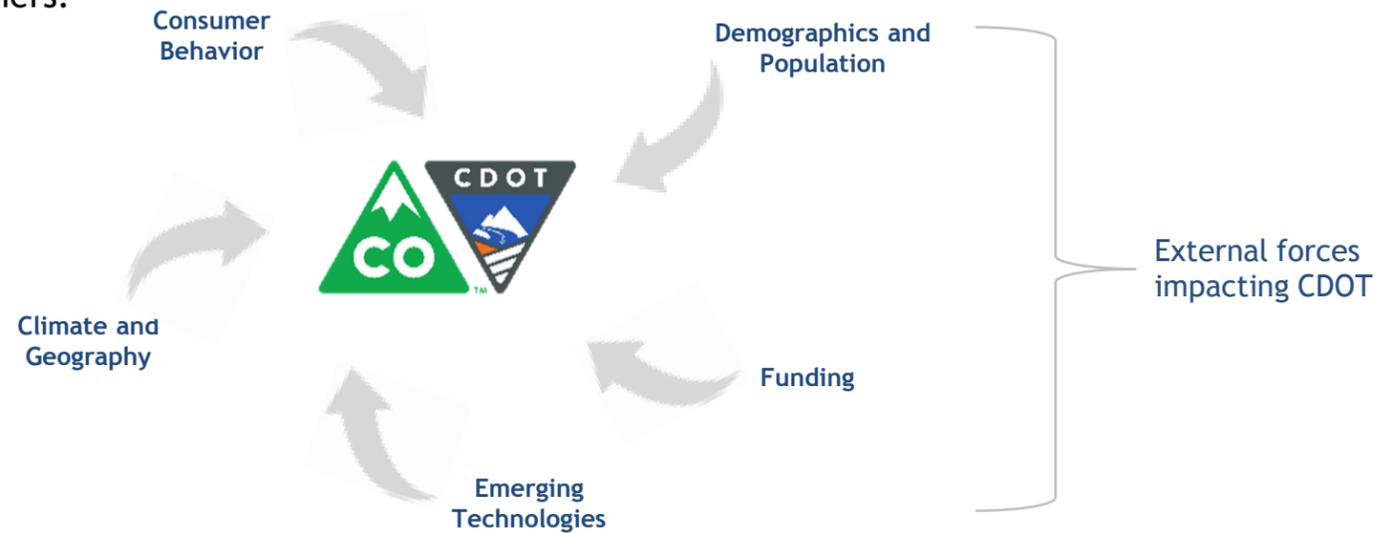


Preparing for CDOT's Workforce of the Future

Project Overview

The Need

As emerging technology and external forces change the way we travel, Departments of Transportation, including CDOT, must innovate, evolve their workforce in order to embrace this change to better serve their customers.



Engagement Request

There is an opportunity for CDOT to become the most innovative DOT in the country by integrating new technologies and transforming its workforce.

To assist CDOT in planning for its Workforce of the Future, PwC was engaged to evaluate how influencing factors may impact key business functions and subsequent employee skill needs, by:

- Developing future state scenarios based on influencing factors
- Analyzing emerging technologies and their relevance to CDOT and the transportation industry
- Identifying future employee roles and skillset needs, factoring in projected attrition

Our Approach



- Project Kickoff
- Discovery Interviews

- Regional Visioning Sessions
- Current State Pivotal Role Analysis and Workforce Supply/Demand Model
- Emerging Technology Inventory and Analysis
- Three Strawmen Scenarios
- Blended Scenario

- Integrated Pivotal Role Analysis and Workforce Supply/Demand Model
- Workforce and Workplace Technology Enablers
- Execution Roadmap

Key Themes that Emerged



64 Individual and Group Discovery Interviews



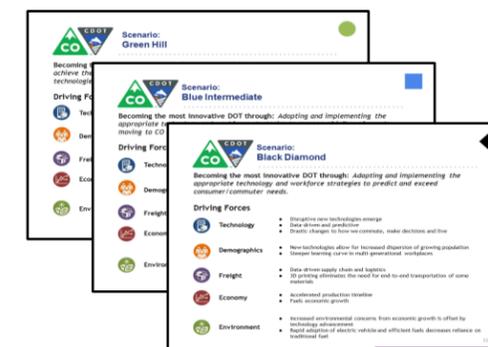
5 Regional Visioning Sessions

Key Themes from Discovery Interviews and Visioning Sessions

Leadership:	Increasing accountability and equipping leadership with tools and resources to define and drive CDOT's strategy
Culture:	Creating a culture that embraces change, and encourages creativity and innovation at all levels of CDOT
Processes:	Streamlining existing processes to increase efficiencies and maximize resource outputs
Training:	Ensuring that all CDOT staff have the skillsets and knowledge needed to succeed in their current and future roles
Technology:	Equipping all CDOT staff with the appropriate tools and support they need to make CDOT the most innovative DOT, and embedding technology across the system to enable the use of data to drive decisions

Scenario Development

We arrived at a blended scenario by analyzing common threads between the hypothetical scenarios to craft one comprehensive vision that CDOT can identify *specific actions* to proactively take in order to be the most innovative DOT in the country.



Three Strawmen Scenarios



Blended Blue Diamond Scenario

Blended Blue Diamond Scenario

- Utilizing data and analytics to enhance connectivity in the shared economy
- Increased demand for multi-modal and public transportation options
- Increased transportation of goods, and streamlined manufacturing processes

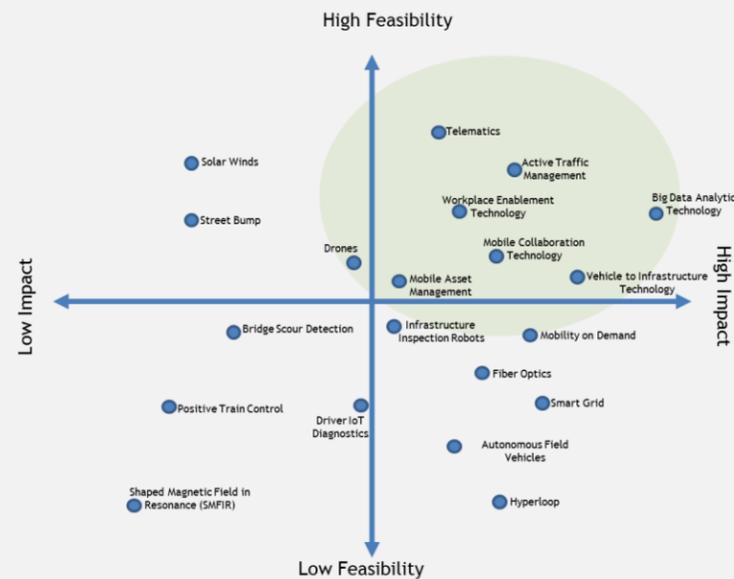


As technology and demographic influencing factors evolve, CDOT must consider three key areas of change

1

Technology advancements disrupt the status quo

In depth review of technology advancements and industries to determine the most likely and impactful tools for CDOT



Technology Enablers*

*Case studies found in supplemental materials

Telematics	Active Traffic Management	Drones
Vehicle to Infrastructure / Operations	Mobile Asset Management	Big Data

2

The workforce and workplace landscape is changing

The "Next Generation" workforce

75% of the workforce will be made up of millennials

Projected attrition at CDOT over the next ten years

25% of CDOT's workforce is eligible for full or partial retirement now

50% of CDOT's workforce is eligible for full or partial retirement in ten years

Flexible and Collaborative Workplace

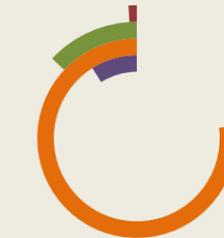
Creating a collaborative and flexible workplace and teaming environment

Desk Centric Staff	Tele-Workers	Field Staff
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The role of DOTs is evolving

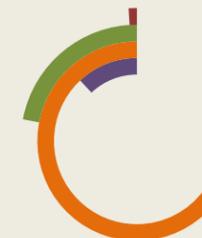
Design and Build ➔ Maintain and Operate
Limited (~20%) change in future state workforce roles with an emphasis on skill advancement

Current State Role Segmentation



Role Segment	%
Strategic/Critical**	1%
Core Support	13%
Fundamental	77%
Specialist	9%

Target Future Role Segmentation



Role Segment	%
Strategic/Critical**	1%
Core Support	22%
Fundamental	65%
Specialist	12%

Role Segment

Role Examples

Strategic/Critical	EMT, RMT
Core Support	Project Management, Operations, Analytics
Fundamental	Construction, Highway Maintenance
Specialist	IT, Electrical and Electronics, Access

**Excludes regional RMT

Program Opportunities for CDOT

- **Enhanced mobility:** Pilot and leverage technology through programs like Road-X
- **Remote access:** Remote surveying and monitoring
- **Real-time communications:** Actionable updates to traveling public and vehicles
- **Increasing Technology:** More efficient equipment and tools to get the job done

Workforce Opportunities for CDOT

- **Technology enablers:** Provide relevant technology enablers and tools to all CDOT staff
- **Development opportunities:** Launch training programs in alignment with career pathways
- **Retain institutional knowledge:** Implement mentorship programs to retain institutional knowledge
- **Upskill existing workforce:** Train for specific skillset development, including: project management, analytics and leadership
- **Partnership opportunities:** Partner with universities and talent hubs to improve training program and curricula
- **Hybrid positions:** Address staffing gaps by creating blended teams or hybrid positions

Through a strategic execution plan and appropriate project and change management, CDOT can effectively evolve its workforce and organizational culture to become the most innovative DOT

Transportation Commission of Colorado
Regular Meeting Minutes
July 21, 2016

Chairwoman Kathy Connell convened the meeting at 10:10 a.m.

PRESENT WERE: Kathy Connell, Chairwoman, District 6
Shannon Gifford, District 1
Ed Peterson, District 2
Gary Reiff, Vice Chair District 3
Heather Barry, District 4
Kathy Gilliland, District 5
Kathy Hall, District 7
Sidny Zink, District 8
Steven Hofmeister, District 11

EXCUSED: Nolan Schriener, District 9
Bill Thiebaut, District 10

ALSO PRESENT: Shailen Bhatt, Executive Director
Michael Lewis, Deputy Executive Director
Josh Laipply, Chief Engineer
Debra Perkins-Smith, Director of Transportation Development
Maria Sobota, CFO
Scott McDaniel, Staff Services Director
Amy Ford, Public Relations Director
Herman Stockinger, Government Relations Director
Paul Jesaitis, Region 1 Transportation Director
Karen Rowe, Region 2 Transportation Director
Dave Eller, Region 3 Transportation Director
Johnny Olson, Region 4 Transportation Director
Mike McVaugh, Region 5 Transportation Director
Jane Fisher, Director of Program Management
Kathy Young, Chief Transportation Counsel
David Spector, HPTE Director
Mark Imhoff, Director of Transit and Rail
Vince Rogalski, STAC Chairman
John Cater, FHWA Administrator
Chris Wedor, Director of Audit Division

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.

Audience Participation

Chairwoman Connell opened the floor for audience participation. There were no public comments.

Individual Commissioner Comments

Commissioner Hall stated how impressed she was with the cooperation demonstrated on the Highway 9 wildlife crossing project. In the month of June she noticed a number of messages on the VMB's that were very clever and informative. Additionally, she talked funding issues with the Grand Junction Rotary club. Finally she thanked Dave Eller and his team for their hard work on Glenwood Canyon.

Commissioner Gifford attended a trip with the Downtown Denver Partnership. On the trip, she had the opportunity to speak with a number of Denver City Council members regarding the Central 70 project. She stated councilmembers were very excited about the regional workforce grant given to the project.

Commissioner Hofmeister had no report.

Commissioner Peterson had a busy June. He met with JeffTAG and received an update on the Marine Corps memorial on US6. Additionally, he mentioned that he has received a number of complements for the completion of the US6 project that has been a very positive impact in the area.

Commissioner Zink had the opportunity to attend an event between the Ute Mountain Ute Tribe and CDOT. She stated that they were very gracious hosts and it was an impressive event. Additionally, she took part in a highway cleanup event. She was encouraged by how little clean up the highway needed. Finally, CASTA visited Durango in June. They had good things to say about the working relationship that has been fostered.

Commissioner Barry attended the US36 completion event. Additionally she will be at the Saturday US 36 bike ride event.

Commissioner Gilliland attended the kick off for the Berthoud climbing lane on I-25. This area often gets backed up, so the hope is this will relieve this situation. She also attended the US36 opening event. She complemented commissioners Connell and Hall for their very informative narration of the Commission Road Trip in May. Finally she thanked Kathy Connell for her hard work as TC Chair the past year.

Commissioner Reiff took a moment to thank Commissioner Connell for her exceptional leadership over the past year as Commission Chairwoman. She also thanked Dave for his help at the Northern Area town hall meeting. Finally, she stated how impressed she has been with the flaggers on CDOT construction projects. They are always friendly and helpful which helps a lot during construction delays.

Executive Director's Report

Executive Director Bhatt stated that he very much enjoyed working with Chairwoman Connell over the past year. He is looking forward to working with Commissioner Reiff in the future as the new chair. Additionally, he stated that the maintenance agreement with the Ute tribe is a very important step for the area.

In June, Director Bhatt went to Washington, DC with the Denver Smart Cities Grant delegation. He was pleased with the team's presentation. Also while in DC, he met with the executive staff of the USDOT about the Central 70 project. While there,

CDOT showed the DOT how much outreach and planning has been taken for the project, which USDOT was very impressed with. Finally, he spoke with the ITS conference in San Jose, which emphasized technology solutions that will greatly improve our transportation issues.

Chief Engineer's Report

Chief Engineer Josh Laipply updated the commission on Cash Flow financing. It is currently heavy construction season, \$445 million in contracts will be going out this year for contracts, with an additional \$250 in FY17-18. This was all possible through cash flow financing.

Additionally, he spoke on resiliency throughout the CDOT System. A scope of work is currently being talked about to improve the resiliency of particularly the I-70 corridor. Finally, he highlighted how exciting the local hiring project on Central C70 is. He believes this will go a long way to stitch the community back together.

Commissioner Connell stated how important resiliency is to her and the commission and was happy to hear that report.

HPTE Director's Report

Nick Farber speaking on behalf of David Spector stated that the HPTE Board attended the US36 opening events rather than holding a board meeting. He also stated that the third RFP for the Central 70 will be released in June.

FHWA Division Administrator Report

FHWA Division Administrator John Cater stated that there is a lot of national interest on the Central 70 project, and the nation has seen the high level of work that has occurred on the project. Currently, a national team from FHWA is in Colorado looking at Wolf Creek Pass to view how to improve truck safety in the corridor. They are meeting with national experts, CDOT and state patrol to see what makes the site dangerous.

STAC

Vince Rogalski updated the commission on STAC's meeting in June. STAC discussed the bills that have been passed and were not passed at the state and federal level. One of the issues discussed was the move from HOV2+ to HOV3+ and how there might be pushback. Additionally and update the grants CDOT has applied for was given. Particularly, the Road Usage Charge pilot project was discussed.

Act on Consent Agenda

Chairwoman Connell entertained a motion to approve the Consent Agenda. Commissioner Hofmeister moved for approval of the resolution, and Commissioner Gilliland seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-16-6-1

BE IT HEREBY RESOLVED, that the Transportation Commission's Regular Meeting Minutes for May 19, 2016, are approved.

Resolution to Approve HPTE's FY17 Fee for Service Agreement

Nick Farber walked the Commission through the reason for the Fee for Service Agreement between CDOT and HPTE for the HPTE services. The key points that will be addressed in FY 17 include the punch list construction items for US36, supporting the Central 70 project team, and supporting the C-470 team.

Chairwoman Connell entertained a motion to approve the HPTE FY 17 Fee for Service. Commissioner Reiff moved for approval of the resolution, and Commissioner Peterson seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-16-6-2

Discuss and Act on 12th Budget Supplement of FY 2016

Chief Financial Officer Maria Sobota explained the items that are included in the 12th Budget Supplement. She opened the floor for questions, there were none.

Chairwoman Connell entertained a motion to approve the 12th Budget Supplement of FY 2016. Commissioner Gilliland moved for approval of the resolution, and Commissioner Hofmeister seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-16-6-3

Discuss and Act on PD 703.0 Amendment – Cash Balance Policy

Maria Sobota opened the floor for questions on the amendments to PD 703.0. Commissioner Reiff stated that though he would make a different decision, that staff has done a very good job crafting this PD.

Chairwoman Connell entertained a motion to approve the amendment to PD 703.0. Commissioner Gilliland moved for approval of the resolution, and Commissioner Hall seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-16-6-4

FY 2016-17 State Infrastructure Bank (SIB) Interest Rate & Origination Fee Setting

Maria Sobota stated that the treasury suggest the interest rate be lowered from 2.5% to 2.25%. This will be revisited in November by the Transportation Commission. She opened the floor for questions, there were none.

Chairwoman Connell entertained a motion to approve the SIB Interest Rate & Origination Fee. Commissioner Peterson moved for approval of the resolution, and

Commissioner Gifford seconded the motion. Upon vote of the Commission, the resolution passed unanimously.

Resolution #TC-16-6-5

Report out from the TC Nominating Committee and Election of TC Officers for FY 2017

Commissioner Gifford stated that through discussion, herself, commissioner Hofmeister and Commissioner Hall have nominated Gary Reiff as the Chair for the 2016-2017 fiscal year, with Sidny Zink as the Vice Chair and Herman Stockinger as TC Secretary. The recommendation was voted on and was passed unanimously.

Acknowledgement

Commissioner Peterson presented a certificate of appreciation from the Marine Corps League to Paul Jesaitis and Kurt Allen from Region 1 for their hard work maintaining the Marine Corps memorial on US6.

Adjournment

Chairwoman Connell closed the June Transportation Commission meeting at 11:00 a.m.



COLORADO Transportation Commission

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

DATE: July 21, 2016
TO: Transportation Commission
FROM: Kyle Lester; Herman Stockinger
SUBJECT: Repeal of Policy Directive 8.0 "Residence and Telephone Requirements"

Purpose and Action

To request that the Commission repeal Policy Directive 8.0 "Residence and Telephone Requirements" which is no longer necessary given updated Procedural Directive 8.1 "Contact Requirements for Maintenance and Designated Essential Personnel Required to Respond to Emergencies."

Background

Policy Directive 8.0 has been in effect since July 18, 1985. It requires that designated employees be available on short notice to respond to emergency situations in their areas of operation.

Details

Updated Procedural Directive 8.1 contains requirements pertaining to maintenance employees who are designated as essential personnel and required to respond to emergency or hazardous situations. The 1985 Policy Directive contained a residence requirement that the employee must live within 20 miles or sufficiently close to the work site to be able to respond for emergencies within 30 minutes. The Department determined this was antiquated language that is no longer necessary. The updated directive still requires that the employee be able to respond within 30 minutes from notification.

Key Benefits

Elimination of residence requirement.

Options and Recommendations

- 1) Approve repeal of Policy Directive 8.0 (staff recommendation);
- 2) Request a workshop to determine whether the Policy Directive needs to be repealed; or
- 3) Conclude that the existing Policy Directive 8.0 should remain in effect, and provide guidance on any amendments to staff.

Attachments

Resolution
Policy Directive 8.0
New Procedural Directive 8.1 (available upon request)

Resolution # TC-

Repeal of Policy Directive 8.0 “Residence and Telephone Requirements”

WHEREAS, under the Colorado Revised Statutes § 43-1-106(8), the Transportation Commission of Colorado has the statutory responsibility to set policies for the Colorado Department of Transportation (“CDOT”); and

WHEREAS, the Transportation Commission supports CDOT’s efforts to eliminate when possible directives that are no longer necessary or are out of date; and

WHEREAS, Policy Directive 8.0, dated July 18, 1985, contains a residence requirement that an employee live within 20 miles of the work site, which is antiquated language no longer relevant given the availability of cell phones; and

WHEREAS, the Executive Director has updated the requirements imposed on designated essential personnel in new Procedural Directive 8.1 “Contact Requirements for Maintenance and Designated Essential Personnel Required to Respond to Emergencies,” including eliminating the residence requirement; and

WHEREAS, Policy Directive 8.0 is no longer necessary as new Procedural Directive 8.1 addresses the Department’s current process regarding designated essential personnel responding to emergencies.

NOW THEREFORE BE IT RESOLVED, the Commission herein repeals Policy Directive 8.0 “Residence and Telephone Requirements” as being no longer necessary.

Herman Stockinger
Transportation Secretary

Date of Approval

COLORADO DEPARTMENT OF TRANSPORTATION		n POLICY DIRECTIVE .. PROCEDURAL DIRECTIVE	
Subject Residence and Telephone Requirements (Proximity of Residence and Telephone to Duty Station)			Number 8.0
Effective 7/18/85	Supersedes Policy Dir. 8 12/16/76	Originating office Staff Maintenance	

PURPOSE

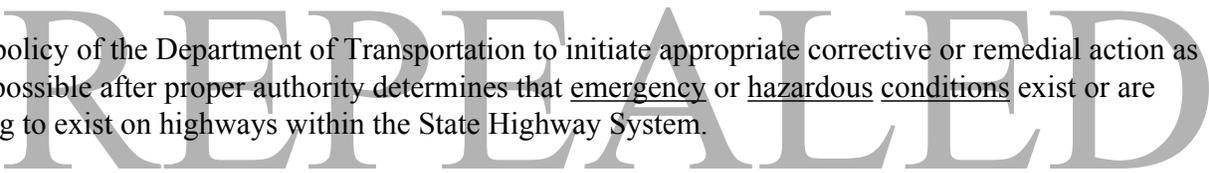
To set forth the policy of the Department of Transportation regarding residence and telephone requirements (proximity of residence to place of work or duty station and ability to contact) for employees (Department of Transportation's Maintenance and essential personnel who are required to respond to emergency or hazardous situations). For the purpose of this directive, "Place of Work or Duty Station" shall mean the District Office, Sub-District Office or Work Station to which Maintenance and essential personnel are assigned.

AUTHORITY

This directive applies to the Colorado Department of Transportation and all Divisions thereof.

POLICY

It is the policy of the Department of Transportation to initiate appropriate corrective or remedial action as soon as possible after proper authority determines that emergency or hazardous conditions exist or are beginning to exist on highways within the State Highway System.



As a condition of employment, all Colorado Department of Transportation Maintenance personnel, excluding clerical personnel and employees specifically excluded by the Appointing Authority, shall reside within twenty (20) miles or sufficiently close to the site where the equipment they operate is located, or their work station to be able to report for emergency work within thirty (30) minutes after being notified to report. For Highway Maintenance personnel attached to patrols or responsible for an area, knowledge of an emergency or hazardous condition may be considered to be notification to report to the work station.

Supervisory and/or essential personnel will be restricted to live within their District in order to respond promptly within their area of responsibility and, in no case, will supervisory and/or essential personnel live farther than the (20) miles or the (30) minutes criteria established. However, since each area of responsibility is unique to some degree, Appointing Authorities, based on manpower restrictions or location to the work station, may for good cause allow exemptions or further restrict this policy.

As a condition of employment, all Colorado Department of Transportation's Maintenance personnel, excluding clerical personnel and employees specifically excluded by the Appointing Authority, must provide his/her Supervisor with a telephone number where he/she can be reached for the purpose of responding to an emergency.

IMPLEMENTATION

The policy stated herein shall be effective immediately and shall be implemented by the Administrative Division of the Colorado Department of Transportation .

(signature on file)
Executive Director

(signature on file)
Secretary, Transportation Commission

REPEALED



COLORADO
Transportation Commission

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

DATE: July 21, 2016
TO: Transportation Commission
FROM: Amy Ford; Herman Stockinger
SUBJECT: Repeal of Policy Directives 26.0 “Electronic Messaging Policy,” 27.0 “Computer and Internet Use,” and 31.0 “Web Site Policy”

Purpose and Action

To request that the Commission repeal Policy Directives 26.0 “Electronic Messaging Policy,” 27.0 “Computer and Internet Use,” and 31.0 “Web Site Policy” which are no longer necessary because two updated Procedural Directives, 27.1 and 31.1, address these issues.

Background

The Communications Office reviewed six Directives (three policy and three procedural directives) which addressed how CDOT employees use computers, the internet, email, and social media, and how CDOT websites and webpages are designed and managed. The six Directives were consolidated into two updated Procedural Directives, 27.1 “Use of Computer and Internet, Including Social Media and Email” and 31.1. “Website and Webpage Development and Management.” These updated directives clearly outline the requirements and prohibitions regarding computer, internet, and social media use, and the Communications Office requirements regarding websites and webpages.

Key Benefits

Reduction in the number of directives applicable to CDOT employees.

Options and Recommendations

- 1) Approve repeal of Policy Directives 26.0, 27.0, and 31.0 (staff recommendation);
- 2) Request a workshop to determine whether the Policy Directives need to be repealed; or
- 3) Conclude that the existing Policy Directives should remain in effect, and provide guidance on any amendments to staff.

Attachments

Resolution

Policy Directives 26.0, 27.0, 31.0

Procedural Directives 27.1 “Use of Computer and Internet, Including Social Media and Email” and 31.1. “Website and Webpage Development and Management” (available upon request)

Resolution # TC-

Repeal of Policy Directives 26.0 “Electronic Messaging Policy,” 27.0 “Computer and Internet Use,” and 31.0 “Web Site Policy”

WHEREAS, under the Colorado Revised Statutes § 43-1-106(8), the Transportation Commission of Colorado has the statutory responsibility to set policies for the Colorado Department of Transportation (“CDOT”); and

WHEREAS, the Transportation Commission supports CDOT’s efforts to repeal when possible directives that are no longer necessary, or are out of date; and

WHEREAS, current Policy Directive 26.0 “Electronic Messaging Policy” has been consolidated into updated Procedural Directive 27.1 “Use of Computer and Internet, Including Social Media and Email”; and

WHEREAS, current Policy Directive 27.0 “Computer and Internet Use” has been consolidated into updated Procedural Directive 27.1 “Use of Computer and Internet, Including Social Media and Email”; and

WHEREAS, current Policy Directive 31.0 “Web Site Policy” has been consolidated into updated Procedural Directive 31.1 “Website and Webpage Development and Management”; and

WHEREAS, updated Procedural Directives 27.1 and 31.1 comprehensively provide all necessary guidance on these topics, therefore Policy Directives 26.0, 27.0, and 31.0 are no longer necessary.

NOW THEREFORE BE IT RESOLVED, the Commission herein repeals Policy Directives 26.0 “Electronic Messaging Policy,” 27.0 “Computer and Internet Use,” and 31.0 “Web Site Policy” as being no longer necessary.

Herman Stockinger
Transportation Secretary

Date of Approval

COLORADO DEPARTMENT OF TRANSPORTATION		<input checked="" type="checkbox"/> POLICY DIRECTIVE <input type="checkbox"/> PROCEDURAL DIRECTIVE	
Subject ELECTRONIC MESSAGING POLICY			Number 26.0
Effective 1/22/98	Supersedes	Originating office Information Systems Center	

PURPOSE

To establish guidelines on the proper use of the electronic message systems provided by the Colorado Department of Transportation (CDOT).

AUTHORITY

24-72-203, C.R.S. and 24-72-204.5, C.R.S., as amended.
Executive Director

APPLICABILITY

This directive sets forth the CDOT's policy with regard to access to, and disclosure of, electronic messaging, including, but not limited to, electronic mail, attachments to electronic mail, Internet services, voice mail, recorded audio and video conferencing, and facsimile. The messages under this policy are those sent by or received by Department employees and other authorized users of the Department's electronic resources.

DEFINITIONS

Records: "Records" are all writings made, maintained, or kept by the Department for use in the exercise of functions required or authorized by law, administrative law, or administrative rule, or involving the receipt or expenditure of public funds. "Writings" includes all books, papers, magazines, maps, photographs, cards, tapes, recordings, or other documentary materials, regardless of physical form or characteristics, including records in computerized format. Writings do not include computer software. (See also CDOT Procedural Directive 51.2, *Public Inspection of Department Records*.)

Electronic Message: An electronic communication transmitted between two or more computers or terminals, whether or not the message is converted to hard copy format after receipt, and whether or not the message is viewed upon transmission or stored for later retrieval. This includes electronic messages that are transmitted through a local, regional, or global computer network.

Capture: An electronic messaging system may capture or hold a message in a special "undeliverable" area when the system cannot deliver a message. An undeliverable message can be the result of an invalid mail address, the addressee's account has been deleted, an addressee is not authorized to receive mail, the electronic message can not be processed by the system for some other reason, or because of a malfunction in the electronic messaging system.

Open: System administrator accesses undeliverable messages to determine the cause of an

undeliverable message and to correct problems with the messaging system.

POLICY

The electronic messaging systems are to be used for Department related activities or the coordination of those activities.

The electronic messaging systems may be used by organizations or persons not employed by the Department of Transportation where their use provides a benefit to the Department. Electronic communication systems access will only be granted to persons with proper authorization by the Department.

All electronic messages are Departmental records and come under the laws set forth by the Colorado Revised Statutes (C.R.S.). 24-72-204.5, C.R.S. states that "correspondence of the employee in the form of electronic mail may be public record under the public records law and may be subject to public inspection under Section 24-74-203."

The release of any electronic information to the public, as set forth in the public records laws, shall not occur without the approval of the CDOT Executive Director or the CDOT Office of Public Information.

The official custodian of the Department's electronic messaging systems will be the Information Systems Officer. All questions pertaining to the department's electronic messaging policy should be directed to the Information Systems Officer.

Pursuant to the legal process, the Department reserves the right to disclose any electronic messages to law enforcement officials without any prior notice to any employees who may have sent or received such messages.

The following practices are prohibited:

- Use of electronic messaging systems to send copies of documents in violation of copyright laws.
- Use of electronic messaging systems to send messages, and provide access to data which is restricted by laws or regulations.
- Capture and "opening" of undeliverable electronic messages except as required by authorized ISC employees to diagnose and correct delivery problems.
- Use of electronic communications to intimidate or threaten others (refer to CDOT Policy Directive #10.0, *Workplace Violence*).
- Use of electronic communications to interfere with the ability of others to conduct official state business.

- "Spoofing," i.e., constructing an electronic message so it appears to be from someone else.
- "Snooping," i.e., obtaining access to the files or messages of others for the purpose of satisfying idle curiosity, with no substantial official state business purpose.
- Attempting unauthorized access to data or attempting to breach any Departmental security measures on any electronic communication system, or attempting to intercept any electronic communication transmissions without proper authorization.

Per 24-72-204.5, C.R.S., CDOT reserves the right to monitor electronic messages to ensure that the guidelines set forth above are followed.

IMPLEMENTATION

This policy shall be effective upon signature. All existing users of the electronic messaging systems will receive notice of this policy. Persons obtaining access to the electronic messaging systems in the future will receive notification of the policy upon issuance of their new account.

FISCAL NOTE

There will be no additional fiscal impact with the implementation of this directive.

SUNSET DATE

This policy shall sunset for review in December, 2000.

Signature on File

 Guillermo V. Vidal, Executive Director

Date

Signature on File

 Glenn A. Vaad, Secretary
 Transportation Commission

Date



COLORADO DEPARTMENT OF TRANSPORTATION		<input checked="" type="checkbox"/> POLICY DIRECTIVE <input type="checkbox"/> PROCEDURAL DIRECTIVE
Subject COMPUTER AND INTERNET USE		Number 27.0
Effective 07/26/01	Supersedes ALL PREVIOUS	Originating Office OFFICE OF POLICY AND GOVERNMENT RELATIONS

PURPOSE:

1. To establish guidelines on the proper use of information technology resources including Internet access and software provided by the Colorado Department of Transportation (CDOT), and to insure that access to the Internet and information technology resources is consistent with the interests of CDOT and the State of Colorado.
2. To discourage use of information technology resources including Internet access and software for non-official purposes that may have an adverse effect on the department.
3. To encourage good judgment and responsible use of information technology tools provided by the department in an effort to increase the productivity and responsiveness of the department.

AUTHORITY:

CRS 1-45-118 (Fair Campaign Practices Act)
Policy Directive 26.0
Executive Director

POLICY:

In general, official department resources, including computers, software, and Internet access, may be used for official purposes only. Utilization of said resources should be consistent with the stated mission and goals of CDOT without regard to time, day, or location of resources.

What if employees

Certain occasional non-official use of certain resources, including Internet access, may be permitted provided that such use is infrequent and incidental. Employees should always exercise good judgment when utilizing department resources.

PROHIBITED USES

Department information technology resources, including Internet access, shall under no circumstances be utilized to view, or to attempt to view information that is offensive, objectionable, obscene, or of a prurient nature. In addition, employees shall not utilize department information technology resources to engage in any of the following, including but not limited to; political activity of a partisan nature, support of any political campaign or candidate, online gambling, stock trading, operating a business, or searching for outside employment. Downloading of screen-savers, games, or streaming audio or video for entertainment purposes shall not be permitted. Virus scans shall be performed before downloading and/or installing any file as downloading files without performing such scans may subject the network to viruses and other unwanted technological problems.

Personnel utilizing said resources, including Internet access, for purposes prohibited by this directive, or any purposes that are inconsistent with its intent shall be subject to strict corrective action consistent with existing law and regulation.

IMPLEMENTATION:

This policy shall become binding on all CDOT employees upon its adoption by the Transportation Commission.



Executive Director



Secretary to the Commission

REPEALED

COLORADO DEPARTMENT OF TRANSPORTATION		<input checked="" type="checkbox"/> POLICY DIRECTIVE <input type="checkbox"/> PROCEDURAL DIRECTIVE
Subject Web Site Policy		Number 31.0
Effective 03/18/10	Supersedes New	Originating Office Office of Public Relations

PURPOSE

To establish policies and guidelines for developing CDOT-related Web sites to ensure that consistent, accurate and timely information is being provided to CDOT stakeholders through the CDOT external Web site and that all sites contain appropriate CDOT branding and strive to meet Americans with Disability Act (ADA) requirements.

AUTHORITY

Transportation Commission
Americans with Disability Act

APPLICABILITY

This directive applies to all Divisions and Offices of the Colorado Department of Transportation.

DEFINITIONS

Web site - A collection of related Web pages, images, videos or other digital assets that are addressed with a common domain name or IP address. A Web site is hosted on a server and is accessible via a network such as the Internet.

POLICY

The Office of Public Relations will have final approval on all CDOT Web sites or Web pages and how the site or page will be implemented. In addition, the Office of Public Relations will have final approval on all content posted on CDOT Web sites or Web pages.

The Office of Public Relations will develop procedures and guidelines for CDOT offices/division/projects to initiate the development of Web sites or Web pages for inclusion on CDOT’s external Web site.

FISCAL IMPACT

There will be no fiscal impact with the implementation of this directive.

IMPLEMENTATION

This procedural directive shall become binding on all CDOT employees upon signature.

REVIEW DATE

This policy shall be reviewed on or before December 2015.

Signed Russels George

02/04/2010

Transportation Commission Secretary

Date of Approval



DATE: June 21, 2016
TO: Transportation Commission
FROM: Joshua Laipply, P.E. Chief Engineer
SUBJECT: SH 74 Parcel 2Rev 2-EX - Disposal/Exchange to Hammond Hardware, LLC

Purpose

CDOT Region 1 is proposing an exchange of property. Hammond Hardware, LLC will convey by deed 971 sf of land to CDOT for use as SH 74 Right of Way (ROW). In turn, CDOT will quitclaim 434 sf of ROW to Hammond Hardware, LLC for the construction of a private sidewalk.

Action

CDOT R1 is requesting a resolution approving the disposal of 434 sf of ROW that is no longer needed for State transportation purposes.

Background

Parcel 2 Rev 2-EX was originally acquired by Rule and Order #44829 and #44499 in conjunction with the construction of a segment of SH 74 that was built under Project C 11-0074-15 in 1975. Parcel 2 Rev 2-EX is 434 square feet of a larger parcel, which is 2,964 square feet and is outside of the right of way necessary for State Highway 74.

Details

Hammond Hardware, LLC will utilize the parcel CDOT is quitclaiming to build a sidewalk. This exchange will give CDOT ownership by deed of this portion of SH 74. Parcel 1A will be conveyed by deed to CDOT from Hammond Hardware, LLC. CDOT will quitclaim Parcel 2 Rev 2-EX to Hammond Hardware, LLC. The exchange will have no effect upon the operation, use, maintenance or safety of the highway facility. Parcel 2 Rev 2-EX contains approximately 434 sf and the exchange parcel contains approximately 971 sf. Both parcel 2 Rev 2-EX (434 square feet) and parcel 1A (971 square feet) have an equal fair market value per square foot. Both parties are aware of the difference in square footage of the exchange parcels and are agreeable to exchanging the parcels without any additional compensation due to the private property ownership.

Key Benefits

This exchange will result in CDOT having ownership by deed of this portion of SH 74. Additionally, Hammond Hardware, LLC will benefit from the development of a sidewalk to increase safety of its operations.

Next Steps

Upon approval of the Transportation Commission, CDOT will execute a quitclaim deed to convey Parcel 2 Rev 2-EX to Hammond Hardware, LLC. The deed will be recorded in office of the Jefferson County Clerk and Recorder. Hammond Hardware, LLC will execute a deed to convey Parcel 1A to CDOT.

Attachments

Proposed Resolution
Exhibit Depicting the Parcels Available Upon Request

Project #: C 11-0074-15
Location: SH 74 in Evergreen
Parcel #: 2 Rev 2-EX
County: Jefferson

PROPOSED RESOLUTION

WHEREAS, CDOT acquired Parcel 2 Rev 2-EX in 1975 in Jefferson County as a part of CDOT Project # C 11-0074-15 for use as SH 74;

WHEREAS, the abutting property owner would like to construct a sidewalk between the highway and their property;

WHEREAS, the adjacent property owner has requested to exchange Parcel 1A for Parcel 2 Rev 2-EX;

WHEREAS, Parcel 1A consists of 971 square feet;

WHEREAS, Parcel 2 Rev 2-EX consists of 434 square feet;

WHEREAS, the Department of Transportation would like to exchange Parcel 2 Rev 2-EX to the adjacent property owner, Hammond Hardware, LLC;

WHEREAS, this property exchange will clear title to CDOT ROW at this location;

WHEREAS, the disposal of Parcel 2 Rev 2-EX will not affect the operation, maintenance, use or safety of CDOT's facility;

WHEREAS, the Department of Transportation, Region 1 has declared through Joshua Laipply as Chief Engineer, that Parcel 2 Rev 2-EX 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 for fair market value;

WHEREAS, Parcel 2 Rev 2-EX (434 square feet) and the parcel 1A (971 square feet) have an equal fair market value per square foot;

WHEREAS, both parties are aware of the difference in square footage for the exchange and are agreeable to exchanging the parcels without any additional compensation due to the private property ownership;

WHEREAS, the Department has determined that Parcel 2 Rev 2-EX consisting of 434 sf of 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, Hammond Hardware, LLC desires to exercise its right of refusal to exchange for the 434 sf of 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 Parcel 2 Rev 2-EX as excess property and dispose of the 434 sf of right of way, which is no longer needed for transportation purposes for exchange of equal value property.

FURTHER, as this is an exchange and not a sale there will be no funds to be disbursed in accordance with Section 7.2.15 of the CDOT Right-of-Way Manual.



DATE: June 21, 2016
TO: Transportation Commission
FROM: Joshua Laipply, P.E. Chief Engineer
SUBJECT: SH 265 Abandonment; City and County of Denver

Purpose

CDOT Reion 1 is proposing an abandonment of 1.01 linear miles of SH 265 between I-70 and I-270, beginning at the northerly right of way line of 47th Avenue and ending near the southeasterly right of way line of York Street

Action

CDOT R1 is requesting a resolution approving the above referenced abandonment of right of way.

Background

Colorado Revised Statute 43-2-103 (1)(a) provides that the Transportation Commission may determine that a State Highway, or portion thereof, no longer functions as a state highway, and with the agreement of each affected county or municipality, the state highway, or portion thereof, can be abandoned to the affected county or municipality.

Details

Region 1 has determined that abandoning this portion of SH 265 would be in the best interest of Colorado taxpayers. Region 1 is currently completing an environmental clearance (Categorical Exclusion, Form 128) as required for the devolution of state highways;

Key Benefits

CDOT will be relieved of all maintenance requirements for the abandoned section of highway.

Next Steps

Subject to completion of the required environmental clearance and within 90 days of the official notification of such abandonment by the Transportation Commission, the City and County of Denver shall execute a resolution or ordinance accepting the abandoned portion of SH 265 as a city street. Within 90 days of the date of execution of the City and County of Denver Resolution or Ordinance accepting the abandoned portion of SH 265, CDOT will execute a quitclaim deed that will include a reversion provision stating that if the property that is the subject of the quitclaim deed is not used for transportation purposes, title to such property will automatically revert back to CDOT.

Attachments

Proposed Resolution
Exhibit Depicting the Parcels Available Upon Request

PROJECT #: C C010-117
PROJECT CODE: 21445
LOCATION: SH 265 (Brighton Blvd), 47th Ave to York
Municipality: City and County of Denver

PROPOSED RESOLUTION

WHEREAS, the Department of Transportation owns 1.05 linear miles of Highway in the City and County of Denver identified as State Highway 265 (Brighton Boulevard);

WHEREAS, that portion of SH 265 is located between I-70 and I-270, beginning at the northerly right of way line of 47th Avenue and ending near the southeasterly right of way line of York Street (Exhibit A);

WHEREAS, Region 1 has determined that abandoning this portion of SH 265 would be in the best interest of Colorado taxpayers;

WHEREAS, Region 1 is currently completing an environmental clearance (Categorical Exclusion, Form 128) as required for the devolution of state highways;

WHEREAS, the Colorado Revised Statute 43-2-103 (1)(a) provides that the Transportation Commission may determine that a state highway, or portion thereof, no longer functions as a State Highway, and with the agreement of each affected county or municipality, the State Highway, or portion thereof, can be abandoned to the affected county or municipality;

WHEREAS, the affected county or municipality will assume ownership of the above mentioned roads in “as is” condition on the date of the transfer of ownership of this specified road segment;

WHEREAS, the governing body of the City and County of Denver shall adopt a resolution agreeing to the State’s abandonment of the portion of SH 265 and agreeing that said highway segment no longer serves the ongoing purposes of the State Highway system; committing the City and County of Denver to assume ownership of said highway segment in the “as is” condition;

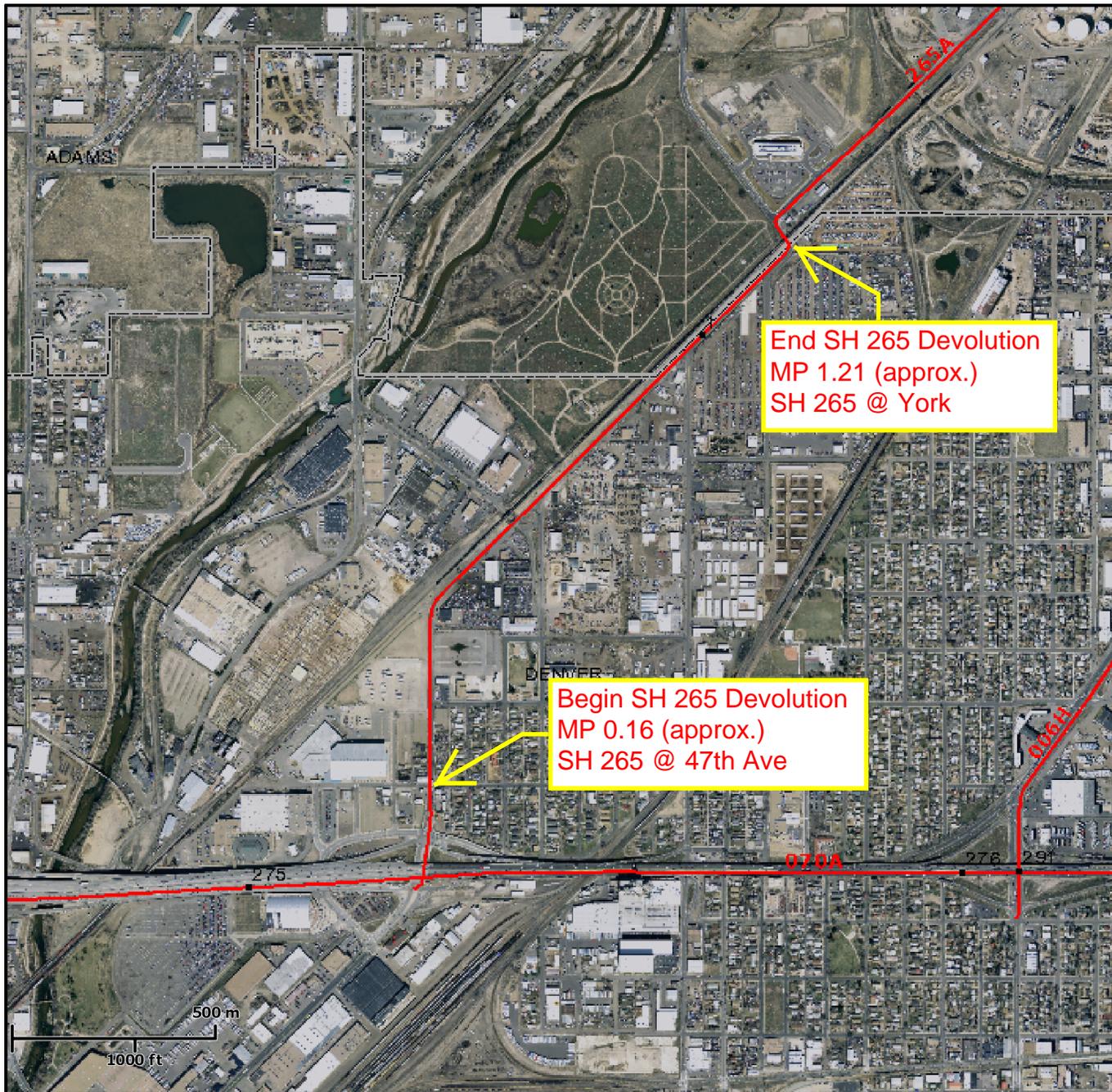
WHEREAS, subject to completion of the required environmental clearance and within 90 days of the official notification of such abandonment by the Transportation Commission, the City and County of Denver shall execute a resolution or ordinance accepting the abandoned portion of SH 265 as a city street;

WHEREAS, within 90 days of the date of execution of the City and County of Denver Resolution or Ordinance accepting the abandoned portion of SH 265, CDOT will execute a quitclaim deed that will include a reversion provision stating that if the property that is the subject of the quitclaim deed is not used for transportation purposes, title to such property will automatically revert back to CDOT;

WHEREAS, the Chief Engineer, the Department of Transportation, and the Executive Director are authorized pursuant to CRS 43-1-106, 43-1-110, 43-1-114, 43-2-101, 43-2-106, 43-2-110, 43-2-144, and 43-2-303, to make determinations regarding abandonment of State Highway(s) to affected county(ies) or municipality(ies);

WHEREAS, the Transportation Commission concurs with the Chief Engineer that this portion of SH 265 is no longer needed for State Highway purposes;

NOW THEREFORE BE IT RESOLVED, pursuant to the provisions of the CRS, Sections 29-1-203, 43-1-106, 43-1-110, 43-1-114, 43-2-101, 43-2-106, 43-2-110, 43-2-144, and 43-2-303, the Department of Transportation be given authority to declare that portion of SH 265 abandoned, as shown in Exhibit A, containing approximately 1.05 miles.



Legend

Base Layers

Milepoints



Highways



Boundaries

Counties



Map scale 1:14,692

Created 2016/02/29 16:04:23 UTC

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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".



DATE: June 21, 2016
TO: Transportation Commission
FROM: Joshua Laipply, P.E. Chief Engineer
SUBJECT: SH 85 Parcel Exchange; City of Brighton

Purpose

CDOT Reion 1 is proposing an exchange of property with the City of Brighton (the City) for parcels of property located in SH 85 right of way. The City intends to convey Parcels 5A, 7A and 8 (45,206 total square feet) to CDOT in exchange for CDOT conveying Parcel 3Rev (32,583 square feet) to the City for the hotel development site.

Action

CDOT R1 is requesting a resolution approving the above referenced exchange of right of way.

Background

In 2001 CDOT abandoned a portion of SH 85-B (Business) to the City. In 2013 the City and CDOT agreed to realign the abandoned portion of SH 85-B and make other safety improvements to the transportation system in the area. As a result of the alignment, Parcel 3Rev and Parcel 8 ceased to be used for transportation purposes and therefore should have reverted to CDOT in accordance with CRS 43-2-106.

Details

The proposed exchange will transfer ownership of Parcel 8 to CDOT (previously abandoned to the City), Parcel 7A (currently City ROW, to be used by CDOT for a future interchange) and Parcel 5A (recently acquired by the City of Brighton Urban Renewal Authority, to be used by CDOT for a future interchange). In exchange for the above parcels, CDOT will not exercise the reverter clause on Parcel 3Rev, and allow the City to use that parcel for commercial development.

Key Benefits

This exchange will provide CDOT with adequate right of way to construct a future interchange at Bromley Lane and SH 85.

Next Steps

Upon approval of the Transportation Commission, CDOT and the City will exchange deeds to formalize the exchange of parcels.

Attachments

Proposed Resolution
Exhibit Depicting the Parcels Available Upon Request

PROJECT #: NH 0853-068
LOCATION: US 85 @ Bromley Road
PARCEL #: 3Rev
COUNTY: Adams

PROPOSED RESOLUTION

WHEREAS, on February 15, 2001, the Transportation Commission approved resolution TC-925 which abandoned State Highway 85-B (Business) within the city limits of Brighton; and

WHEREAS, the Transportation Commission received from the City of Brighton, Ordinance 1661 accepting the abandoned portion of SH 85-B; and

WHEREAS, the City entered into an Intergovernmental Agreement (IGA) with CDOT on June 27, 2001 to set forth the terms of the City taking possession of SH 85-B (now known as Main Street) between Bromley Lane and Denver Street; and

WHEREAS, the City also entered into an IGA with CDOT on January 17, 2013 setting forth terms of the realignment of Main Street at Bromley Lane and other safety improvements in the vicinity; and

WHEREAS, in accordance with CRS 43-2-106 if the City ceases to use the abandoned portion of SH 85 for the purpose of a city street, title to the abandoned state highway or portion thereof shall revert to the Department of Transportation, State of Colorado; and

WHEREAS, Parcel 8 (23,319 square feet) on the attached Exhibit A is a portion of the abandoned SH 85-B which was accepted by the City as part of Main Street; and

WHEREAS, the City and the Brighton Urban Renewal Authority have or will acquire the properties abutting the previous (2001) and current Main Street alignments, identified as Parcels 5 (30,402 square feet) and 7A (1,872 square feet) on the attached Exhibit A; and

WHEREAS, it is the intent of the City to assemble and develop the parcels with a hotel and conference center. A conceptual draft site plan is shown on Exhibit B; and

WHEREAS, Parcel 3Rev (32,583 square feet) on Exhibit A represents a portion of the previously defined right of way of Main Street upon which an existing cul-de-sac serves to currently provide access to Parcel 5; and

WHEREAS, the City acknowledges that the intersection of US 85 and Bromley Lane is planned to be a single point urban interchange (SPUI) at some point in the future, and that the right of way beyond the existing boundaries of US 85 will be necessary for the planned interchange; and

WHEREAS, the design of the hotel site will keep any structures and parking improvements outside of the anticipated footprint of the SPUI to reduce impacts to the future interchange; and

WHEREAS, Parcel 5A (21,887 square feet) and Parcel 8 on the attached Exhibit A comprise a portion of the anticipated right of way required for the interchange footprint; and

WHEREAS, the City and CDOT desire to exchange properties in the area of SH 85 and Bromley Lane to allow the assemblage of properties for a hotel and conference development site and for the preservation of the right of way needed for the future interchange; and

WHEREAS, the City intends to convey Parcels 5A and 8 (45,206 total square feet) to CDOT for the right of way preservation in exchange for CDOT conveying Parcel 3Rev (32,583 square feet) to the City for the hotel development site; and

WHEREAS, all subject parcels have an equal fair market value per square foot, and both parties are aware of the difference in square footage for the exchange and are agreeable to exchanging the parcels without any additional compensation; and

WHEREAS, the exchange of the property will not affect the operation, maintenance, use or safety of CDOT's facility; and

WHEREAS, the Chief Engineer and the Department of Transportation are authorized pursuant to C.R.S. 43-1-106(8)(n); 43-1-110; 43-1-114(3) and 43-1-210(5) to make determinations regarding land to be declared excess and not needed for transportation purposes now or in the foreseeable future; and

WHEREAS, the Department of Transportation, Region 1 has declared through Joshua Laipply as Chief Engineer, that the property is not needed for transportation purposes; and

WHEREAS, the Transportation Commission concurs with the Chief Engineer that this property is not needed for transportation purposes now or in the foreseeable future; and

NOW, THEREFORE BE IT RESOLVED, pursuant to C.R.S. 43-1-106(8)(n); 43-1-110; 43-1-114(3) and 43-1-210; Code of Federal Regulations and Title 23, Part 710, Section 409 (23 CFR 710.409) the Department of Transportation be given authority to declare Parcel 3Rev of Project Number NH 0853-068 as excess land.

FURTHER, as this is an exchange and not a sale, there will be no funds to be disbursed in accordance with Section 7.2.15 of the CDOT Right-of-Way Manual.



COLORADO
Transportation Commission

4201 East Arkansas Avenue, Room 270
 Denver, CO 80222-3406

DATE: July 20, 2016
TO: Transportation Commission
FROM: Andy Karsian, Office of Policy & Government Relations
SUBJECT: FY 2017-18 Capital Development Committee (CDC) Requests

Purpose

To receive Commission approval for: (1) submission of a Department application to the General Assembly for capital development funds to support priority transportation projects; and (2) the Department's priority project list.

Action

Approval of a resolution stating the Department's priority requests for CDC funds for the next fiscal year using either the attached staff recommendation or another project list the Commission determines.

Background

Each year, the CDC prioritizes state departments' requests for funding to support facility maintenance and improvement projects. Projects receiving the CDC's recommendation are forwarded to the Joint Budget Committee for inclusion in the annual state budget bill (formally known as the Long Bill). Under state law, the Transportation Commission provides an annual capital construction request to the CDC, with a prioritized list of recommended state highway reconstruction, repair, and maintenance projects.¹

Details

CDOT Regions and Divisions were asked to submit applications for projects meeting eligibility criteria established by the Office of State Planning and Budgeting (OSPB). Sixteen projects were submitted. Division of Transportation Development (DTD), Office of Financial Management and Budget (OFMB), and Office of Policy & Government Relations staff evaluated projects on the basis of OSPB eligibility criteria and other factors including cost, lack of existing funding sources, and project benefits. The project list was further narrowed by the Office of Policy & Government Relations accounting for factors such as available CDC funding, project interest to the General Assembly, and available funding sources or lack thereof. Three projects were identified from this process. Table 1 summarizes the staff recommended priority list.

Table 1
Staff Recommendation

Project Name	Funding Amount	Region
I 70 Glenwood Canyon Rockfall Mitigation	\$700,000	3
I 70 Avalanche Mitigation	\$2,000,000	3
Bondad Rockfall Mitigation	\$2,000,000	5

Options and Recommendations

The Transportation Commission has the following options:

- Approve the staff recommended project applications (Table 2) as the Department's CDC requests; or
- Do not approve any project applications and direct staff not to submit a Department CDC Request list this year.

The staff recommends that the Commission approve the three projects summarized in Table 1 as the Department's FY 2016-17 CDC requests.

¹ COLO. REV. STAT. § 2-3-1304(1)(a.5).



Next Steps

If approved, the Chief Engineer and Legislative Liaison will present the Department's requests to the CDC at its winter hearing.

Attachments

Resolution - Adopting a Request to the Capital Development Committee of the General Assembly for FY 2017-18
Capital Construction Funds

Resolution Number TC-
**Adopting a request to the Capital Development Committee of the
General Assembly for FY 2017-18 Capital Construction Funds**

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 based on statewide transportation improvement programs; and

WHEREAS, the Department developed a project list which can utilize Capital Construction Fund monies during Fiscal Year 2017-18; 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-70 Glenwood Canyon Rockfall Mitigation;
- Priority 2: I-70 Avalanche Mitigation; and
- Priority 3: Bondad Rockfall Mitigation

BE IT FURTHER RESOLVED, that Department staff is instructed to submit the request to the Capital Development Committee for consideration and approval for funding.





COLORADO
Department of Transportation
Division of Accounting and Finance

4201 East Arkansas Avenue, Room 262
Denver, CO 80222-3400
(303) 757-9793

MEMORANDUM

DATE: July 21, 2016
TO: Transportation Commission
FROM: Maria J. Sobota, Chief Financial Officer
SUBJECT: First Supplement - FY 2016-17

The project request included in the Supplement are consistent with the FY 2017 through FY 2020 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.

RAMP High Performance Transportation Enterprise

Region 4

\$250,000– I-25 North: SH 402 to SH 14– **RAMP HPTE Development Fund- I-25** Corridor Segments 7 and 8. On June 13, 2016 the RAMP Sponsor Coalition considered and approved this request to conduct more detailed analysis of the current Level 2 Traffic and Revenue Study. The work will include economic and social variable analyses not typically included in the Level 2 work, and will help identify an acceptable price range for a potential tolling schedule. (21506/1000...)

Table: RAMP Development Fund – Previous Budget Requests and Remaining Balance

Description	Action Taken	Amount
Original RAMP Allocation	Dec 2013	\$40,000,000
EB PPSL Request	Aug 2014	(4,600,000)
C-470 Request	Oct 2015	(20,000,000)
Current RAMP Allocation Remaining	June 2016	\$15,400,000
I-25 North Request	Pending Approval	(250,000)
Pending Remaining		\$15,150,000

This item is being included in the Supplement per PD703.0 as it is a use of the HPTE Development fund.

Transportation Commission Contingency Reserve

Region 5

\$450,000– *US 160 / WILSON GULCH ROAD EXTENSION*– **TCCRF- RAMP** Partnership ID #5-10. The approaches to some of the structures being constructed in this RAMP Partnership project have experienced substantial subgrade settlement. Though settlement was anticipated and monitored, the long term consolidation has exceeded what was anticipated in the geotechnical design, with the settlements slowing in the last 12 months. This request is to fund a Contract Modification Order for additional scope to address the settlements by utilizing the contractor currently on site. At least half of the TCCRF request will be reimbursed from regional project savings, to be identified.

US 160 / WILSON GULCH ROAD EXTENSION
Budget Components by Phase, Funding Program, Fiscal Year

Phase of Work	Funding Program	Current Budget	Supplement Action				Revised Budget	Expended Budget	
			Year of Budget			Total Request			Percent Increase
			FY2017	FY2017	FY2019				
Construction	<i>RAMP Partnership</i>	\$4,288,000	\$0	\$0	\$0	\$0	\$4,288,000	\$3,785,278	
	<i>City of Durango</i>	\$2,112,000	\$0	\$0	\$0	\$0	\$2,112,000	\$1,864,391	
	<i>TCCRF</i>	\$0	\$450,000	\$0	\$0	\$450,000			
	Total Construction	\$6,400,000	\$450,000	\$0	\$0	\$450,000	\$6,400,000	\$5,649,669	
Total Project Budget		\$6,400,000	\$450,000	\$0	\$0	\$450,000	7.03%	\$6,400,000	\$5,649,669
			Year of Expenditure			Total Request			
			FY2017	FY2017	FY2019	Total Request			
			\$450,000	\$0	\$0	\$450,000			

Please see the Program Management Office memo for more information.

Other Initiatives

\$850,000 – *I-70 Risk and Resiliency*– **TCCRF**- Support proactive identification of those I-70 segments most at risk from natural hazards, as well as an understanding of the system’s ability to recover from hazardous events (i.e., a measure of resilience for those segments most at risk). Critical segments of I-70 will be further analyzed for the benefits of mitigation measures ranging from maintenance, operating contingencies to improved assets. Resilience metrics will reflect available alternative routes and the anticipated damage to I-70 from potential threats. A 12-month period of performance has been scoped for the I-70 R&R pilot.

\$1,000,000 - *Southwest Chief* -**TCCRF**-The Division of Accounting and Finance (DAF), based on Executive Management Team (EMT) recommendation, requests a \$1.0 million transfer from the TCCRF to backfill \$1.0 million in Senate Bill (SB) 09-228 highway funding that will be allocated to the Division of Transit and Rail (DTR). In May 2015, the Transportation Commission (TC) approved a non-binding resolution to provide \$1.0 million in TCCRF monies to DTR for federal matching funds as part of a TIGER Grant application to improve the rail line that services Amtrak’s “Southwest Chief” route. The application was approved by the federal government in October 2015. However, it was determined that DTR was ineligible to receive TCCRF (i.e. gas tax) money for rail projects.

Per prior TC direction, DTR is slated to receive 10% plus \$1.0 million of the \$199.2 million SB 09-228 transfer paid to CDOT on June 30, 2016 (per C.R.S. 43-4-206 (2) (a) (I), DTR is eligible to receive “no less than 10%” of the SB 09-228 transfer). If this request is approved by the TC, the TCCRF will backfill to highway projects the extra \$1.0 million of SB 09-228 revenue re-allocated to DTR. TC-approval of this request allows DTR to receive an extra \$1.0 million of the SB 09-228 transfer to provide matching funds for the Southwest Chief TIGER Grant application, and allows total highway funding to remain neutral.

\$3,500,000 – *ADA Curb Ramps*– **TCCRF**- Request initial funding to begin \$3 million of design services and program management/training activities for attaining compliance to ADA Title II laws in the next five years. Also, \$500k will be used to begin construction projects this year. Attached is an expenditure plan for the next 5 years with total cost expected to be \$85 million. Also, request to proceed with funding the FY17-18 and forward amounts via annual budgeting process.

Table: Annual Expenditure Plan by Phase

Phase	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	Grand Total
Program Management	500,000	500,000	500,000	500,000				200,000
	Encumbered with HDR Engineering for Region 1 Program Management, Training, and ADA		Continued program management support for Region 2, 3, 4, and 5		Continued support and finalizing reporting strategies, program/asset management strategy			
Design Services		2,000,000	2,500,000	2,500,000	400,000	400,000	200,000	8,000,000
	Engineer drawings and clearances (Environmental, Historic, ROW) Region 1 Focus							
Construction Services		500,000	7,500,000	17,000,000	22,000,000	21,000,000	7,000,000	7,500,000
	Added funding to current projects as well as set-aside curb ramp construction							
Grand Total Required	500,000	3,000,000	10,500,000	20,000,000	22,400,000	21,400,000	7,200,000	85,000,000

This item was discussed during a June TC workshop and the request has been refined.

COLORADO DEPARTMENT OF TRANSPORTATION

STATE OF COLORADO

**First
Supplement**

Fiscal Year 2016-2017

**Dated:
July 21, 2016**

COLORADO DEPARTMENT OF TRANSPORTATION
STATE OF COLORADO

RESOLUTION NO. TC –

**“BE IT RESOLVED, That the First Supplement to the Fiscal Year 2016-2017
Budget be approved by the Commission”**

**Transportation Commission Contingency Reserve Fund Reconciliation
First Supplement FY 2017 Budget**

Transaction Date	Transaction Description	Amount	Balance	Reference Document
June-16	<i>Ending Balance 12S16</i>		\$79,876,372	
	<i>FY17 Budget Allocation</i>	\$ 16,858,570		1000223849
	<i>state match for ER permanent repair projects</i>	\$ (1,092,377)		1000225329-1000226594
	<i>US 160 / Wilson Gulch Road</i>	\$ (450,000)		Pending
	<i>I-70 Risk and Resiliency</i>	\$ (850,000)		Pending
	<i>Southwest Chief Grant Match</i>	\$ (1,000,000)		Pending
	<i>ADA Curb Ramps</i>	\$ (3,500,000)		Pending
July-16	<i>Pending Balance 1S17</i>		\$89,842,565	

**Transportation Commission Contingency Snow & Ice Fund Reconciliation
First Supplement FY 2017 Budget**

Transaction Date	Transaction Description	Amount	Balance	Reference Document
	<i>FY17 Budget Allocation</i>	\$10,000,000		1000223849
July-16	<i>Pending Balance 1S17</i>		\$10,000,000	

**Transportation Commission Contingency RAMP Reserve
First Supplement FY 2017 Budget**

Transaction Date	Transaction Description	Amount	Balance
June-16	<i>Balance 12S16</i>		\$1,619,839
July-16	<i>Pending Balance 1S17</i>		\$1,619,839

Transportation Commission Contingency Reserve Fund
Emergency and Permanent Repairs-Nonparticipating costs and state match

September 11, 2013 Flood Related Monthly Activity

Reg	State Highway	Mileposts		Project Description	County	Total Budget TCCRF
4	034A	77.000	- 80.000	PR US 34 Big Thompson Canyon Phase 1	Larimer	\$ (1,096,184)
4	036B	20.000	- 27.952	PR US36 Bridges	Boulder	\$ (61,935)
4	060B	15.316	- 15.640	PR Construction SH60 & SH257 STRS	Weld	\$ 24,633
Total						<u>\$ (1,133,486)</u>

Spring 2015 Flood Related Monthly Activity

Reg	State Highway	Mileposts		Project Description	County	Total Budget TCCRF
4				PRLA Mill St. Overlay in Brush	Morgan	\$ (219,178)
3	139A	36.000	- 37.000	SH 139 Douglas Pass Slip	Garfield	\$ 260,287
Total						<u>\$ 41,109</u>

Grand Total TCCRF Activity for Emergency Relief Since Last Reporting **\$ (1,092,377)**



FY 2016-2017 Contingency Balance Projection

June TC Contingency Balance	\$79,876,372	
FY17 Budget Allocation	\$16,858,570	
State Match for ER and Permanent Flood repairs	(\$1,092,377)	
US 160 / Wilson Gulch Road	(\$450,000)	
I-70 Risk and Resiliency Pending	(\$850,000)	
Southwest Chief Grant Match Pending	(\$1,000,000)	
ADA Curb Ramps Pending	(\$3,500,000)	
Pending July TC Contingency Balance	\$89,842,565	
	Low Estimate	High Estimate
State Match for Emergency Relief/Permanent Recovery	(\$5,000,000)	(\$10,000,000)
Union Pacific Railroad Right of Way Resolution	(\$12,500,000)	(\$20,000,000)
State Match for Spring 2015 Floods	\$0	(\$2,500,000)
US85 /104th Ave Advanced Payment	(\$10,000,000)	(\$10,000,000)
FY16-17 Estimated Misc TCCRF Funding Requests	(\$22,000,000)	(\$22,000,000)
	Max Estimate	Min Estimate
August 2016 FHWA Redistribution	\$25,000,000	\$20,000,000
Projected FY 2015-2016 YE Contingency Balance	\$65,342,565	\$45,342,565
<i>TCCRF Surplus (Deficit) to Reach \$40M Balance July 1, 2017</i>	<i>\$25,342,565</i>	<i>\$5,342,565</i>



COLORADO

Transportation Commission

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

DATE: July 21, 2016
TO: Transportation Commission
FROM: Mary Frances Nevans / Herman Stockinger
SUBJECT: Authorize Commencement of Rule-Making by Opening the Commission Rules, 2 CCR 601-11.

Purpose

To authorize the Department to commence the rule-making process by opening the Rules Governing Practice and Procedures of the Transportation Commission of Colorado (“Commission Rules”), 2 CCR 601-11.

Action

To pass a resolution authorizing the Department to commence rule-making by opening the Rules Governing Practice and Procedures of the Transportation Commission of Colorado (“Commission Rules”), 2 CCR 601-11, and delegate authority to an Administrative Hearing Officer to conduct a public hearing.

Background

CDOT has 22 sets of rules; of these, the Commission has statutory authority to promulgate 13 sets; the remaining 9 sets are under the authority of the Executive Director. The Commission Rules are under the authority of the Commission. Because administrative Rules have the force of law, any change in wording must follow the full process set forth in the Administrative Procedure Act. The many steps in this process include: requesting that stakeholders review the rule changes, requesting the Commission open the rule making process, gathering public input, holding a hearing, the Administrative Hearing Officer recommending a course of action to the Commission, requesting the Commission adopt the rules, and finally, requesting review by the Attorney General’s Office.

Details

The Commission Rules were last updated on April 14, 2014. The proposed amendments to the Commission Rules are primarily a result of the passage of HB16-1172, which reestablished the Efficiency and Accountability Committee, clarified its role, and expanded its membership. The proposed amendments include:

- 1) Conforming the Commission Rules to HB 16-1172, which amended § 43-1-106(17), C.R.S. See Rule 3.01.5.
- 2) Changing the name of the Disadvantaged Business Enterprise (“DBE”) Committee to the Small Business and Diversity (“SBD”) Committee. See Rule 3.01.2.
- 3) Clarifying that the annual election of officers will be the last order of business at the regular June meeting, and stating that the elected officers’ terms will begin on July 1 and expire on June 30 of the following year. See Rule 2.06.
- 4) Changing the number from four to at least three Commission members on committees. See Rules 3.01.1, 3.01.2, 3.01.3, and 3.01.4.

Key Benefits

The proposed changes in the Commission Rules align with HB 16-1172, clarify the election of officers, make the Commission membership on standing committees consistent, and clarify current practice.

Options and Recommendations

- 1) Authorize the Department to open the Rules and delegate authority to an Administrative Hearing Officer to hold a public rule-making hearing (staff recommendation);
- 2) Defer the decision to open the rules pending the provision of additional information; or
- 3) Decline to open the rules at this time.

Attachments

Resolution

Red-line copy of Rules showing proposed amendments

Resolution # TC-

Open Rule-Making and Delegate Authority to an Administrative Hearing Officer to Conduct a Public Rule-Making Hearing Regarding Amendments to the Rules Governing Practice and Procedures of the Transportation Commission of Colorado (“Commission Rules”), 2 CCR 601-11.

WHEREAS, § 43-1-106(6), C.R.S., authorizes the Transportation Commission of Colorado (“Commission”) to adopt rules in relation to its meetings and the transaction of its business; and

WHEREAS, the proposed amendments to the Commission Rules are primarily based on statutory changes resulting from legislation in 2016 (HB 16-1172) which amended § 43-1-106(17), C.R.S.; and

WHEREAS, the Commission has the authority to conduct a rule-making hearing or to delegate the authority to an Administrative Hearing Officer for the purposes of conducting the 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 amendment to the Commission Rules; and

WHEREAS, the Department recommends the Commission Rules be amended to conform to the statutory language in the above referenced legislation; and

WHEREAS, proposed amendments of the Commission Rules further effectuate Governor Hickenlooper’s Executive Order 2012-002, which directs all state agencies to review and update any existing rules to confirm that they are effective, efficient and essential; and

NOW THEREFORE BE IT RESOLVED, the Commission authorizes staff to prepare a draft of the amended Rules, and to take all necessary actions in accordance with the State Administrative Procedure Act to initiate rule-making for the purpose of amending the Rules Governing Practice and Procedures of the Transportation Commission of Colorado, 2 CCR 601-11.

BE IT FURTHER RESOLVED, the Commission delegates its authority to conduct the rule-making hearing to a CDOT Administrative Hearing Officer to prepare a complete record of the hearing and forward said record and Rules to the Commission for consideration and adoption of the Rules.

Herman Stockinger, III
Transportation Secretary

Date

DEPARTMENT OF TRANSPORTATION

Transportation Commission

Rules Governing Practice and Procedures of the Transportation Commission of Colorado

2 CCR 601-11

Statement of Basis, Purpose, and Statutory Authority

The purpose of these rules is to set forth provisions governing the Transportation Commission's actions, administrative practices, and transaction of business. In 2014, the rules ~~are being~~ were updated to make one substantive change to rule 2.06 (changing the annual election of officers from the August regular meeting to July) and to otherwise make numbering and other non-substantive changes. In 2016, the rules were updated to change the name of the Disadvantaged Business Enterprises ("DBE") Committee to Small Business and Diversity ("SBD") Committee, clarify the timeline of the election of Commission officers, and clarify the role and expand the membership of the Efficiency and Accountability Committee.

The authority under which the Transportation Commission of Colorado shall establish these rules is set forth in § 43-1-106(6) and § 43-1-106(8)(k), C.R.S.

1.00 Definitions

- 1.01 "Ad Hoc Committee" shall mean a committee created by the Commission for the purpose of addressing a specific need of a non-continuous nature.
- 1.02 "Bridge Enterprise Board of Directors" shall mean a type 1 board as defined in § 24-1-105, C.R.S., and shall be comprised of the members of the Transportation Commission of Colorado pursuant to § 43-4-805(2) C.R.S.
- 1.03 "Commission" shall mean the Transportation Commission of Colorado.
- 1.04 "Department" shall mean the Colorado Department of Transportation.
- 1.05 "Executive Director" shall mean the Executive Director of the Colorado Department of Transportation.
- 1.06 "Headquarters" shall mean ~~4201 East Arkansas Avenue, Denver, Colorado 80222~~the Colorado Department of Transportation's headquarters building, the address for which is [provided on the Colorado Department of Transportation's website](#).
- 1.07 "HPTE Board" shall mean the Board of Directors of the High Performance Transportation Enterprise pursuant to § 43-4-806(2)(a), C.R.S., which shall be a type 1 board as defined in § 24-1-105, C.R.S., and shall include three members of the Transportation Commission appointed by resolution of the Commission.
- 1.08 "Meeting" shall mean any kind of gathering convened to discuss public business, in person, by telephone, electronically, or by other means of communication pursuant to § 24-6-402(1)(b), C.R.S.
- 1.09 "Secretary" shall mean the Secretary of the Transportation Commission of Colorado.

1.10 "Standing Committee" shall mean a committee created by the Commission to address a general need of a continuous nature.

1.11 "State" shall mean the State of Colorado.

2.00 Commission Members – Elections – Appointments - Successions

2.01 The Commission consists of eleven members, appointed by the Governor with the consent of the Senate for terms of four years. Each Commissioner shall reside in the district the Commissioner represents.

2.02 All members of the Commission shall take an oath of office prescribed by the constitution of the state for state officers and the oath shall be filed by the Secretary in the Office of the Secretary of State.

2.0.3 The members of the Commission and their successors shall constitute a body corporate to be known as the "Transportation Commission of Colorado"; shall have the power to adopt and use a common seal and to change and alter such seal at will; and shall have and exercise all powers necessarily incident to a body corporate.

2.04 All members of the Commission shall also serve as members of the Bridge Enterprise Board of Directors.

2.05 Three members of the Commission shall be appointed by Commission [ratifying](#) resolution to serve on the Board of Directors of the High Performance Transportation Enterprise.

2.06 Annual election of officers shall be the ~~first-last~~ order of business at the Commission's regular ~~July-June~~ meeting. [The elected officers' terms shall begin on July 1, and expire on June 30 of the following year.](#)

2.07 The Commission shall elect a Chairman, Vice Chairman and Secretary to serve for one year or until successors are elected.

2.08 The Chairman shall preside at all regular meetings of the Commission. The Chairman shall be a member of the Commission.

2.09 The Vice Chairman, in the absence or disability of the Chairman shall perform the duties of the Chairman. The Vice Chairman shall be a member of the Commission.

2.10 In the absence or disability of the Chairman or Vice Chairman, the Commission shall elect from its members present a Chairman pro tempore who shall perform the duties of the Chairman for that meeting.

2.11 The Secretary shall assist the Chairman in conducting the meetings of the Commission and shall keep the books and records of the Commission. The Secretary shall be a member of the Department staff.

3.00 Committees of the Commission

3.01 The Commission may create Standing Committees by full consent of the Commission as it deems necessary. ~~As part of the annual election of officers, m~~Members shall be appointed by the Chairman, with the consent of the full Commission, to all existing Standing Committees. ~~;~~ ~~m~~Members so appointed shall [begin serving by the July regular meeting on the respective Committees and](#) serve for one year or until their successors are appointed. [The Commission shall ratify the appointments of members to Standing Committees by resolution.](#)

The Commission has created the following Standing Committees:

- 3.01.1 The Audit Review Committee ("ARC"), which shall be comprised of at least three members of the Commission who shall meet periodically with executive management and the Audit Director to review audits, reports and activities of the internal Audit Division. ~~Any Commissioner may refer an audit or a report to the full Commission for consideration.~~ Note: Deleted this because Policy Directive 4.0 "Audit Division Policy and Charter" fully addresses this issue.
- 3.01.2 The ~~Small Business and Diversity ("SBD") Disadvantaged Business Enterprises ("DBE")~~ Committee, which shall be comprised of at least ~~four~~three members of the Commission who shall meet periodically with executive management and the ~~DBE Director of the Civil Rights and Business Resource Center program administrator~~ to review the ~~DBE civil rights and small business~~ programs. Note: This change was made at the request of the Small Business and Diversity Committee, which wished to change its name. Also, four members was changed to at least three. Finally, the title of the director of the civil right office was updated.
- 3.01.3 The Safety Committee, which shall be comprised of at least ~~four~~three members of the Commission who shall meet periodically with executive management to review the safety program. Note: see above
- 3.01.4 The Transit and Intermodal Committee ("T&I Committee"), which shall be comprised of at least ~~four~~three members of the Commission who shall meet periodically with executive management and the Division of Transit and Rail Director to review transit and rail policies and practices. Note: see above
- 3.01.5 The Efficiency and Accountability Committee, ~~which shall seek ways to maximize the efficiency and accountability of the Department and the Transportation Commission~~ which is reestablished pursuant to § 43-1-106(17)(a), C.R.S., which shall seek ways to maximize the efficiency and accountability of the Department and the Transportation Commission to allow increased investment in the transportation system over the short, medium, and long term, in compliance with § 43-1-106(17)(a), C.R.S. Note: this language is in the statute and remained unchanged in House Bill 16-1172. "Accountability" and "Transportation Commission" was added.
 - A. Membership shall include, from the Executive Branch of the state government:
 1. One member of the Commission designated by the Commission;
 2. One member of the Office of the Executive Director designated by the Executive Director;
 3. One member from each of the divisions of the Department created in section § 43-1-104(1) C.R.S., designated by the Executive Director after consultation with the directors of each division; and
 4. Any other employees of the Department the Executive Director may designate.
 - B. Membership shall include, from the Legislative Branch of the State government:
 1. Two members of the House of Representatives, one appointed from the majority party by the speaker of the House of Representatives and one appointed from the minority party by the minority leader of the House of Representatives, pursuant to § 43-1-106(17); and

2. Two members of the Senate, one appointed from the majority party by the president of the Senate and one appointed from the minority party by the senate minority leader, pursuant to § 43-1-106(17). From House Bill 16-1172.

B.C. Membership shall include, from outside state government, representatives of:

1. The construction Industry;
2. The engineering industry;
3. The environmental community;
4. Transportation planning organizations;
5. Public transportation providers; ~~and~~
6. Counties; From House Bill 16-1172
7. Municipalities; From House Bill 16-1172
8. Nonpartisan good governance organizations; From House Bill 16-1172
9. Any other industries or groups that the Commission determines should be represented on the committee; ~~and-~~
10. Any individuals or representatives of informally constituted groups of individuals that the Commission determines should be represented on the Committee. From House Bill 16-1172

D.G. The Efficiency and Accountability Committee shall periodically report to the Commission and the Executive Director regarding means by which the Commission and the Department may execute their duties more efficiently. The Executive Director or the Director's designee shall report at least once per calendar year to either the committees of the House of Representatives and the Senate that have jurisdiction over transportation or the Transportation Legislation Review Committee regarding their activities and recommendations and any actions taken by the Commission or Department to implement recommendations of the committee.

E. A member of the Efficiency and Accountability Committee who has a personal or private interest that could reasonably be expected to be affected if the Commission or the Department implements a proposed Committee recommendation shall disclose the interest to the Committee and shall abstain from any Committee vote to adopt or reject the recommendation. This is a new provision added by House Bill 16-1172.

3.02 The Chairman, with the consent of a majority of the Commission members, may appoint Ad Hoc Committees as deemed necessary to provide for the efficient conduct of the Commission's business; such committees shall serve at the pleasure of the Chairman.

4.00 Commission Attendance and Notice to Commission of Scheduled Meetings

4.01 Each Commissioner is encouraged to attend the following:

4.01.1 All meetings and hearings of the Commission.

- 4.01.2 All meetings or gatherings of private groups or associations at which Commission representation is requested.
 - 4.01.3 All organized official field trips of the Commission.
 - 4.01.4 All meetings of the Department and private companies, groups or governmental entities which the Commissioner attends at the request of the Chairman or the Executive Director.
 - 4.01.5 All Commission meetings with Legislators, the Joint Budget Committee, the House Transportation and Energy Committee, and the Senate Transportation Committee.
 - 4.01.6 All meetings of any standing or Ad Hoc Committee to which a Commissioner is appointed.
 - 4.01.7 All meetings a Commissioner is assigned to attend as a representative of the Commission.
- 4.02 All absences of Commissioners at a meeting or hearing [of the Commission](#) shall be noted by the Secretary in the minutes of any meeting or hearing of the Commission. Commissioners are encouraged to notify the Secretary or Chairman in advance of any meeting or hearing if they will be unable to attend or if they will be absent from a portion of the meeting or hearing.
 - 4.03 If a Commissioner does not answer roll call at the beginning of the meeting, that Commissioner shall be deemed absent unless excused by the Chairman or his or her subsequent arrival is noted in the minutes.
 - 4.04 Except under special or emergency circumstances, the Secretary will provide to the Commission copies of material pertaining to items that require action within seven days of the meeting.
 - 4.05 Special meetings may be called by the Governor, the Executive Director, the Chairman or a majority of the members of the Commission. The Secretary shall provide notice of any special meeting to the Commission by mail or electronic mail no less than three days prior to the date of any special meeting. However, in case of emergency, a 24-hour notice shall be given by telephone or electronic mail. See § 43-1-106(6) C.R.S.

5.00 Schedule of Meetings – Meeting Location

- 5.01 Except as provided in this section, regular meetings of the Commission shall be held on the third Thursday of each month and no less than eight times a year.
- 5.02 A schedule of regular meetings of the Commission shall be established and adopted each ~~December-July~~ for [the upcoming such fiscal](#) year. ~~By Commission action any such scheduled meeting may be canceled or rescheduled. Deleted because unnecessary, and changed the calendar year to fiscal year to align w/ Department business.~~
- 5.03 The Chairman of the Commission may propose postponement or advancement of the time and date of any regular meeting for Commission action and the Chairman may remove items from the agenda or rearrange the order of the agenda items.
- 5.04 The Commission meetings shall be held at Headquarters or at other locations throughout the state. The Commission will consider holding ~~one-third at least two~~ of its meetings [per 12-month period](#) outside the Denver area to enable persons throughout the state to attend its meetings and express their opinions to the Commission.

6.00 Public Notice of Meetings

- 6.01 Public Notice of Commission meetings will be given as provided for in the Colorado Sunshine Act of 1972 (§ 24-6-401, *et seq.* C.R.S.).
- 6.02 All meetings of two or more members of the Commission at which public business is discussed or at which any formal action may be taken are declared to be public meetings and shall be open to the public at all times, excluding the convening of an executive session pursuant to Rule 7.08. See 24-6-402(2)(a), C.R.S.
- 6.03 Any meetings at which the adoption of any proposed policy, position resolution, rule, regulation, or formal action occurs or at which a majority or quorum of the Commission is in attendance, or is expected to be in attendance, shall be held only after full and timely notice to the public. See § 24-6-402(2)(c), C.R.S.
- 6.04 The Commission shall be deemed to have given full and timely notice if the notice of the meeting is posted in the lobby of CDOT Headquarters and on CDOT's website, no less than twenty-four hours prior to the holding of the meeting.
- 6.05 In addition to the provisions of 6.04 of this rule, public notice of the regular meeting date and proposed agenda shall be posted by the Secretary in the lobby of the Headquarters and on CDOT's website at least five days prior to the meeting, or as soon as practicable.

7.00 Conduct of Meetings – Matters Coming Before the Commission

- 7.01 In any lawsuit or proceedings, all meetings of the Commission shall be presumed to have been duly called and regularly held.
- 7.02 Except for matters to be considered by the Commission in Executive Session pursuant to § 24-6-402(3)(a) or § 24-6-402(3)(b), C.R.S., all meetings of the Commission shall be open to the public and shall be conducted by the Chairman generally under Robert's Rules of Order, but may proceed on an informal basis.
- 7.03 A quorum of the Commission shall be six members. If a quorum of the Commission is present, a majority vote of the members present shall be required to carry any motion, order, regulation or other action of the Commission.
- 7.04 All formal action of the Commission shall be by resolution adopted at a regular or special meeting of the Commission as required by statute.
- 7.05 All resolutions originated by Department staff which require a legal determination must be approved as to legality and form by the Office of the Attorney General or its designee before being accepted as an action item on a Commission meeting agenda.
- 7.06 Persons or groups wishing to make a presentation at a Commission meeting or hearing may make a request to be placed on the agenda by contacting the Secretary in writing at CDOT Headquarters 4201 East Arkansas Avenue, Room 270, Denver, Colorado 80222 at least 17 days prior to the meeting. The public is encouraged to participate at these meetings.
- 7.07 The Secretary will furnish sign-in sheets for public comment at all meetings of the Commission. They will be available at the door of the meeting room. Moved this from 8.06 below, and added redline.

7.087 Items which are not included or identified as action items in the public notice of the Commission meeting agenda may, nonetheless, be considered by the Commission for action at the noticed meeting on an emergency basis, provided that the items must be approved for action by either the Chairman or a majority of the Commissioners and that the Secretary must post public notice of such additional action items in accordance with the provisions of Section 6.00 of this rule.

7.098 Upon the announcement by the Commission to the public of the topic for discussion and after providing as much detail as possible without compromising the purpose for which the executive session is authorized, and by the affirmative vote of two-thirds of its members, the Commission may hold an Executive Session at a regular or special meeting for the sole purpose of considering any of the matters described in § 24-6-402(3)(a) or § 24-6-402(3)(b), C.R.S.. No adoption of any proposed policy, position, resolution, rule, regulations, or formal action, except the review, approval, and amendment of the minutes of an executive session shall occur at any executive session that is not open to the public.

8.00 Records - Minutes

8.01 All meetings of the Commission shall be electronically recorded. ~~The audio files shall be kept permanently by the Secretary.~~ This was moved to Rule 8.06 below.

8.02 The Secretary shall make and maintain minutes of all Commission meetings. Minutes shall be written in the order in which the issues were considered at the meeting, shall be prepared promptly, and shall be open to public inspection. Minutes of each meeting shall state, by name, the Commissioners that are either present or absent and all Department executive management that are present.

8.03 Minutes shall include all matters considered and action taken, if any, but need not be a verbatim transcript. The minutes shall reflect the number of yea and nay votes on each action item and shall state by name the Commissioners voting yea or nay, if there is a division of the vote.

8.04 Minutes of any meeting shall be approved, rejected or modified at the next regular meeting. After approval or modification, minutes shall be signed by the Secretary and made a part of the Commission's records. A copy of the signed minutes of any Commission meeting shall be available to the public upon request.

8.05 The minutes and records of the Commission, books of account, and the seal of the Commission shall be kept in the office of the Secretary and shall be open to public inspection.

~~8.06 The Secretary will furnish sign-in sheets for all meetings of the Commission. They will be available at the door of the meeting room.~~ Moved to new 7.07 above.

8.06 The Commission shall retain records in keeping with the requirements of § 24-80-101, et seq., C.R.S.; however, with regard to the electronic recording of executive sessions, the records shall be kept for ninety days pursuant to § 24-6-402(2)(d.5)(I)(E), C.R.S. Note: we added this because the 90-day period for keeping executive session recordings were not a part of the rules, even though it was in the statute, and to clarify that other records should be retained appropriately. The audio files shall be kept permanently by the Secretary. We moved this from 8.01 above because it relates to record retention.

9.00 Compensation – Reimbursement of Expenditures

9.01 Pursuant to § 43-1-106 (6), C.R.S., each member of the Commission shall receive seventy-five dollars per day for each regular or special meeting of the Commission actually attended and shall be reimbursed for his or her necessary expenses incurred in the discharge of such member's official duties and in accordance with Fiscal Rules and Commission policy.

9.02 Mileage rates for necessary travel shall be computed in accordance with § 24-9-104, C.R.S., as amended.

10.00 Standards of Conduct – Conflicts of Interest – Disclosure

10.01 A conflict of interest occurs whenever a Commissioner has privileged information or a financial interest which may influence or be reasonably perceived by the public as influencing the conduct of the Commissioner.

10.02 A Commissioner holds a position of public trust and has a fiduciary duty to carry out his or her duties for the benefit of the people of the state in a manner consistent with the applicable standards of conduct of § 24-18-101 through § 24-18-206, C.R.S. Each Commissioner shall comply with such standards, as follows:

10.02.1 A Commissioner shall not perform an official act which may have a direct economic benefit on a business or other undertaking in which he has a direct or substantial financial interest.

10.02.2 "Financial interest" means a substantial interest held by an individual which is:

- (1) An ownership interest in a business;
- (2) A creditor interest in an insolvent business;
- (3) An employment or a prospective employment for which negotiations have begun;
- (4) An ownership interest in real or personal property;
- (5) A loan or any other debtor interest; or
- (6) A directorship or officership in a business.

10.03 However, a Commissioner may, prior to acting in a manner described above which may impinge on his or her fiduciary duty and the public trust, disclose the nature of his or her private interest in writing to the secretary of state, listing the amount of his financial interest, if any, the purpose and duration of his or her services rendered, if any, and the compensation received for the services or such other information as is necessary to describe his or her interest. If he or she then performs the official act involved, he or she shall state for the record the fact and summary nature of the interest disclosed at the time of performing the act. Such disclosure shall constitute an affirmative defense to any civil or criminal action or any other sanction.

11.00 Adoption of Rules and Regulations

11.01 All rulemaking proceedings authorized by law to be conducted by the Commission, or by a designee on behalf of the Commission, shall be conducted in accordance with the State Administrative Procedure Act ("APA"), § 24-4-101 *et seq.*, C.R.S. .

12.00 Commission Adjudicatory Hearings

12.01 Adjudicatory hearings may be conducted by the Commission on any issues within the Commission's jurisdiction or the hearing may be delegated by the Commission either to an Administrative Law Judge, in the Division of Administrative Hearings, Department of Administration, or to the Department of Transportation's Executive Director to act as the Hearing Officer. Hearings shall be conducted in accordance with the State Administrative Procedure Act

("APA") § 24-4-101, *et seq.* C.R.S., unless the Commission's or the Department of Transportation's enabling legislation provides otherwise.

- 12.02 In cases where the Department conducts adjudicatory hearings, either through the Executive Director or his designee, which may be but shall not be limited to the Chief Engineer or an Administrative Law Judge. The Executive Director, or his or her designee, shall file a written report with the Commission for review setting forth the evidence and the findings and the application of the findings to statutes and rules. Upon review, the Commission may then sustain findings or make new findings based upon the record.

DATE: June 30, 2014

TO: Transportation Commission

FROM: Greg Diehl, CRBRC Director/DBELO and Joshua Laipply, P.E. Chief Engineer

SUBJECT: Proposed FTA DBE Overall Goal

Purpose

In accordance with 49 CFR Part 26, on a triennial basis CDOT must establish an overall Disadvantaged Business Enterprise (DBE) goal for Federal Transit Administration (FTA)-assisted contracts.

Action

CDOT is requesting a resolution to approve its proposed overall goal of 2.88% for FTA-assisted contracts for Federal Fiscal Years (FFY) 2017-2019.

Background

CDOT's current FTA DBE overall goal is 1.31%. A new goal must be established every three years using the methodology set forth in 49 CFR 26.45. This goal is established and tracked separately from CDOT's Federal Highway Administration (FHWA) overall goal. It applies primarily to CDOT's Division of Transit and Rail (DTR), which receives, distributes, and oversees the use of federal funds received by FTA.

Details

The attached document details the methodology used by the CDOT Civil Rights and Business Resource Center (CRBRC) to establish its FTA DBE overall goal. As described in the methodology, CDOT evaluated the actual contracting opportunities to be offered using FTA funds, the ready, willing and able DBEs to participate in such opportunities, and other relevant evidence in order to determine its overall goal. CDOT proposes an FTA DBE goal of 2.88% for the three-year period, from October 1, 2016 through September 30, 2019 (FFY 2017-2019). CDOT expects to meet the full 2.88% with race-neutral measures.

The significant change from 1.31% to 2.88% is a result of past participation on CDOT FTA-assisted contracts. While the weighted availability of DBEs is quite low and there are few DBEs in rural areas, there is a handful of DBEs that regularly provide consultation to grant partners. As a result, CDOT often exceeded its overall goal of 1.31%. Consideration of past participation is evidence that USDOT recommends CDOT consider when establishing the goal.

While this goal may seem low compared to CDOT's FHWA goal and goals of other Denver-metro agencies, CDOT's FTA DBE overall goal is significantly higher than that of its FTA region counterparts. North Dakota is the next highest with a goal of 1.15% and Montana is the lowest with .20%. Utah has a goal of .36%.

Key Benefits

The DBE program seeks to ensure non-discrimination in the award and administration of FTA assisted contracts and to create a level playing field on which DBEs can compete fairly for FTA-assisted contracts.

Next Steps

Upon approval of the Transportation Commission, the proposed FTA DBE goal will be submitted to FTA. FTA may approve, reject or request modification of the goal. This may lead to adjustments to the FTA DBE overall goal for FFY 2017-2019.

Attachments

Proposed Resolution

FTA DBE Goal Methodology

TC Resolution -

WHEREAS, in accordance with 49 CFR Part 26, CDOT must establish an overall goal for Disadvantaged Business Enterprise (DBE) participation on all FTA-funded contracts for Federal Fiscal Years 2017, 2018 and 2019; and

WHEREAS, CDOT must follow the procedures established by 49 CFR Part 26 to calculate its overall goal; and

WHEREAS, CDOT has developed a methodology based on demonstrable evidence of the availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate on CDOT's FTA-assisted contracts; and

WHEREAS, the methodology includes the base figure and the evidence with which it was calculated, the adjustments CDOT made to the base figure, and the evidence CDOT relied on for the adjustments; and

WHEREAS, the goal reflects CDOT's determination of the level of DBE participation it would expect absent the effects of discrimination; and

WHEREAS, CDOT consulted with groups and organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and CDOT's efforts to establish a level playing field for the participation of DBEs; and

WHEREAS, CDOT published its methodology on its website on July 8, 2016 and provided notice to stakeholders via email; and

WHEREAS, 49 CFR Part 26 requires that the maximum feasible portion of the goal be met with race and gender neutral means.

NOW THEREFORE BE IT RESOLVED:

- By August 1, 2016, CDOT shall submit to FTA the proposed overall goal of 2.88% DBE participation on all FTA-funded contracts, with the entire 2.88% to be met with race and gender neutral means.



**Colorado Department of Transportation
Federal Transit Administration
FFY 2017-2019 Disadvantaged Business Enterprise Goal**

Submitted by the
CDOT Civil Rights and Business Resource Center
August 1, 2016

TABLE OF CONTENTS

INTRODUCTION.....	3
CDOT FTA FUNDING BREAKDOWN	3
STEP 1: DEVELOP A BASE FIGURE.....	5
STEP 2: ADJUST BASE FIGURE	6
RACE-NEUTRAL VS. RACE-CONSCIOUS BREAKDOWN.....	9
CONSULTATION.....	9
PUBLIC PARTICIPATION.....	10
APPENDIX A: RELATIVE AND WEIGHTED AVAILABILITY OF DBE FIRMS	11
APPENDIX B: GRANTEE SURVEY.....	13

INTRODUCTION

This document details the methodology used by the Colorado Department of Transportation (CDOT) to establish its Disadvantaged Business Enterprise (DBE) overall goal for Federal Transit Administration (FTA) assisted contracts. This goal is established and tracked separately from CDOT's Federal Highway Administration (FHWA) overall goal. It applies primarily to CDOT's Division of Transit and Rail (DTR), which receives, distributes, and oversees the use of federal funds received by FTA.

CDOT established this goal in accordance with Part 26, Title 49 of the Code of Federal Regulations (49 CFR Part 26). As described below, CDOT evaluated the actual contracting opportunities to be offered using FTA funds, the ready, willing and able DBEs to participate in such opportunities, and other relevant evidence in order to determine its overall goal. CDOT proposes an FTA DBE goal of 2.88% for the three-year period, from October 1, 2016 through September 30, 2019 (FFY 2017-2019). CDOT expects to meet the full 2.88% with race-neutral measures.

CDOT FTA FUNDING BREAKDOWN

In FFY 2014-2016, CDOT received approximately \$57 million from FTA. While CDOT directly procures some services using FTA funds, most FTA funds (approximately \$48 million) are granted to transit providers in rural areas. CDOT anticipates administering approximately the same amount during the next three-year period.

CDOT grant partners (or subrecipients) use FTA funds for operating, administration and capital purchases. Subrecipients may contract for goods and services, creating indirect FTA-assisted contracting opportunities for DBE firms. CDOT's Civil Rights and Business Resource Center (CRBRC) surveyed DTR all of its grant partners to estimate available contracting opportunities in the FFY 2017-2019 period. Current grant partners reported actual spending amounts and perceived adjustments for the next three years. New grant partners were directed to complete the survey by estimating expenditures over the next three years. Approximately 75% of grant partners responded to the survey.

Of the total amount of FTA assistance CDOT received from FTA, CDOT determined that only 19% represents viable contracting opportunities. The other funds do not represent contracting opportunities to be included in the goal setting for one or more of the following reasons:

- The subrecipient meets the \$250,000 threshold for its own DBE program (38%);
- The funds are used for purchases from transit vehicle manufacturers (TVMs) (14%);
- The funds are used for non-contracting operating expenses (28%); or
- The funds are used for services provided by internal government offices (1%).

Contracting opportunities provided by grant partners who maintain their own DBE program are not included in CDOT's calculation. In accordance with USDOT guidance, the FTA funds provided to these grant partners are incorporated into the grant partner's direct FTA reporting. The funds and correlating opportunities are not included in CDOT's analysis.

The grant partners that maintain their own DOT-approved program include:

- Mesa County
- North Front Range Metropolitan Planning Organization

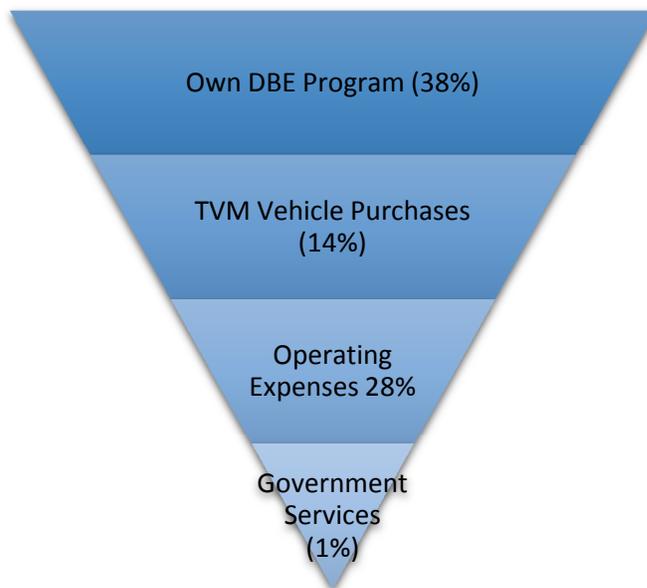
- City of Steamboat Springs
- Roaring Fork Transportation Authority
- Regional Transportation District
- City of Durango
- Greeley Evans Transit
- City of Colorado Springs dba Mountain Metropolitan Transit

CDOT has collected a copy of the DOT-approved DBE program for each direct recipient to confirm that each grant partner is a direct recipient. Due to changes in FTA funding, it is expected that Roaring Fork Transportation Authority will begin reporting to CDOT in FFY 2018.

Purchases from transit vehicle manufacturers (TVM) and operating expenses are also not considered contracting opportunities. TVM purchases are exempt since TVMs maintain their own DBE programs. Operating expenses are excluded per FTA guidance. Operating expenses include rent, utilities, employee wages, employment taxes, fringe benefits, licenses, fees, taxes, conferences, other travel expenses, and insurance.

Additionally, CDOT has exempted expenditures made within government organizations for services. For example, a subrecipient might use the services of a mechanical shop that is part of the city government to maintain its buses. As such, these expenditures with a local government do not represent a viable contracting opportunity for DBEs.

Below is a visual depiction of the use of FTA funds:



Contracting Opportunities = 19%

The FTA provides a significant and valuable financial contribution to support DTR and its grant partners. Yet, when exemptions are factored in, the potential for DBE contracting opportunities included in CDOT's overall goal setting is limited to approximately 19% of the FTA funding provided to CDOT.

The following goal calculations are based on the contracting opportunities created by the remaining 19%. The overall goal must be based on demonstrable evidence of the availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate on these FTA-assisted contracts (hereafter, the “relative availability of DBEs”). To derive the overall goal, CDOT uses the two-step goal setting methodology specified in 49 CFR Section 26.45(c):

Step 1: Develop a base figure for relative availability of DBEs

Step 2: Adjust base figure, as needed, to arrive at an overall goal

STEP 1: DEVELOP A BASE FIGURE

Before beginning the base figure calculation, CDOT determined its local market area. As defined by the USDOT goal setting tips, the local market area in which the substantial majority of the contractors and subcontractors with which CDOT and its grant partners do business are located and the area in which CDOT and its grant partners spend the substantial majority of its contracting dollars. Although CDOT does not maintain statistical data regarding the local market, all grants awarded by CDOT were to rural providers located within Colorado. These grant partners primarily use these funds for local purchases. Therefore, CDOT has determined that the local market is the state of Colorado.

Additionally, before calculating weighted availability, CDOT determined the relative weight of each area of contracting. The survey completed by DTR and CDOT’s grant partners separated contracting opportunities into common areas of procurement, which include building construction, signage, non-TVM vehicle purchases, transportation materials, office equipment, office-related supplies, fuel, transit service provider, software, professional services, facilities maintenance, vehicle service, and other miscellaneous expenses. The Forecast Weight represents the percentage each anticipated contracting opportunity represents of the total estimated contracting opportunities.

Each contracting area was then correlated to NAICS codes so that CDOT could determine the relative availability of DBE. The relative availability of DBEs is defined as the total number of DBE firms that are ready, willing and able to perform the types of contracts CDOT anticipates awarding according. CDOT uses the approach suggested in 49 CFR 26.45(c)(1) which compares the number of available DBEs to all firms in the industry.

The number of available DBE firms within industry was derived from the CDOT Unified Certification Program (UCP) DBE directory. The Colorado UCP does not currently record primary NAICS codes for DBE firms. Therefore, CDOT evaluated all work codes assigned to the DBE firms and assigned one NAICS code that best correlated with the firm’s primary area of work.

Then, the total number of firms within each industry was identified from the most recent 2012 U.S. Census Bureau business data for Colorado. Consistent with DOT guidance, CDOT did not consider out of state DBE firms in order to ensure an “Apples to Apples” comparison of DBE firms to total number of firms for the specified NAICS codes.

CDOT’s calculations are provided in **Appendix A**. The Weighted Availability (Base Figure) of DBEs was determined by summing the following:

Relative Availability of DBEs = # of DBEs in industry/# of firms in industry

Forecast Weight = Contracting Area/Total Contract Opportunities

Weighted Availability = Relative Availability of DBEs x Forecast Weight

Total Weighted Availability (Base Figure) = **0.92%**

STEP 2: ADJUST BASE FIGURE

After calculating the base figure, CDOT examined all of the evidence available in its jurisdiction to determine what adjustment, if any, is needed to the base figure to arrive at the overall goal. This evidence included an evaluation of the past goal, past participation, participation in nearby states, and geographic distribution of DBEs.

The CDOT FTA goal for FFY 2014-2016 was 1.31%. This year's methodology was similar to the methodology used in FFY 2014-2016. CDOT considered subrecipients with their own DBE programs as exempt from the analysis because these subrecipients now report directly to the FTA. These subrecipients, their corresponding FTA funding, and the corresponding amount of DBE opportunities were all exempted from the calculations.

Similar to this analysis, last year's methodology indicated the largest contracting opportunities had little to no DBE availability. As shown in Appendix A, a larger number of DBE firms provide products and services in Building Construction, Engineering Services and Environmental Consulting, however, there are few FTA-funded contracting opportunities in these areas. In addition, there are little to no certified DBEs in several NAICS codes with larger annual contract spending such as Fuel (\$2,711,690), Transit Service Provider-Fixed Route (\$1,720,150), Non-TVM Vehicle Purchase (\$949,051), and Vehicle Service (\$885,476). Collectively, these NAICS codes represent over \$6.2 million in annual contracting opportunities for which there are little to no certified DBE firms.

The most significant difference in this year's methodology and the last methodology is the use of NAICS codes that more accurately correlate to the existing contracting opportunities. In this year's methodology, CDOT made the following adjustments:

- Removed the Urban Planning and the Road Construction categories because there were no contracting opportunities within these codes.
- Added the following codes to the Building Construction contracting opportunity: 238110 Poured Concrete Foundation and Structure Contractors, 238130 Framing Contractors, 238140 Masonry Contractors, 238150 Glass and Glazing Contractors, 238190 Other Foundation, Structure, and Building Exterior Contractors, 238210 Electrical Contractors and Other Wiring Installation Contractors, 238220 Plumbing, Heating, and Air-Conditioning Contractors, 238290 Other Building Equipment Contractors, 238310 Drywall and Insulation Contractors, 238330 Flooring Contractors, 238350 Finish Carpentry Contractors, 238390 Other Building Finishing Contractors, 238910 Site Preparation Contractors, and 238990 All Other Specialty Trade Contractors. These NAICS codes were added because the last methodology only included 236220 which limited the variety of potential firms that could participate in this category.
- Changed the NAICS code associated with software contracting from 541512 Computer Systems Design Services to 423430 Computer Peripheral Equipment and Software Merchant Wholesalers since grant partners reported that they were purchasing software, not hiring firms for software implementation.

- Removed 541810 Advertising Agencies and 541910 Marketing Research and Public Opinion Polling. These NAICS codes were used in the last methodology, but in this analysis CDOT determined they created a broader description than what was warranted by the contracting opportunity.
- Removed 811118 Other Automotive Mechanical, Electrical repair & Maintenance, 811192 Truck and bus washes, and 811198 All Other Automotive Repair and Maintenance included in the last methodology because NAICS codes 811111 General Automotive Repair and 811121 Automotive Body, Paint, and Interior Repair and Maintenance better described the contracting opportunities as reported by grant partners.
- Under transportation supplies, CDOT removed NAICS code 336 Transportation Equipment Manufacturing and replaced it with 423120 Motor Vehicle Supplies and New Parts Merchant Wholesalers and 423130 Tire and Tube Merchant Wholesalers which are more specific to the types of transportation supplies purchased by grant partners.

As a result of these changes, particularly the change from software services to goods, CDOT calculated less DBE availability than in the past. In the last methodology over 800 DBE firms were considered ready, willing, and able to perform contracting opportunities. In this year’s methodology, only 583 are considered to be ready, willing, and able pursuant to the correlating NAICS codes.

Past DBE Participation

Next, CDOT evaluated past participation. Table 1 lists CDOT’s annual DBE participation for the past five federal fiscal years.

Table 1: Awards Made on FTA-Assisted Projects

Time Period	\$ Awarded	# Awards	# of Awards to DBEs	\$ to DBEs	% Total to DBEs
FFY 2012	\$1,628,406	341	3	\$56,504	3.47%
FFY 2013	\$2,147,725	312	6	\$507,888	17.15%
FFY 2014	\$3,216,490	419	3	\$155,792	4.84%
FFY 2015	\$2,235,784	206	3	\$208,465	9.32%
FFY 2016 (1/2 of Year Only)	\$3,044,714	69	2	\$47,000	1.5%

As the table above demonstrates, CDOT has consistently exceeded its overall goal. While the accuracy of CDOT’s reporting is consistently improving, the proposed base figure of 0.92% is lower than all of the DBE participation from FFY 2012-2016. Therefore, pursuant to DOT guidance, CDOT chose to use the median past participation percentage to adjust the base figure and to ensure outliers were excluded. CDOT first determined the median past participation percentage (4.84%) and averaged it with the base figure percentage (.92%), resulting in a proposed DBE goal of 2.88%.

FTA Region 8 Comparison

CDOT also conducted a comparison of DBE goals within FTA Region 8. Region 8 includes Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming. These mid-western states share similar geographic characteristics (mountains, plateaus and plains) and rural demographics.

As shown by Table 2, Colorado’s original DBE base figure was slightly lower than that of North Dakota and Wyoming, but significantly higher than Montana’s and Utah’s. However, the revised goal is significantly higher than all states in the Region. Nonetheless, this revised goal appears reasonable since Colorado has consistently exceeded its FTA DBE overall goal.

Table 2: Comparison with Region 8 States

State	FTA DBE Goal	Race Neutral	Race Conscious
Colorado (proposed)	2.88%	2.88%	0.00%
Montana	0.20%	0.20%	0.00%
North Dakota	1.15%	1.15%	0.00%
South Dakota	0.98%	0.98%	0.00%
Utah	0.36%	0.10%	0.26%
Wyoming	1.00%	1.00%	0.00%

DBE Geographic Distribution

CDOT also reviewed the geographic distribution of the DBE firms within NAICS codes that offered the greatest contracting opportunities. The review and analysis shows limited availability of DBE firms within areas that present upcoming opportunities on FTA-assisted projects. Most of the DBE firms are located within the Denver metropolitan area and along the Front Range, which extends from Ft. Collins through Colorado Springs to Pueblo.

The biggest contracting area and the highest weighted availability was in Fuel. However, as indicated by Table 3 below there are no DBE’s that are in rural areas where this contracting opportunity exist. Additionally, it should be noted that only one DBE out of the 65 shown below is in a rural area. This DBE is located in Elizabeth, Colorado. The majority of the DBEs that are ready, willing, and able are located in the Front Range which makes it difficult to have access to contracting opportunities in rural communities.

Table 3: Firm Distribution

Largest Contracting Opportunities	# DBE Firms	Front Range	Rural Areas
Non-TVM Vehicle Purchase	0	0	0
Office-related Supplies	2	2	0
Fuel	1	1	0
Software	1	1	0
Vehicle Service	3	3	0
Other Professional Services	55	54	1
Transit Provider-Paratransit	3	3	0
Transit Provider-Fixed Route	0	0	0

The table above shows a persisting issue of few DBEs in rural area. Nonetheless, CDOT and its grant partners often utilize DBE consultants who are willing to travel throughout the state. Therefore CDOT did not make an adjustment based upon the lack of DBEs in rural areas.

RACE-NEUTRAL VS. RACE-CONSCIOUS BREAKDOWN

To determine race-neutral and race-conscious split, CDOT evaluated the awards and commitments on FTA-funded projects to DBEs over the past year. Past opportunities from grant partners show that most DBE participation comes from contracts to DBE prime contractors. It may prove difficult to meet the goal if non-DBEs are selected for prime contracts that have traditionally gone to DBEs. However, CDOT will continue to attempt to achieve the participation through race-neutral measures.

CDOT employs the following race-neutral initiatives to increase DBE participation throughout the state:

- CDOT helps to maintain the **UCP DBE directory** as a primary source of DBE firms, certified by CDOT and the City and County of Denver, eligible to meet DBE participation requirements on FHWA, FAA and FTA-funded contracts in Colorado. The availability of the DBE directory makes it easier for subrecipients to identify and contact DBEs for potential contracting opportunities.
- CDOT developed the **Connect2DOT Program**, which is a partnership between CDOT and the Colorado Small Business Development Centers (SBDCs). The program is designed to help small businesses in the transportation industry become more competitive and successful in bidding and contracting. Connect2DOT offers business and technical support tailored to contractors and engineers, online access to bid plans, and various networking events to connect prime contractors and subcontractors. Connect2Dot also partners with industry organizations to ensure comprehensive support to help DBEs increase competitiveness, build capacity, and perform successfully.
- CDOT provides **training to subrecipients** to help them understand the DBE program and to encourage them to seek DBE participation on contracts. CDOT also encourages subrecipients to reach out to local businesses that may be eligible for certification.
- CDOT **provides education to DBEs** to understand opportunities with transit partners. For example, the CRBRC presented at the Southern Colorado Small Business Expo to educate DBEs about contracting opportunities with transit partners.

CONSULTATION

49 CFR 26.45(g)(1) requires consultation with minority, women's and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and CDOT's efforts to establish a level playing field for the participation of DBEs. Because CDOT utilizes the Small Business Development Center (SBDC) network to provide supportive services to small businesses throughout the state, CDOT consulted with the SBDC directors at a regularly scheduled meeting and also reached out to each director to inquire about the availability of DBEs and potential barriers to contracting on FTA-assisted contracts.

The consultation indicated that DBEs were not aware of all of the contracting opportunities on the transit side of CDOT. It was also mentioned that very few DBEs existed in some of the rural areas of Colorado indicating very low availability of DBEs for available transit contracting opportunities. Furthermore, some of the directors reported difficulty finding DBEs. Finally, most transit providers on the western slopes are non-profits and do not produce a large amount of contracting opportunities.

The directors acknowledged the Connect2DOT Newsletter and CDOT and Connect2DOT attendance at local small business events as helping to increase participation. They suggested providing more information about potential opportunities with transit agencies.

PUBLIC PARTICIPATION

This proposed overall goal is currently posted on CDOT's Civil Rights and Business Resource website <http://www.coloradodot.info/business/equal-opportunity/dbe>. It was posted on July 8th and a notice to all DBE firms, industry organizations and grant partners was sent on the same day. CDOT welcomes input from all stakeholders. Questions and comments regarding this methodology can be submitted to Katherine Williams, Title VI and Small Business Programs Manager, Katherine.williams@state.co.us and/or Eboni Younger Riehl, Title VI Analyst and DTR Civil Rights Liaison, eboni.riehl@state.co.us.

APPENDIX A: Relative and Weighted Availability of DBE Firms

Contracting Opportunity	NAICS Code	NAICS Code Description	# of DBEs	Total Firms	Relative Availability	Forecast Weight	Weighted Availability
Building Construction	236220	Commercial and Institutional Building Construction	58	709	0.87%	1.48%	0.01%
	238110	Poured Concrete Foundation and Structure Contractors	31	1052			
	238130	Framing Contractors	2	1843			
	238140	Masonry Contractors	9	1206			
	238150	Glass and Glazing Contractors	2	371			
	238190	Other Foundation, Structure, and Building Exterior Contractors	13	659			
	238210	Electrical Contractors and Other Wiring Installation Contractors	52	3242			
	238220	Plumbing, Heating, and Air-Conditioning Contractors	17	4157			
	238290	Other Building Equipment Contractors	6	350			
	238310	Drywall and Insulation Contractors	19	1650			
	238330	Flooring Contractors	6	2342			
	238350	Finish Carpentry Contractors	7	3812			
	238390	Other Building Finishing Contractors	7	1337			
	238910	Site Preparation Contractors	33	1293			
	238990	All Other Specialty Trade Contractors	29	9365			
	Subtotal		291	33388			
Signage	339950	Sign Manufacturing	5	131	0.97%	0.02%	0.00%
	423990	Other Miscellaneous Durable Goods Merchant Wholesalers	6	999			
	Subtotal		11	1130			
Vehicle Purchase (non TVM)	423110	Automobile and Other Motor Vehicle Merchant Wholesalers	0	105	0.00%	11.45%	0.00%
Transportation Materials and Supplies for Vehicles (AB)*	423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	1	216	0.28%	0.20%	0.00%
	423130	Tire and Tube Merchant Wholesalers	0	37			
	Subtotal		1	358			

Office Equipment	423420	Office Equipment Merchant Wholesalers	1	53	1.89%	0.32%	0.01%
Office-related Supplies	424120	Stationery and Office Supplies Merchant Wholesalers	2	93	2.15%	1.09%	0.02%
Fuel	424710	Petroleum Bulk Stations and Terminals	0	39	1.15%	32.73%	0.38%
	424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)	1	48			
	Subtotal		1	87			
Transit Service Provider-Fixed route	485210	Interurban and Rural Bus Transportation	0	16	0.00%	20.76%	0.00%
Transit Service provider- Paratransit *	485999	All Other Transit and Ground Passenger Transportation	3	52	5.77%	4.42%	0.26%
Software	423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers	1	1460	0.07%	5.12%	0.00%
Lawyer	541110	Offices of Lawyers	1	3665	0.03%	0.43%	0.00%
Accounting	541211	Offices of Certified Public Accountants	12	2298	0.52%	0.41%	0.00%
Engineering Services	541330	Engineering Services	90	4617	1.95%	0.35%	0.01%
Environmental Consulting	541620	Environmental Consulting Services	35	165	21.21%	0.01%	0.00%
Marketing/PR Services	541613	Marketing Consulting Services	20	968	2.83%	0.48%	0.01%
	541820	Public Relations Agencies	15	267			
	Subtotal		35	1235			
Other Prof. Services	541611	Administrative Management and General Management Consulting Services	44	2202	2.31%	8.49%	0.20%
	541614	Process, Physical Distribution, and Logistics Consulting Services	11	181			
	Subtotal		55	2383			
Facilities Maintenance	561720	Janitorial Services	18	12353	0.22%	0.85%	0.00%
	561730	Landscaping Services	23	6639			
	Subtotal		41	18992			
Vehicle Service	811111	General Automotive Repair	1	1516	0.15%	11.36%	0.02%
	811121	Automotive Body, Paint, and Interior Repair and Maintenance	2	514			

	Subtotal		3	2030			
Drug Testing	621511	Medical Laboratories	0	78	0	0.02%	0.00%
	TOTAL		583	72,205	0.81%	100.00%	0.92%

APPENDIX B: CONTRACTING OPPORTUNITY SURVEY

	COLORADO Department of Transportation Office of the Chief Engineer
2016 DTR Overall Goal Survey	
Background Information	
<p>* 1. Agency Name:</p> <input type="text"/>	
<p>* 2. Individual Completing Survey:</p> <input type="text"/>	
<p>* 3. Phone Number:</p> <input type="text"/>	
<p>* 4. Email:</p> <input type="text"/>	
<p>* 5. Are you a direct recipient of FHWA, FTA or FAA funds?</p> <p><input type="radio"/> Yes</p> <p><input type="radio"/> No</p>	
<p>6. If yes, from what agency and approximately how much each year?</p> <input type="text"/>	
<p>7. Do you expect to remain a direct recipient through September 2019?</p> <input type="text"/>	

*** 8. Do you have a current DOT-approved DBE Program?**

Yes

No

9. If yes, on what date was your DBE program approved and when will it expire?

2



COLORADO

Department of Transportation

Office of the Chief Engineer

2016 DTR Overall Goal Survey

Use of Funds

Direct recipients that have a DBE approved program and expect to continue to maintain a DBE program through 2019 do not need to complete this page. Please email a copy of your DBE program to Eboni Younger-Riehl at eboni.riehl@state.co.us

- * 10. Enter the value of the total FTA dollars spent or encumbered by your agency between October 1, 2012 - September 30, 2015. Include contracts/expenditures as of the date they were awarded or the purchase was made, not the date they were invoiced or paid. If you are a new recipient or did not receive FTA funding for a full three year period, please estimate the FTA funds that will be used over the next three years for Q10-Q13.

Three Year FTA
Total

11. Exempt Expenses: From the total amount of FTA grants (Q10), how much did your agency use for the following? For the list of TVM manufactures, please cut and paste the following in your browser:
http://www.fta.dot.gov/12326_5626.html.

Rent and Utilities	<input type="text"/>
Payroll, employment taxes, and fringe benefits	<input type="text"/>
Licenses, fees, and other taxes	<input type="text"/>
Conferences and travel	<input type="text"/>
Insurance	<input type="text"/>
TVM purchases	<input type="text"/>
Government provided vehicle maintenance	<input type="text"/>
Government provided signs	<input type="text"/>
Government provided fuel	<input type="text"/>
Another government service provider	<input type="text"/>

* 12. Subtract the amount of the exempt expenses from the total amount of FTA grants (i.e. subtract the amount in Q11 from the amount in Q10). This is your remaining amount.

Remaining Amount:

13. Use of remaining amount: Of the remaining amount (Q12), provide the approximate amount that went or will go to each of the following (Round to the nearest \$100; if none, enter "0"). The total of the amounts listed below should equal the amount provided in your answer to Q12.

Fixed route transit service providers (non-government):

Paratransit service providers

Non-TVM vehicle purchase:

Vehicle service and maintenance (non-government):

Sign production (non-government):

Transportation materials and supplies for vehicles (non-government): <input type="text"/>
Transportation materials and supplies for shelters and facilities (non-government) <input type="text"/>
Fuel (non-government): <input type="text"/>
Building construction: <input type="text"/>
Road construction and signage: <input type="text"/>
Building/facility maintenance: <input type="text"/>
Engineering Services: <input type="text"/>
Urban planning: <input type="text"/>
Environmental consulting services: <input type="text"/>
Marketing and Public Relations Services: <input type="text"/>
Accountants: <input type="text"/>
Lawyers: <input type="text"/>
Other professional services/consulting: <input type="text"/>
Office related materials and supplies: <input type="text"/>
Office equipment: <input type="text"/>
Other - Please list and provide amount: <input type="text"/>

14. Special Situations: If the past three year period does not reflect your average spending or if you have a special situation (i.e., large FTA funding project) coming up in the next few years, please explain these anomalies:

Bridge Enterprise Board of Directors

July 21, 2016

Gary M. Reiff, Chairman

Englewood, District 3

Shannon Gifford

Denver, District 1

Ed Peterson

Lakewood, District 2

Heather Barry

Westminster, District 4

Kathleen Gilliland

Livermore, District 5

Kathy Connell

Steamboat Springs, District 6

Kathy Hall

Grand Junction, District 7

Sidny Zink, Vice Chair

Durango, District 8

Nolan Schriener

Colorado Springs, 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.

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

10:00 a.m. 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 June 16, 2016 (Herman Stockinger)P. 142
- b) Acknowledgement and recognition of new Chair and Vice ChairP. 144

4. Discuss and Act on Resolution to acknowledge asset ownership of FASTER Funded StructuresP. 145

5. Quarterly Progress and Financial UpdateP. 147

6. Adjournment



**Bridge Enterprise Board
Regular Meeting Minutes
June 17, 2016**

Chairwoman Kathy Connell convened the meeting at 11:00 a.m. at CDOT Headquarters in Denver.

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
Kathy Hall, District 7
Sidny Zink, District 8
Steven Hofmeister, District 11

Excused:

Nolan Schriener, District 9
Bill Thiebaut, District 10

ALSO PRESENT: Shailen Bhatt, Executive Director
Michael Lewis, Deputy Executive Director
Josh Laipply, Chief Engineer
Debra Perkins-Smith, Director of Transportation Development
Maria Sobota, CFO
Scott McDaniel, Staff Services Director
Amy Ford, Public Relations Director
Herman Stockinger, Government Relations Director
Paul Jesaitis, Region 1 Transportation Director
Karen Rowe, Region 2 Transportation Director
Dave Eller, Region 3 Transportation Director
Johnny Olson, Region 4 Transportation Director
Mike McVaugh, Region 5 Transportation Director
Jane Fisher, Director of Program Management
Kathy Young, Chief Transportation Counsel
David Spector, HPTE Director
Mark Imhoff, Director of Transit and Rail
Vince Rogalski, STAC Chairman
John Cater, FHWA Administrator
Chris Wedor, Director of Audit Division

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.

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 Gilliland moved to approve the resolution, and Director Barry seconded the motion. Upon vote of the Board the resolution passed unanimously.

Resolution #BE-16-6-1

Approval of Regular Meeting Minutes for May 19, 2016.

BE IT SO RESOLVED THAT, the Minutes for the May 19, 2016 meeting of the Bridge Enterprise Board of Directors are hereby approved by the Bridge Enterprise Board as published in the Agenda for the June 16, 2016, meeting of the Bridge Enterprise Board of Directors.

FASTER Bridge Ownership

Maria Sobota and Joshua Laipply explained to the commission the structures that were written off the CDOT books were previously transferred into BE under the previous transfer policy and now have been replaced with new structures. These structures, once they were replaced, are now recognized as a Bridge Enterprise asset.

I-70 Quarterly Update

Central 70 project director Tony DeVito walked the commission through the memo in their packet. He stated that teams are on schedule to receive the ROD later in Summer of 2016. Additionally, the third revision of the RFP will be released in June. Community outreach is still a very important part of this project, as the team has been attending a number of events recently. Tony took a moment to thank Rebecca White for her hard work on the project to date. Per the request of Commissioner Reiff, Tony outlined the environmental remediation approach of the project.

Monthly Progress Report

Scott McDaniel opened the floor for questions on the Monthly Progress Report. There were none.

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 11:15 a.m.

Bridge Enterprise Resolution #BE-

Bridge Enterprise Chair, Vice Chair and Secretary 2016-2017

Approved by the Bridge Enterprise Board of Directors on:

WHEREAS, C.R.S. 43-4-805 creates the statewide Bridge Enterprise (Bridge Enterprise) as a government-owned business within the Colorado Department of Transportation (CDOT); and

WHEREAS, the business purpose of the Bridge Enterprise is to finance, repair, reconstruct and replace bridges designated as structurally deficient or functionally obsolete and rated as poor by CDOT; and

WHEREAS, pursuant to C.R.S. 43-4-805(2)(a)(I), the Transportation Commission shall serve as the Bridge Enterprise Board; and

WHEREAS, the Bridge Enterprise Board adopted Amended Articles of Organization and Bylaws which govern the operations of the Bridge Enterprise; and

WHEREAS, the Bridge Enterprise Bylaws identify the officers of the Bridge Enterprise as a Chairman, Vice Chairman and Secretary and call for their election annually; and

WHEREAS, the Bylaws further provide that the Bridge Enterprise Chair and Vice Chair be members of the Bridge Enterprise Board and that the Secretary may be, but need not be, a member of the Bridge Enterprise Board.

NOW THEREFORE BE IT RESOLVED, the Bridge Enterprise Board of Directors hereby elects Gary Reiff as Chairman, Sidney Zink as Vice Chairwoman and Herman Stockinger as Secretary of the Bridge Enterprise to serve until their successors are elected.

Herman Stockinger, Secretary
Bridge Enterprise Board of Directors



4201 E. Arkansas Ave, Room 124B
Denver, CO 80222-4206

MEMORANDUM

TO: BRIDGE ENTERPRISE BOARD OF DIRECTORS
FROM: MARIA SOBOTA, CHIEF FINANCIAL OFFICER
DATE: JULY 21, 2016
SUBJECT: ASSET OWNERSHIP OF FASTER FUNDED STRUCTURES

Purpose:

This memorandum is to inform the Bridge Enterprise Board of Directors of a resolution to formally acknowledge asset ownership of a replacement structure. The 2012 change in asset transfer policy requires annual asset recognition consisting of two separate resolutions. This year, the first was approved during the June Board Meeting, while this, the second, was not acted upon and is being put forth again for approval.

Action:

This month the Bridge Enterprise Board of Directors is asked to approve the resolution.

Details:

Colorado Bridge Enterprise (CBE) currently utilizes an accounting policy that allocates CBE funding directly to replacement structure projects. If an existing structure is scheduled for replacement, CDOT no longer transfers the existing Bridge ID to CBE. This complies with CBE Guidance Document (2011 Number 11; dated November 17, 2011) *Asset Transfer / Ownership Policy for Replacement of an Existing Bridge*. This resolution presented in the June Board Agenda, but was not acted upon due to a mislabeled agenda item.

For document record keeping purposes, CBE formally acknowledges asset ownership of the replacement structure based upon the following criteria:

- The Bridge Enterprise Board approved the allocation of Bridge Enterprise funding via the monthly budget supplement process.
- Structures were completed and open for traffic in Fiscal Year 2016.

The attached resolution accepts asset ownership of the following bridge:

<u>New Bridge Enterprise Owned Bridge</u>	<u>Facility Carried Over Featured Intersection</u>
F-16-EW	US 6 MI over Garrison Street
K-14-AA	US 50 ML over Draw between Texas Creek & Cotopaxi
P-23-D	US 160 ML over Smith Canyon Tributary, Near Kim, CO

In the information only section is CBE Guidance Document 11 and a workflow that further explains the transfer process.



Colorado Bridge Enterprise
July 21, 2016

Resolution Number BE-
Acknowledge New Bridge Asset Funded by Bridge Enterprise

WHEREAS the General Assembly created the Bridge Enterprise as a government-owned business within CDOT, pursuant to 43-4-805 C.R.S.; and

WHEREAS, PURSUANT TO 43-4-805 C.R.S., the Bridge Enterprise is to operate as a government-owned business within the Department of Transportation and shall constitute an "enterprise" for the purposes of Section 20 of Article X of the Colorado Constitution so long as the Bridge Enterprise retains authority to issue revenue bonds and receives less than ten percent (10%) of its total annual revenue in grants, as defined in C.R.S. 24-77-102(7), from all State and local governments combined; and

WHEREAS, the business purpose of the Bridge Enterprise is to finance, repair, reconstruct, and replace designated bridges in the state; and WHEREAS, Section 43-4-805(5)(f), C.R.S. authorizes the Bridge Enterprise Board to enter into agreements with the Transportation Commission, or the department to the extent authorized by the Transportation Commission, under which the Bridge Enterprise agrees to finance, repair, reconstruct, replace, and, if any given agreement so specifies, maintain designated bridges as specified in the agreements; and

WHEREAS, Bridge Enterprise no longer transfers an existing Bridge ID that is programmed to be replaced; and currently utilizes an accounting policy that provides FASTER funding directly to the planned replacement structure and newly assigned Bridge ID; and

WHEREAS, the Bridge Enterprise Board previously approved the use of FASTER funding via the monthly budget supplement process to construct the below noted replacement structure which was completed and open to traffic in Fiscal Year 2016; and

New Bridge Enterprise Owned Bridge	Facility Carried Over	Featured Intersection
F-16-EW	US 6 ML over Garrison Street	
K-14-AA	US 50 ML over Draw between Texas Creek & Cotopaxi	
P-23-D	US 160 ML over Smith Canyon Tributary, Near Kim, CO	

NOW THEREFORE BE IT RESOLVED, the Bridge Enterprise Board hereby accepts ownership of the new bridge.

Herman Stockinger, Secretary,
Bridge Enterprise Board of Directors

Date



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: July 21, 2016
SUBJECT: Progress Reporting Interval Change Notice

Purpose:

This memorandum is to inform the Bridge Enterprise Board of Directors of the change in program progress reporting from the current monthly and quarterly updates and reports to a consolidated quarterly report.

Action:

No action is requested from the Board; this is being presented for informational purposes only.

Details:

Prior to July 2016, Bridge Enterprise staff provided the Board of Directors with monthly progress updates as well as quarterly financial reports and quarterly progress updates. In accordance with the Board's request, Bridge Enterprise staff will be eliminating the traditional monthly progress report and transitioning to a consolidated quarterly reporting frequency. The new quarterly reports will include all the information typically conveyed in the monthly progress reports, as well as financial status updates that were included in the previous quarterly reports. Additionally, the quarterly report will include various program planning and forecasting updates such as the most current Prioritization Plan and multi-year planning updates.



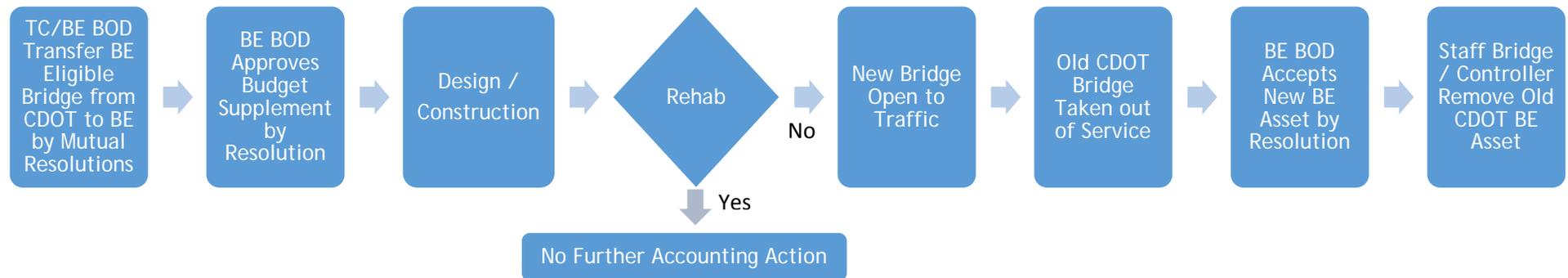
CURRENT TRANSFER POLICY



Non-Replacement/Major Rehabilitation Structures



PREVIOUS TRANSFER POLICY





Guidance Document – Bridge Enterprise Asset Transfer/Ownership Policy for Replacement of an Existing Bridge

Background information

Since program inception, the Bridge Enterprise (BE) Board of Directors (or Board) and Colorado Transportation Commission have taken action to approve resolutions formally transferring ownership of an existing bridge asset from CDOT to Bridge Enterprise, and there have been occasions that a subsequent Board resolution was needed transferring a bridge back from Bridge Enterprise to CDOT.

The original transfer policy was based upon the FASTER legislation and State Controller direction that Bridge Enterprise funding can only be utilized on Bridge Enterprise owned assets and not CDOT assets. This policy transferred an existing CDOT structure to Bridge Enterprise. However, when an existing structure is replaced with a new bridge, then that existing bridge (or asset) and its bridge ID number are retired, and the new replacement structure is assigned its own unique (or new) bridge ID number.

As such, the transfer policy did not formally recognize ownership of the “new” structure and bridge ID which is further discussed below.

New Accounting Policy

CDOT accounting shall implement a new procedure to address replacing an existing bridge with a new bridge that eliminates the need for a formal transfer of an existing bridge asset from CDOT to Bridge Enterprise.

Once the existing “poor” rated bridge is no longer serving its intended purpose and must be replaced, then the existing asset should be retired, and any remaining asset value is written off the CDOT accounting records.

In this Policy, Bridge Enterprise will assume “official” ownership of the new asset (by Board resolution as described below); thereby, any cost to design and construct the new structure can be funded with available Bridge Enterprise / FASTER funding. In support of this new policy, documentation must be developed that (1) documents the assets remaining book value (if any) to be written off CDOT accounting records, (2) documents when the existing bridge is taken out of service, and (3) documents when Bridge Enterprise assumes ownership of the new structure.



Note - this policy document only pertains to bridges scheduled to be replaced. Structures intended to be repaired and/or rehabilitated would still have to be formally transferred as the bridge ID number remains the same if Bridge Enterprise funding is utilized.

Required Accounting Documentation

This section outlines the steps and documentation necessary for CDOT to write-off an existing asset and any remaining book value from CDOT accounting records.

Step 1: Once it has been determined that an existing structure will be replaced with a newly constructed bridge, Bridge Enterprise in concert with CDOT accounting staff shall conduct a financial assessment to document the remaining book value including documenting no remaining book value of the existing structure per the Fixed-Asset database. Reference the work-flow process graphically depicted on Attachment 1.

If the existing asset is **not** included on the Fixed-Asset database, no further accounting action is required and the new structure shall comply with the ownership guidelines further outlined in this guidance document.

If the existing structure **is** included on the Fixed-Asset database there are two possible courses of action:

- (1) CDOT accounting will determine and communicate the remaining book value, and the remaining book value (less any future depreciation costs until the asset has been taken out of service) shall be written off CDOT accounting records once the structure is taken out of service.
- (2) CDOT accounting will determine and communicate that the existing asset has been fully-depreciated and has no remaining book value.

Step 2: The next step is to quantify when the existing structure is taken out of service. Since Bridge Enterprise maintains the program schedule and reports project status on a monthly basis, Bridge Enterprise is best suited to interface with CDOT regional staff to document the date (month and year) when the existing structure has been taken out of service. Bridge Enterprise will then pass-on this information to CDOT Staff Bridge.

Step 3: CDOT Staff Bridge shall then issue an out-of-service memorandum to CDOT's Controller documenting the month and year on when an existing structure has been taken out of service. An out-



of-service memorandum can be issued on an annual basis itemizing all structures retired within that fiscal year. The out-of-service memorandum must be issued no later than June 30th which coincides with the last date of CDOT's fiscal year. CDOT Staff Bridge may elect to issue a periodical out-of-service-office memorandum on a monthly or quarterly basis as long as a final document issued for that particular fiscal year is issued by June 30th.

Step 4: Receipt of the Staff Bridge out-of-service memorandum shall trigger CDOT accounting to write-off the remaining asset value from CDOT accounting records signifying that the structure has been retired and it's no longer serving its intended purpose.

New Bridge Asset Ownership

Through the monthly budget supplement process approved by the Bridge Enterprise Board, preconstruction and / or construction funding is administratively committed to the construction of the replacement structure.

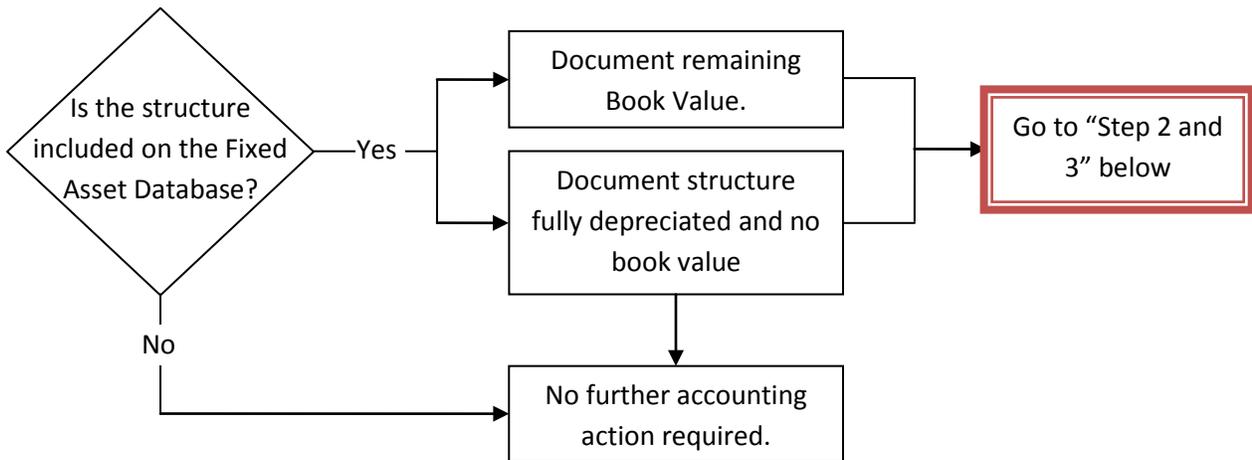
In addition, per guidance from the State Attorney General's office, Bridge Enterprise shall administratively assume ownership of the new structure for two primary purposes: (1) asset ownership is a requisite to utilize available Bridge Enterprise / FASTER funding to complete requisite design and reconstruction activities, and (2) asset ownership is required to utilize available Bridge Enterprise / FASTER funding associated with long-term maintenance and inspection costs.

Resolutions acknowledging asset ownership shall be presented to the Board for their respective approval. Resolutions can be submitted on a quarterly (minimally) or yearly (maximum) basis and shall itemize the new BE structure(s) by their assigned Bridge ID number(s).

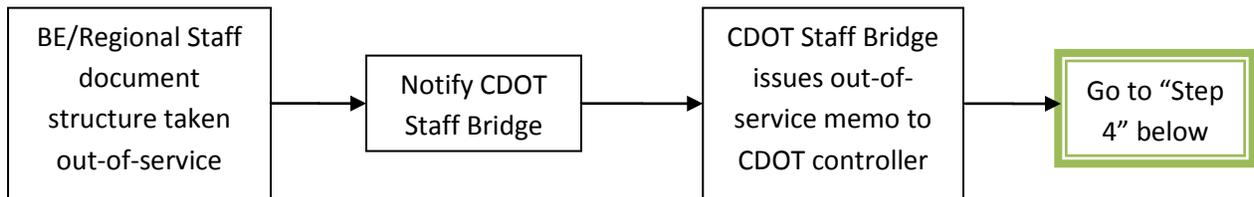
Note – As previously noted, the prior transfer resolutions addressed the existing Bridge structure and not the new structures. To avoid future ownership issues and consistency with current policy, Bridge Enterprise shall prepare a resolution for BOARD approval itemizing all the new bridge structures currently included within the program.



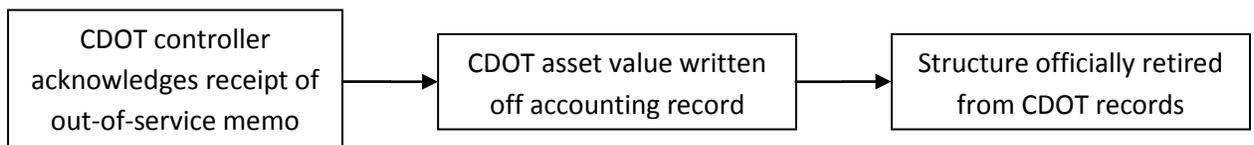
Step 1: Document Remaining Book Value



Step 2 and 3: Document Structure Taken Out-of-service and Notice to CDOT Controller



Step 4: Asset Write-off



**Colorado Transportation Commission
 Audit Review Committee Agenda
 Thursday, June 16, 2016
 CDOT Headquarters, Room 225
 9:45 a.m. – 10:15 a.m.**

Sidny Zink, Chair
 District 8, Durango

Bill Thiebaut
 District 10, Pueblo

Gary Reiff
 District 3, Englewood

Nolan Schriener
 District 9, Colorado Springs

Ed Peterson
 District 2, Lakewood

All commissioners are invited to attend this Committee meeting.

1.	Call to Order	Verbal
2.	Approval of February 2016 Minutes	p 1
3.	Release – Patrol Inventory Report Review	Attachment 1
4.	Review of FY 2017 Strategic Plan	Verbal
5.	Review & Approval of FY 2017 Audit Plan	Verbal
6.	Peer Review Update	Verbal
7.	Fraud Hotline Update	Verbal
8.	Follow Up Process Update	Verbal

THE AGENDA MAY BE ALTERED AT THE CHAIR’S DISCRETION

February 18, 2016
10:00 to 11:00 a.m.
CDOT Headquarters Auditorium

AUDIT COMMITTEE MEMBERS PRESENT: Sidny Zink, Bill Thiebaut, Gary Reiff, Ed Peterson

ALSO PRESENT: Scott Young, Acting Audit Director, James Ballard, Audit Manager; Daniel Pia, IT Auditor; Melissa Canaday, Audit Supervisor; John Carlson, Audit Supervisor; Lisa Gibson, Program Administrator; several auditors from the Audit Division.

AND: Other Executive Management Team members and the public.

Call to Order

ARC Chair Zink called the meeting to order on February 18, 2016 at 10:05 a.m. Chair Zink also called role and all Audit Committee members were present. The meeting was held in the Auditorium at the Colorado Department of Transportation Headquarters' building.

Approval of Minutes of the June 17, 2015 ARC Meeting

Commissioner Peterson moved to approve the meeting minutes for August 19, 2015. Commissioner Reiff seconded the motion. The minutes were approved with no opposition. The minutes were adopted as published in the agenda.

Review of the Modified FY 2016 Audit Plan

Mr. Ballard reviewed the modified audit plan. These changes were based off of comments made by the Audit Review Committee regarding the original plan being overly aggressive. He pointed out that the five audits that were removed, Audit feels that the risk was mitigated and that was behind their selection.

Release of Hard to Fill (HTF) and Extremely Hard to Fill (HFTX) Benefits Audit

Chair Zink reviewed options related to release of a report. Commissioner Thiebaut motioned to release the report and Commissioner Peterson seconded the motion. All committee members voted to approve and release report. The report was released with no opposition.

Discussion of Hard to Fill (HTF) and Extremely Hard to Fill (HFTX) Benefits Audit

Mr. Ballard reviewed the report and presented the audit results and the three recommendations contained in the report. The three areas that improvements could be made are in eligibility criteria could be improved providing more flexibility within pay bands, insufficient policies and procedures, as well as greater monitoring and oversight. These recommendations were made to management.

Chair Zink requested clarification on the first recommendation surrounding more flexibility within pay bands. She asked if that is instead of what is being done now. Commissioner Reiff said that it seems to undercut a Civil Service pay structure. Chair Zink asked if this will be at odds with the Colorado state pay policies. Commissioner Reiff stated that whatever is recommended needs to be able to be defended with a Civil Service pay structure.

Scott Young stated that we will work with Human Resources to ensure we are meeting regulations. Director Bhatt stated that the Department needs to work with the Department of Personnel and Administration to ensure regulations are being met. Commissioner Peterson said to ensure this is not in opposition to any regulations, policies, etc. before progressing too far down the road. Scott Young assured Commissioner Peterson that the division is working closely with our Human Resources section as well as DPA to ensure guidelines and regulations are being met. Commissioner Thiebaut said that the procedural

directive date of July 1, 2016 seems manageable to take the comments of the Committee into consideration.

Chair Zink asked if the report was considered final. Commissioner Reiff confirmed that the report is final. However, it is appropriate to request a report back on the implementation of recommendations in the future.

Audit Division Updates

Mr. Ballard briefly reviewed work that had been completed since the last meeting in August.

Commissioner Reiff inquired as to what lessons were learned in relation to the Construction Claim/Dispute Audits. One surrounded asphalt mixture and what was appropriate. From that we've learned better communication may be in order. The second claim/dispute also surrounded inefficiencies surrounding moving utilities. Better monitoring may alleviate inefficiencies and strengthening planning going forward may help. Josh Laipply stated that they are working with the contractors regarding the disparity in the asphalt mixture. The second claim/dispute Mr. Laipply feels they have built a strong partnership with the contractor's association and if the department enforces the specifications to move utilities in a timely manner, it should help to resolve many issues. Commissioner Peterson feels that we need to consistently tighten up the requirements we have surrounding moving utilities.

Scott McDaniel stated that we need to identify utilities early and notify of need to move early on. Commissioners Reiff and Peterson feel the issues are being handled, just wanted to see what lessons were being gained from the process.

Chair Zink asked who says that each firm 'must' go through the Master Pricing Agreement process. Mr. Ballard said that Procurement and Contracts feels it will streamline the process of competitive bidding. Chair Zink feels that it would be onerous for the smaller firms. Josh Laipply explained that the process is different for extremely small firms versus larger firms. Scott McDaniel said the process needs to provide a fair and reasonable assurance for each contractor. Mr. McDaniel feels that this shouldn't be as much of an issue moving forward.

Chair Zink inquired as to what the hourly savings referred to in the Master Pricing Agreement section in the packet. Mr. Ballard explained that we are trying to quantify what the division is doing. He provided several examples of how the division arrived at the figures that are in the packet. While adding up the mitigated cost from October through December we identified a savings of approximately \$2,000/billed hour. Mr. Ballard is going to meet with the CDOT Statistician to see if there is a better way to identify this savings.

Mr. Ballard reviewed recent staff changes, vacancies and their anticipated fill dates. Mr. Ballard stated that the turnover rate for the Audit Division from August until now has been 40%. However, the climate is improving and the environment is more stable. The Division is doing more outreach and feel that the division is headed on a promising path.

Commissioner Thiebaut stated that perhaps now is an opportune launching point for ARC and the division to go forward in a positive direction. He feels that both the Audit Review Committee and the Division as a whole are greatly valued.

Fraud Hotline Statistics

Mr. Ballard briefly reviewed the Fraud Hotline Statistics for the 2015 calendar year. He also pointed out the more detailed information for review is in the ARC packet provided to committee members. If greater specifics were desired, Mr. Ballard is willing to provide detail outside of the meeting.

Outstanding Audit Recommendations

Mr. Ballard gave an overview of the Outstanding Audit Recommendations and stated that Deputy Director Mike Lewis has been very helpful in getting them pared down. Chair Zink feels there are a lot of open recommendations and inquired as to when they are expected to be closed. Mr. Ballard answered that most are being closed within their suggested timelines. Scott Young also said that DTD/DTR has majority of the open recommendations. They just had an outside audit that brought about many of those. They have a month to review and provide feedback.

Audit Division Staff Introductions

Scott Young requested that the Audit Division staff introduce themselves to the Commission and state how long they have been with the Division/Department.

Meeting was adjourned at 11:00 a.m.



COLORADO

Department of Transportation

Division of Audit

4201 E. Arkansas Ave, Shumate Bldg.
Denver, CO 80222-3400

DATE: June 17, 2016

MEMORANDUM FOR: CDOT Transportation Commission

SUBJECT: **Released Audit Report**
Review of the Patrol Inventory

The attached audit report presents the results of our review of Patrol Inventory (Project number 16-001) reviewed and released by CDOT Audit Review Committee on June 16, 2016. This audit adds value by assisting management with reducing risk related to physical security, safeguarding of assets, maintenance operations, and CDOT's overall reputation

We conducted this audit pursuant to Section 43-1-106, C.R.S., which authorizes us to conduct internal audits on CDOT. This report presents our findings, conclusions, recommendations and the responses of CDOT management. This audit was completed at the request of Management.

If you have any questions or need additional information, please contact me at (303) 757-9687.

Chris Wedor
CDOT Audit Division Director

Attachment

cc: Shailen Bhatt, CDOT Executive Director
Michael Lewis, CDOT Deputy Executive Director
Amy Ford, CDOT Director of Communications
Kathy Young, Senior Assistant Attorney General

PERFORMANCE AUDIT REPORT



COLORADO

Department of Transportation

Division of Audit

Patrol Inventory

This report contains management's comments and our evaluation of management's comments.

RELEASED REPORT

Report Date: February 2, 2016

Audit No: 16-001

EXECUTIVE SUMMARY

Purpose of Review and Objectives

The purpose of this audit is to assess the internal controls at the patrol level. This audit was made at the request of the Deputy Director of Maintenance. Our objective was to assess the adequacy and effectiveness of the internal controls over storeroom material and supplies at the maintenance patrols in Region 1.

This report adds value by addressing risks related to physical security, safeguarding of assets, maintenance operations, and CDOT's overall reputation. This report presents the results of the CDOT Performance Audit of the internal controls over patrol inventory.

Background

CDOT storerooms receive, store, and issue a wide variety of supplies and materials for maintenance, engineering residencies, and highway patrols operating throughout the state. Maintenance patrols consume the majority of storeroom inventory. The most common items obtained from storerooms include hand tools, tires, uniforms, signs, building materials, and safety barriers. This inventory provides maintenance patrols the tools and materials they need to provide the traveling public with safe roads on a daily basis.

Based on our analysis of SAP patrol activity, Region 1 patrols accounted for approximately 30% or \$5.6 million of total storeroom consumption in fiscal year 2015.

Region 1 maintenance management identified fraud and abuse risks associated with a lack of internal controls over storeroom inventory at the patrol level. In addition, there were hotline complaints regarding possible fraud and/or abuse of inventory at the patrol level.

Based on the specific audit request by Region 1 maintenance management, the identified fraud/abuse risks, and the higher level of activity in Region 1 patrols, the audit scope was limited to Region 1 patrols.

Conclusion

The internal controls over storeroom inventory obtained by maintenance patrols should be improved to ensure Region 1 patrol inventory is properly safeguarded and managed. Specifically, we found:

- Inconsistent and undocumented procedures
- No SAP approval process
- No formalized process of monitoring patrol inventory

These conditions mainly occurred because maintenance personnel did not receive any training on developing internal controls over patrol inventory. Management also overlooked the importance and benefits of documenting procedures.

The lack of documented internal guidance and consistent monitoring can result in stolen, wasted, or abused inventory. Also, documenting expected operational procedures and periodically training employees on system usage ensures data is consistent, relevant, and timely.

We recommend that maintenance management perform an annual review of the internal control system at the patrol level. We also recommend management:

- Enhance and document internal controls at the patrol level
- Annually train staff on these internal controls

Table of Contents

Introduction.....	1
Conclusion	1
Audit Results.....	1
Management Actions	3
Recommendations.....	3
Management Comments	3
Objective, Scope, Methodology and Criteria.....	4
Prior Audit Coverage	4
Additional Information	4
Suggestions	5

Introduction

CDOT storerooms receive, store, and issue a wide variety of supplies and materials for maintenance, engineering residencies, and highway patrols operating throughout the state. Maintenance patrols consume the majority of storeroom inventory. The most common items obtained by maintenance patrols include hand tools, tires, uniforms, signs, building materials, and safety barriers. The Region 1 storerooms obtain, store, and distribute the most inventory of all the CDOT storerooms. This inventory provides maintenance patrols the tools and materials they need to provide the traveling public with safe roads.

Patrols can obtain storeroom inventory by submitting a work order or storeroom reservation in SAP. Once the inventory is distributed from the storeroom the responsibility for safeguarding, appropriate use, and tracking is transferred to the patrol. Based on our analysis of SAP patrol activity, Region 1 patrols accounted for approximately 30% or \$5.6million of total storeroom consumption in fiscal year 2015. Region 1 patrols had the highest level of consumption of all CDOT Regions.

Region 1 maintenance management identified fraud and abuse risks associated with a lack of internal controls over storeroom inventory at the patrol level. In addition, there were hotline complaints regarding possible fraud and/or abuse of inventory at the patrol level.

Conclusion

The internal controls over storeroom inventory obtained by maintenance patrols should be improved to ensure Region 1 patrol inventory is properly safeguarded and managed. Specifically, we found:

- Inconsistent and undocumented procedures
- No SAP approval process
- No formalized process of monitoring patrol inventory

These conditions mainly occurred because maintenance personnel did not receive any training on developing internal controls over patrol inventory. Management also overlooked the importance and benefits of documenting procedures.

The lack of documented internal guidance and consistent monitoring can result in stolen, wasted, or abused inventory. Also, documenting expected operational procedures and periodically training employees on system usage ensures data is consistent, relevant, and timely.

Audit Results

Generally, internal controls for inventory at maintenance patrols could be improved. We found that physical security as well as ensuring the safe storage of hazardous and inflammable materials were adequate. Based on our observation of the maintenance patrols, entity assets are safeguarded with appropriate physical controls. Access gates into

the patrols have electronic keypad or padlocks in place and the perimeters are surrounded by metal fences. During our visits we also observed properly labeled and secured storage for flammable and hazardous materials.

However, inventory controls over monitoring and accountability could be improved. Specifically, we found:

- Inconsistent and undocumented procedures
- No SAP approval process
- No formalized process of monitoring patrol inventory

Procedures are not consistent or documented for all Region 1 patrols. According to the storeroom activity data in SAP and discussions with storeroom personnel, Region 1 maintenance patrols obtain storeroom inventory by submitting a reservation request. However, the system has the ability to automatically generate a reservation when a work order is submitted. Patrols in other Regions are utilizing the work order process to reserve materials. In fact, 67% of cost centers from other Regions that obtained inventory from the Region 1 storeroom utilized a work order instead of a storeroom reservation. Several maintenance employees communicated that the process of using both work orders and reservations was cumbersome and inefficient.

Unauthorized reservations and possible theft are mitigated by appropriate segregation of duties, however, approval is not documented in SAP. Generally on a bi-monthly basis, the TM II at each patrol creates a list for their TM III of material and tools they need for assigned projects. The TM III then submits the reservation request into the SAP module for storeroom personnel to process. Storeroom personnel provide each maintenance patrol with a receipt when they pick up their inventory.

The supervisory monitoring process has not been formalized for managers and supervisors to ensure consistent information is being recorded and analyzed. Generally, the TM III and LTC Ops perform at least a monthly review of their patrols' consumption but almost every patrol we visited performed it differently. There is no formal guidance on what information is required for patrols to record in SAP for every reservation and work order. We also observed a lack of formal performance measures or indicators that management could use to monitor storeroom consumption.

Three of the six maintenance patrols we observed did not perform an inventory of storeroom inventory. The remaining three did not perform an inventory consistently. Additionally, there is no way to pull a current inventory report by patrol from SAP as this capability has not yet been developed.

The lack of documented internal guidance and consistent monitoring can result in stolen, wasted, or abused inventory. Also, documenting expected operational procedures and periodically training employees on system usage ensures data is consistent, relevant, and timely. A formalized procedure document reinforces management's expectations from the patrols and provides guidance to achieve organizational objectives.

Management Actions

During the course of the audit, management began to take corrective action. Specifically, management began creating a formalized document to provide guidance on roles and responsibilities related to inventory and monitoring of patrol inventory.

Recommendations

We recommend that maintenance management perform an annual review of the internal control system at the patrol level. We also recommend management:

- Enhance and document internal controls at the patrol level
- Annually train staff on these internal controls

Management Comments

Management agreed with the findings and recommendations made in this report.

“We are reasonably certain the findings of this audit could be replicated in any storeroom within CDOT. From our perspective, CDOT has a pretty good handle on procurement and its associated managerial controls, but we definitely need a state-wide solution for our storerooms, and for property issued from storerooms. In other words, we need more effective accountability of property from purchase through consumption. The good news is, the Division of Highway Maintenance, Procurement, and Policy will begin writing a PD for Storeroom Operations that is planned to be implemented by 12/31/16. This new PD will address training, inventory/managerial controls, documentation, and employee accountability.”

Evaluation of Management Comments

The Division of Audit considers management’s comments responsive to the recommendations and the planned corrective actions should resolve the issues identified in the report.

Objective, Scope, Methodology and Criteria

Our objective was to assess the adequacy and effectiveness of the internal controls over storeroom material and supplies at the maintenance patrols in Region 1.

We conducted this review from June 2015 through January 2016 accordance with Generally Accepted Government Auditing Standards (GAGAS) except for a peer review not conducted within the three-year requirement. This peer review is expected to be conducted by the spring of 2016. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions. We did not identify any instances of fraud or abuse.

In order to meet our objective, we conducted interviews with Region 1 maintenance management, storeroom personnel, and maintenance patrol employees. We also conducted analysis of storeroom reservation activity by patrol and judgmentally selected the six maintenance patrols with the highest total storeroom inventory consumption in fiscal year 2015. This sample represents approximately 15% of all Region 1, Section 5 maintenance patrols. We visited these patrols to observe processes and procedures over material and supplies obtained from the storerooms.

We used the following audit criteria, when applicable:

- Standards for Internal Control in the Federal Government
- CDOT Accounting Manual
- Fiscal Procedures Manual
- State Fiscal Rules
- Documented policies and procedures over material and supplies

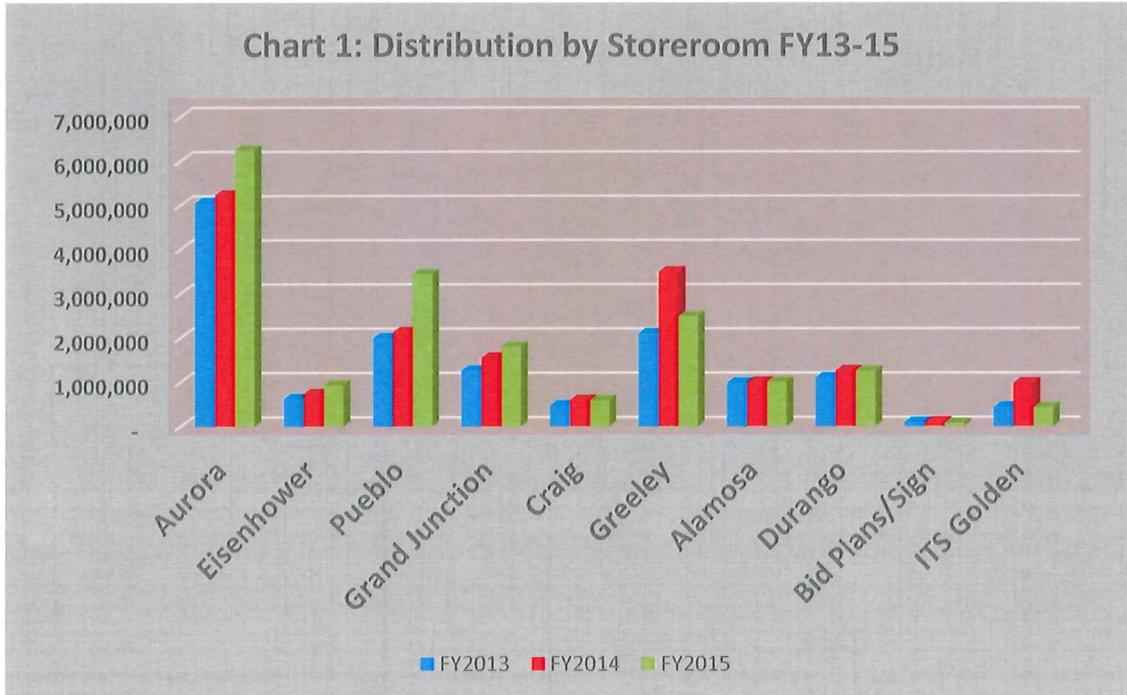
Prior Audit Coverage

We audited the internal controls at the Aurora storeroom in 2004 (Audit No. 0409). We noted that the controls were adequate but were not documented. Upon follow up procedures conducted in 2004, the CDOT Audit Division determined that the recommendations were implemented.

Additional Information

The following graph shows distribution by storeroom for the past three full fiscal years. Region 1 consists of two storerooms located in Aurora and the Eisenhower tunnel. Patrols primarily obtain supplies and materials from the storerooms located in their Region but occasionally request items from a closer storeroom due to the convenience or availability.

The purpose of this graph is to show the Region 1 consumption relative to the rest of the CDOT Regions and the assets at risk by area. Distribution from all CDOT storerooms totaled approximately \$18.2 million in fiscal year 2015. This has grown from approximately \$14.1 million and \$16.9 million in fiscal years 2013 and 2014, respectively.



Source: Audit Division's analysis of SAP data

Suggestions

We suggest management consider the following when establishing internal controls over patrol inventory:

- Standards of conduct that communicate expected behavior
- Consistent, documented process for utilizing SAP, reservations, and work orders
- Specific usage benchmarks or indicators for measuring and monitoring usage
- Identify, describe, and document roles and responsibilities of all parties involved
- Document threshold for inventory that is more closely monitored
- Periodically survey all interested parties to identify strengths, weakness, and challenges