



COLORADO

Department of Transportation

Office of the Chief Engineer

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

DATE: March 16, 2016
TO: Transportation Commission
FROM: Josh Laipply, Chief Engineer
Maria Sobota, Chief Financial Officer
Mike Keleman, Office of Program Management Acting Director
Jane Fisher, Office of Program Management Director
SUBJECT: Program Management Workshop

Purpose

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

Details

A primary performance objective related to the integration of Cash Management and Program Management is a reduction of the cash balance. Total program spending has a significant impact on CDOT's cash balance. Included in the PMO deck is a bar chart projecting the impact of total program spending through December 2016 on individual cash fund balances and federal cash equivalents. The attached memorandum gives further details of the accounts in the total cash balance.

The Office of Program Management is continuing to report on the performance metrics and objectives to the Commission that CDOT considers helpful to achieve its goals and vision. We will continue to monitor and report to the Commission on both Fiscal Year and Calendar Year 2016 Expenditures until June 2016.

We are tracking program delivery at the statewide level using the expenditure performance index (XPI) to evaluate actual construction expenditure performance as compared to planned. While the cumulative Fiscal Year 2016 XPI remains at 0.96, February's expenditures were slightly above the expenditure target and achieved a monthly XPI of 1.02. Alternatively, this is the second month of expenditure data for Calendar Year 2016. The cumulative Calendar Year 2016 XPI increased to 0.85 in February. This month we achieved a monthly CY16 XPI of 0.88, which is approximately \$8 million behind our planned expenditure target.

The PMO Reporting Overview slide provides a status update of the four main programs reported on by the Office of Program Management. The Schedule Performance Index (SPI) for the RAMP Partnership and Operations program increased to 0.97 in February from 0.94 in January. The SPI for CDOT administered RAMP projects increased to 1.00 in February from 0.96 in January.



The SPI for locally administered RAMP projects also increased to 0.91 in February from 0.89 in January.

The attached RAMP Partnership Program Controls update shows how the program is tracking against the remaining contingency and how CDOT is managing the Partnership program to stay within that amount. There is one RAMP Partnership funding request this month that requires commission action. Please refer to the attached Region 1 Memorandum or to the Budget Supplement for more details.

The FY 2019 Asset Management treatment list was approved by the Chief Engineer and Chief Financial Officer in July 2015. Having an approved treatment list is a critical component of the process of maintaining a four-year rolling list of projects. The 4-Year lists of projects is published on our public website.

CDOT's asset class managers, working with region staff, are responsible for taking the treatment list and further refining them into projects for delivery. Maintaining the Asset Management program as a four-year list of projects allows CDOT the flexibility to advance or delay individual projects in order to meet our desired expenditure goals and asset condition performance targets more effectively.

Attachments

1. Attachment A - Cash Balance Memorandum
2. RAMP Partnership Program Controls Update (table)
3. PowerPoint Presentation
4. Region 1 RAMP Partnership Memorandum





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Department of Transportation

Division of Accounting and Finance

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

DATE: March 16, 2016
TO: Transportation Commission
FROM: Maria Sobota, Chief Financial Officer
Josh Laipply, Chief Engineer
Jane Fisher, Office of Program Management Director
SUBJECT: Attachment A - Cash Balance Memorandum

Details of Cash Balance Charts

A primary performance objective related to the integration of Cash Management and Program Management is a reduction of the cash balance. Total program spending has a significant impact on CDOT's cash balance. Included in the PMO deck is a cash balance forecast bar chart through December 2016 considering the impacts of the FAST Act on the cash balance and factoring in the construction program expenditure projections provided by the Program Management Office.

Capital Construction Fund (Fund 400)

The cash balance in the chart is split out by fund with the Capital Construction Fund (Fund 400) being the most relevant as its activity includes the receipt of Highway User Tax Fund (HUTF) transfers, receipt of FHWA reimbursements, and the majority of CDOT's construction spending. The projected Fund 400 cash balance at February 29, 2016, was \$485 million. The actual Fund 400 cash balance at February 29, 2016, was \$496 million - a difference of \$11 million. The increase in the cash balance was expected as CDOT has been actively billing FHWA to convert federal obligation limitation to cash.

The federal obligation limitation, which is CDOT's authorization to bill FHWA for reimbursement of expenditures, is an important driver of cash balance increases and decreases. In general, CDOT begins to spend down the Fund 400 cash balance when the federal obligation has been exhausted. This is because as long as CDOT has federal obligation available, it will receive reimbursement for approximately 80 percent of any qualifying expenditure.

With the passage of the Fixing America's Surface Transportation (FAST) Act, CDOT received its full federal obligation limitation of \$496 million for the year on January 11, 2016. The projected ending balance for federal obligation at February 29, 2016, was \$391 million. The actual ending balance for federal obligation at February 29, 2016, was approximately \$435 million - a difference of \$44 million. Out of the \$496 million in federal obligation received, CDOT has converted approximately \$306 million to cash, leaving a remaining balance of \$190 for the



rest of the year. As of the end of February, CDOT was holding approximately \$210 million of expenditures in anticipation of billing FHWA. CDOT expects to bill FHWA for the remaining obligation limitation by early Summer 2016. Once the obligation limitation is exhausted, the Capital Construction Fund (Fund 400) cash balance will be spent down until the next fiscal year's new obligation limitation is received in late Fall 2016.

While the passage of the FAST Act reduces uncertainty regarding federal obligation receipts in 2016, it will continue to be important for CDOT to closely monitor the cash balance as the Cash Management initiative progresses. By April, Department staff will provide the Transportation Commission with a recommendation of a cash balance threshold to sustain an increased capital construction program while effectively managing expenditure timing and related risks.

Bridge Enterprise Fund (Fund 538)

The projected Bridge Enterprise Fund (Fund 538) cash balance at February 29, 2016, was approximately \$163 million. The actual Fund 538 cash balance at February 29, 2016, was approximately \$224 million - a difference of \$61 million. The cash balance is needed to commit to Central 70 milestone payments during construction to limit CBE's long term debt obligation.

Other CDOT Funds

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



RAMP Partnership Program Controls Update

RAMP Partnership Program Controls Update									March 2016
PCN	Project Name	Original TC Approved Budget [A]	Current Forecasted Cost Estimate [C]	Total Project Cost Variance [A-C]	Prelim. Scalable Review	Additional Non-CDOT Contribution	Additional RAMP Contingency	Additional CDOT Contribution	Project Controls Comments
19192	I-25/ARAPAHOE RD INTERCHANGE	\$74,000,000	\$80,000,000 \$84,750,000	(10,750,000)	Completed (\$600,000)	Unlikely	\$9,500,000	\$1,250,000	AD/CAPP negotiations finalized; The project has a \$4.75M shortfall (\$1.25M qualifies for HSIP funds, leaving a project deficit of \$3.5M); Staff recommends that the deficit be funded with RAMP Contingency Funds and is seeking TC approval in March 2016 to award the project; Additional ROW funds approved in September; Planned Construction in Spring 2016.
19954	US 160 Turnouts	\$1,015,000	\$461,538 \$526,187	488,813	Estimated (\$600,000)	Unlikely	\$0	\$0	Awarded; Bid savings realized (\$21k); Project scope reduced to a single decel lane; Alternatively, both decel lanes would cost over \$2.1 million; Construction duration from March to June 2016.
19906	US50/Dozier/Steinmeier Intersection Improvement & Signal Improvements (companion Ops project 2-9)	\$2,500,000	\$2,500,000	0	Completed	Unlikely	\$0	\$0	Project is currently tracking within budget; FOR complete; Additional Local Contribution unlikely; Project savings may be realized upon award; Planned Advertisement in March 2016.
18331 19039	I-25 AND CIMARRON EXPRESSWAY	\$95,000,000	\$113,624,588	(18,624,588)	Completed (\$11,500,000)	\$2,050,000	\$2,531,138	\$14,043,450	Awarded; Apparent successful proposer was selected in February; TC Approved additional RAMP Contingency funds; \$2.5M in savings from bid opening returned to RAMP Contingency.
19056 19751	US 50 / SH 45 Interchange, Wills to Purcell - Pueblo (companion Ops project 2-10)	\$11,200,000	\$11,075,452	124,548	Bundled Projects	\$0	\$0	\$0	Awarded; Total Project Cost (RAMP + Surface Treatment) is \$13,426,152; Project completion anticipated in Summer 2016.
19094	I-70 Simba Run Underpass (Vail Underpass)	\$20,800,000	\$30,100,000 \$29,173,006	(8,373,006)	Completed	1,803,240	\$6,569,766	\$0	Awarded; CMGC project; Additional Local Contribution approved by Town of Vail; Additional RAMP Contingency Funds approved in June 2015; Ad/CAPP Negotiations finalized in December 2015; Construction duration from Spring 2016 through December 2017.
19930	SH 9 - Frisco to Breckenridge: Iron Springs Alignment and Vail Pass Multi-use Path Devolution	\$21,985,000	\$27,487,269	(5,502,269)	Completed (\$4,200,000)	1,012,454	\$4,489,815	\$0	Awarded - Let on March 3rd; Additional Local Contribution approved by Summit County partners at matching percentage; Additional RAMP Contingency Funds approved in July 2015; Advertised in January 2016; Construction duration from Summer 2016 through December 2017.
19911	I-70 Exit 31 Horizon Drive Roundabouts	\$5,000,000	\$6,095,000 \$6,312,300	(1,312,200)	Complete	\$105,000 + \$496,300 Local Match (\$308,000 Utility Co)	\$423,000	\$0	Awarded; Additional RAMP Contingency funds approved in May; Advertised in June 2015; Additional Local Contribution (\$496k) committed to award project in July; Project completion anticipated in Fall 2016.
19910	SH 9 CO River South Wildlife & Safety	\$46,000,000	\$52,627,747	(6,627,747)	Completed (\$4,200,000)	Completed	\$6,627,747	\$0	Awarded; Increased Local Contribution; Additional RAMP Contingency funds approved to Award; Project is nearly 50% expended; Project completion anticipated in Winter 2017.
12372 18401 19561 20632	US 287: Conifer to Laporte Bypass (Phase 1 - SH1 to Laporte Bypass) (Phases 2 & 3 - Local Agency)	\$36,000,000	\$43,833,509 \$43,553,695	(7,553,695)	Completed (\$800,000)	Completed	\$7,553,695	Local Agency is contributing to the other 2 Phases	Awarded; Bid savings realized (FASTER & RAMP); Local Contribution increased its funding of the other 2 Phases; Additional RAMP Contingency Funds approved in August 2015; Project awarded in December 2015; Project completion anticipated in Summer 2018.
19909	US 550 Sky Rocket Box Culvert Replacement	\$2,000,000	\$2,000,000 \$1,908,753	91,247	Complete	Unlikely	\$0	\$0	Awarded; Bid savings realized (\$250k); Advertised in October 2015; Awarded in November 2015; Project completion anticipated in November 2016.
19908	SH 172 / 151 SIGNALIZATION	\$1,800,000	\$1,729,562	70,438	Complete	Unlikely	\$0	\$0	Awarded; Bid savings realized (\$187k); Readvertised in October (no project bids received in August); Awarded in December 2015; Project completion anticipated in Summer 2016.
19397	SH 145 AT CR P SAFETY IMPROVEMENTS	\$1,660,194	\$1,676,597 \$1,912,975	(252,781)	Possible	Unlikely	\$0	\$252,781	Awarded; Savings realized during the design phase; Awarded in June 2015; Additional FASTER funds approved per original application; Project completion delayed until Spring/Summer 2016.
18972	US 285 Antonito Storm Drainage System Replacement	\$2,742,429	\$3,343,337	(600,908)	Bundled Projects	Completed	\$0	\$0	Project Accepted; Local in-kind contribution increased by \$350,000; Bundled with \$7.0 mil SUR project for bidding economy; Construction completed in 9 months (Accepted in Nov 2015).
19411	SH 62 Ridgeway Street Improvements (pending approval of local match)	\$13,791,257	\$13,963,955 \$12,394,509	896,748	Complete	Unlikely	\$0	\$0	Awarded; Bid savings realized (\$541k); Advertised in December 2015; Awarded in January 2016; Construction completion anticipated in Fall 2017.
19643	US 24 Enhancement Project in Buena Vista	\$2,497,090	\$2,780,174	(283,085)	Possible (3 options)	Unlikely	\$0	\$0	Scalability and Local Contribution under region review; Project to be bundled with \$8 mil SUR project; Further reduction of scope and FA items possible; FOR completed in September; Planned Advertisement in April 2016; Construction completion anticipated in Summer 2017.
Subtotals		\$337,990,970	\$395,699,554	(\$58,208,485)	(\$600,000)	\$6,710,754	\$37,695,161	\$15,546,231	\$2,843,562
		Total Original	Total Forecast	Total Variance	Total Scope Reduction	Total Local Contribution	Total RAMP Contingency	Total CDOT Contribution	Remaining Projected Liability

Legend:

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

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



COLORADO

Department of Transportation

Region 1

South Program
18500 E Colfax Ave.
Aurora, CO 80011

MEMORANDUM

TO: Transportation Commission
FROM: Joshua Laipply, P.E., Chief Engineer
Maria Sobota, Chief Financial Officer
Michael Lewis, Deputy Director
CC: Paul Jesaitis, Richard Zamora
DATE: March 16, 2016
SUBJECT: RAMP Partnership Project 1-46, I-25/Arapahoe Road Interchange, STU 0252-492 / 19192

Purpose

Requesting TC approval to budget an additional \$4.75M of project funds to award the Construction Agreed Price (CAP) for this Construction Manager / General Contractor (CMGC) project.

Action

Staff seeks TC approval for \$3.5M in increased RAMP Contingency funding through the monthly budget supplement process. According to last month's Supplement, the Transportation Commission Contingency RAMP Reserve fund was at \$5,804,839. If approved, the total project cost to CDOT will be \$83.53M and would leave the Contingency RAMP Reserve at \$2,304,839. An additional \$1.25M in Highway Safety Improvement Funds (HSIP) will also be added to the project.

Background

Under CM/GC delivery, CDOT hires a contractor to provide technical construction expertise during project design. The same contractor provides pricing for the actual construction. The contractor can be awarded the construction contract without further competition provided the contractor's pricing is determined to be reasonable via an independent cost estimate. The TC previously approved an additional \$6.0M in ROW funding necessary for acquisitions, clearances, and subsequently for advertisement and construction.

Details

During design reviews for this project, areas of full depth reconstruction have been minimized wherever possible. Accelerated Bridge Construction (ABC) techniques will be used only in strategically critical times and locations, such as phases that would have major impacts to Arapahoe Road operations. Improvements at Yosemite were scaled back by changing the profile and having Greenwood Village provide the signal poles. Agreement has been reached with the Local Agencies to limit aesthetic treatments of walls, and "Betterments" will require LA funding if they are incorporated into the final project. As this is not a linear project, the limits of construction and ROW footprint are based on necessary design elements established in the Environmental Assessment (EA), therefore opportunities to further reduce scope are very limited and would reduce the overall mobility and safety impacts.



The Independent Cost Estimate (ICE) and Contractor's Estimate (Kraemer) are within 1.24% of each other, a difference of \$639k. The acceptable threshold needed to award a project of this type is less than 10% variance. In January (at the 90% Plan Review), the ICE and Contractor estimates varied by as much as 8.8%.

Budget Comparison

Original RAMP Application Amount	Revised Budget Amount being requested	Variance* (\$)	Variance* (%)
\$74M	\$84.75M	\$10.75M	+14.5%

* Includes TC approved ROW funding increase of \$6.0M

Available funds for this project are as shown:

RAMP	\$56.4M	
DRCOG (STP-M)	\$7.2M	
Local Agencies	\$15.1M	Actual is \$16.4M, because \$1.3M is local in-kind funding
Old RPP	<u>\$0.1M</u>	
Current Funding Total	\$78.8M	
-minus Design & ROW (already budgeted)	<u>-\$17.3M</u>	
Available for Construction	\$61.5M	

Difference needed to fully fund the CAP = \$66.23M - \$61.5M ≈ \$4.75M

At 90% plans, the local agencies partners were approached about increasing their contribution to assist with the roughly \$4M project funding shortfall. The local agency cash contribution match was 22% per the original application. Therefore, each local agency partner was asked to contribute an additional \$220k (proportional to the original cash contribution match of 22%). All have followed the lead of Arapahoe County who feels strongly that the initial hearings involving RAMP identified that CDOT would cover any overruns if the scope for the project did not change. Greenwood Village has requested that \$701k in betterment be added to the project for median improvements which they have agreed to fully fund. If the additional local contribution for betterment is included as part of the local match for this project, the local cash contribution percentage match is still above 20%, at 20.3%.

Key Benefits

The estimates for the other phases of this project are in reasonable conformance to the original RAMP application as are the total percentage match / contributions by our Local Agency (LA) partners. Approval of the additional funds allows the project team and CDOT to award the Construction Agreed Price (CAP) and proceed with construction this Spring/Summer. If any project phase savings are realized, they are to be returned to the Contingency RAMP Reserve. There is agreement that local agency requests for betterment are to be fully funded by the locals.

Options & Recommendation

- 1) Approve this request through the monthly budget supplement process. (Staff Recommendation)
- 2) Request more information.
- 3) Reject this request through the monthly budget supplement process.





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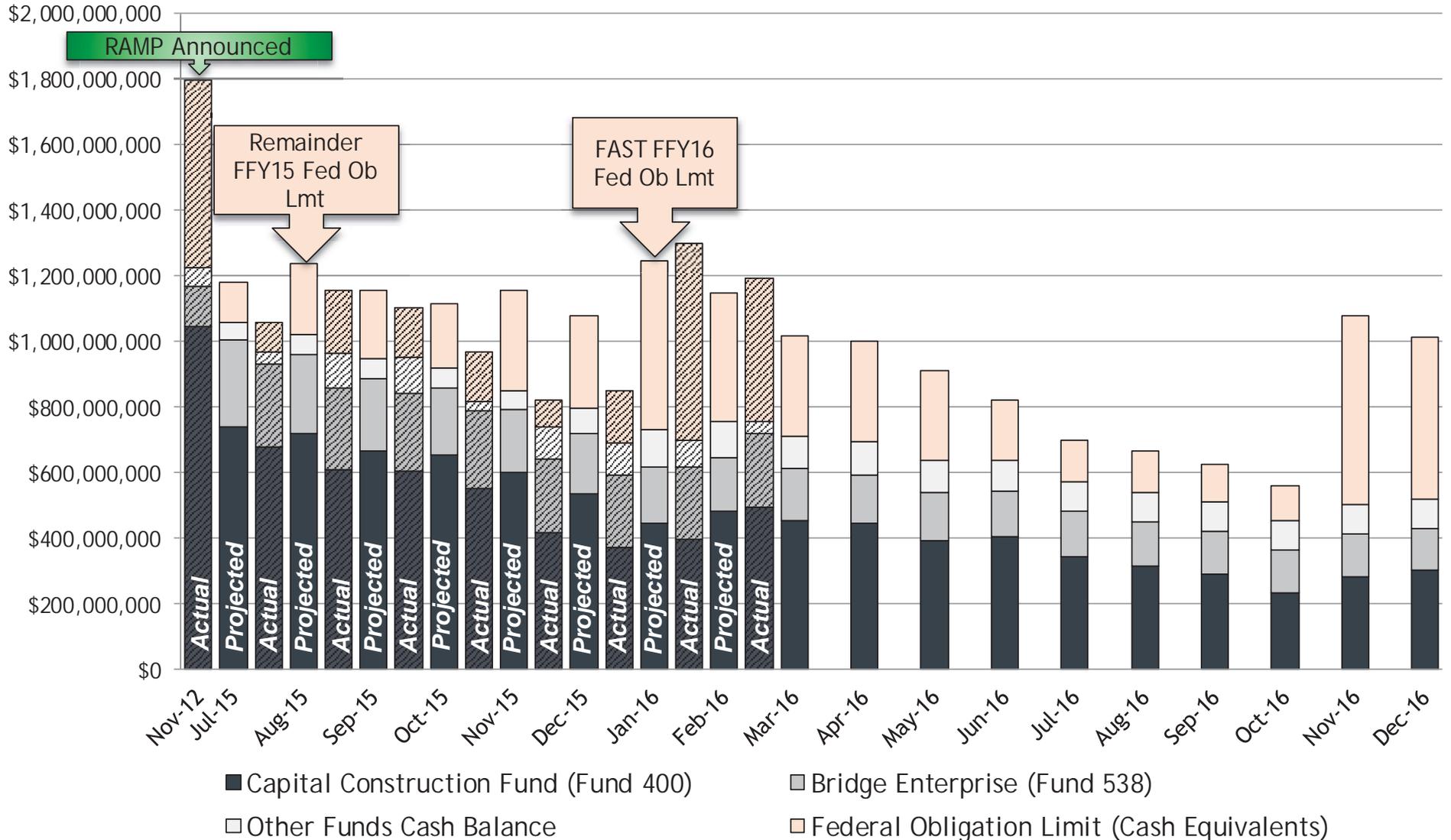


Program Management Update March 16, 2016



Cash & Federal Obligation Target Balance

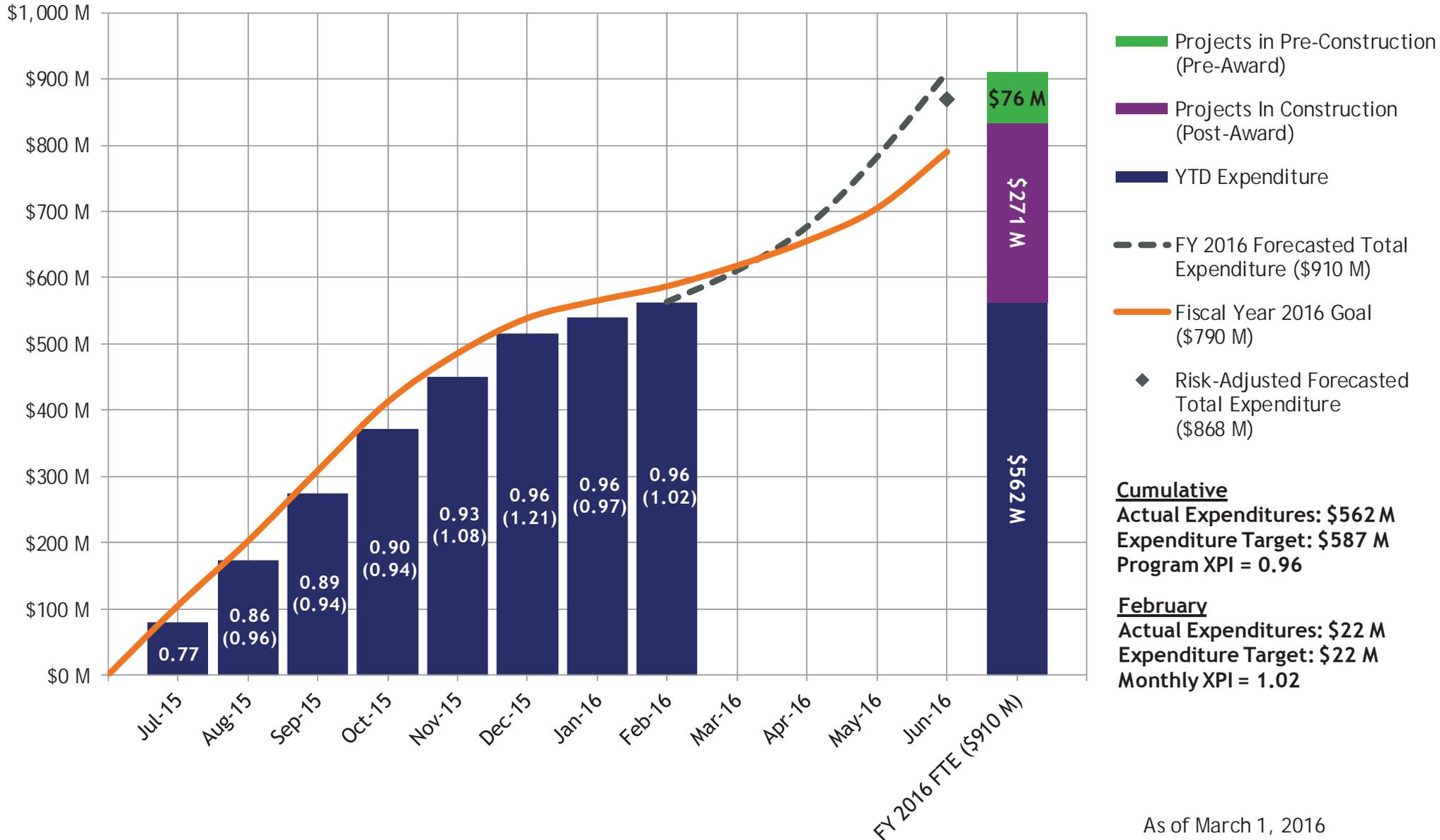
Forecast through December 31, 2016 Based on FAST Act



As of March 1, 2016

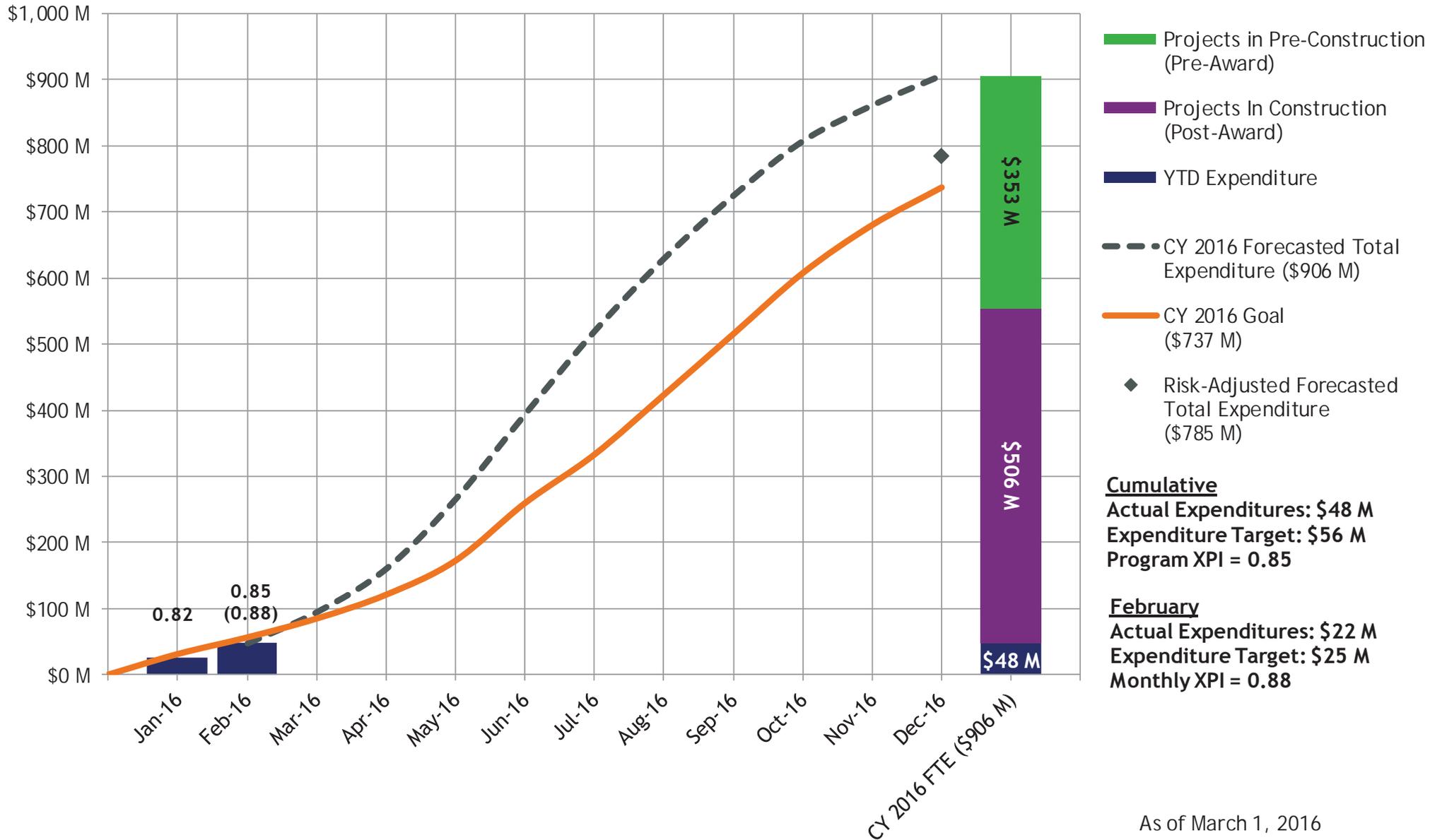


FY 2016 Capital Program Construction Expenditure





CY 2016 Capital Program Construction Expenditure





PMO Reporting Overview by Program

Program	Financial Performance (\$Millions)			Precon. Schedule Performance	Quarterly Rotation
	Program Expenditure through 1/22/2016	Program Expenditure through 2/19/2016	\$ Change	SPI	
Flood	\$181.9 ‡	\$187.0‡	\$5.1	0.93	Apr 2016
RAMP P&O (Overall)	\$436.5	\$448.6	\$12.1	0.97	May 2016
RAMP P&O (Local Agency)	\$56.3	\$57.6	\$1.3	0.91	Apr 2016
RAMP P&O (CDOT)	\$380.2	\$391.0	\$10.8	1.00	May 2016
FASTER and HSIP	\$620.6	\$625.8	\$5.2	*	May 2016
Asset Management	\$1,381.2	\$1,414.9	\$33.7	**	Mar 2016

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

As of February 19, 2016



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

There is one project requiring commission action this month:

Region 1's I-25 & Arapahoe Rd Intersection project is requesting \$3.5M in additional RAMP Contingency funding.

- ✓ Currently, the remaining RAMP Public-Public Partnership Contingency Reserve is \$5,804,839.
- ✓ If approved, the remaining RAMP Reserve will be \$2,304,839.
- ✓ The remaining RAMP Operations Contingency is \$2,454,472.



Asset Management 4-Yr Program

- Project lists are published on CDOT's website
 - CODOT.gov → Programs & Projects → Projects → Approved Projects List
 - Or www.codot.gov/projects/projects/approved-projects-lists
- The FY 2019 Asset Management treatment list was approved by the Chief Engineer and Chief Financial Officer in July 2015 . Region staff are responsible for taking the treatment list and further refining them into individual projects to be delivered.
- The rolling four-year program gives staff greater flexibility for delivery and utilizes cash management more efficiently, allowing CDOT to achieve its asset condition performance targets more effectively.



Questions or Comments

- Upcoming topics for next month
 - Update on Cash Balance & Federal Obligation Targets
 - Update on Expenditure Performance for FY16 & CY16
 - Update on the Flood and RAMP Partnership & Ops programs