

**Colorado Department of Transportation
Efficiency and Accountability Committee**

January 20, 2011 Meeting Minutes

Committee members in attendance:

Maribeth Lewis-Baker, Committee Chair; Free Ride Transit System, Breckenridge
Debra Baskett, Committee Deputy; Broomfield
Heidi Bimmerle, CDOT Division of Human Resources and Administration
Patrick Byrne, CDOT Office of Financial Management & Budget
Dave Childs, CDOT Highway Maintenance & Operations
Cliff Davidson, North Front Range Metropolitan Planning Organization
Jeanne Erickson, Transportation Commission
Mickey Ferrell, CDOT Government Relations
Jennifer Finch, CDOT Transportation Development
Solomon Haile, CDOT Engineering
Jeff Keller, Asphalt Paving Company
John C. Rich, Jackson County Commissioner
Bob Sakaguchi, Jacobs
Stephanie Thomas, Colorado Environmental Coalition
Casey Tighe, Committee vice Chair; CDOT Audit Director
Bill Weidenaar, Regional Transportation District

Staff in attendance:

Sandi Kohrs, DTD Planning and Performance Branch Manager
Samuel Nnuro, CDOT Audit
Scott Richrath, non-voting Committee Secretary, CDOT Transportation Development
Tammy Lang, DTD Information Management Branch Manager
Trey Partners representatives

Approval of December Minutes

At 2:00 p.m., Committee Chair Maribeth Lewis-Baker called the meeting to order. Approval of the minutes for the December meeting was moved and seconded.

Committee 2010 Annual Report Approval

At 2:04 pm, Mickey Ferrell provided a report to the members of the Committee regarding the submission of the annual Efficiency and Accountability Committee report to the legislature. The Efficiency and Accountability report was submitted to the legislature along with the Bridge Enterprise and High Performance Transportation Enterprise reports, and presented to the Transportation Commission earlier this day. Commissioner Jeanne Erickson stated that the members of the Transportation Commission are extremely interested in the work of the committee and in looking at the larger picture of efficiency and accountability. Bob Sakaguchi also said that he would be interested in hearing what the Transportation Commission and the newly appointed CDOT Executive Director have to say about the work that's been done by the Efficiency and Accountability Committee and what issues they would like to examine in the future.

Committee Press Releases and Internal Communication

At 2:08, Mr. Ferrell spoke on the press release of the committee re-appointment list. The press release was distributed by CDOT's public relations office. Mr. Ferrell said the staff at the public relations office work diligently to get the information to CDOT employees as well as the public. He stated that employees and the general public can now find information on the work of the Efficiency and Accountability committee on the CDOT web pages and in certain local media.

(Secretary's note: see

- <http://www.coloradodot.info/library/AnnualReports/Efficiency%20and%20Accountability%20-%202010%20%20Report%20to%20Legislature.pdf>
- <http://www.coloradodot.info/about/committees/efficiency-and-accountability-committee/members.html>
- <http://www.lajuntatribunedemocrat.com/news/x1334355730/Colorado-Department-of-Transportation-announces-members-of-efficiency-and-accountability-committee>
- <http://www.postindependent.com/article/20110118/VALLEYNEWS/110119891>)

Planning Subcommittee Report

At 2:12, Deputy Chair Debra Baskett spoke on the work of the planning subcommittee including examination of CDOT's access control policy. She noted that members of the planning subcommittee have decided that the next topic they will tackle are access management plans. She stated that the access and control plans provide guidelines and agreements between CDOT and private and public property owners looking to gain access to state highways. She said that the subcommittee is looking into ways CDOT can be more accountable and efficient in providing access control plans and helping preserve local state highways from adding unwanted capacity. Commissioner Erickson asked if the process is to change access control plans or improve how it works. Cliff Davidson stated that Colorado has one of the best access control programs in the nation; that the idea is to get access management control in place for future development but not to change how it works. He also said CDOT needs to develop uniform standards, which ensure fair and equal application of access requirements for property owners, noting that CDOT Region 4 and North Front Range Metropolitan Planning Organization have experience in successfully limiting uncontrolled growth on state highways. He added that even bypasses need access plans, and that once state highways are adequately addressed, there will remain a need to discuss county and local roads. Chair Lewis-Baker also elaborated on the access control plans. She said it will be helpful to explain to the legislature the benefit of access control and how good access control can ease traffic congestion, noting that real estate development can occur that was not anticipated when the access control plan was established. Solomon Haile recommended it might be beneficial to include CDOT access control manager Ken DePinto in these discussions. Ms. Finch also recommended that there should be a balance between local development demands and preservation of the system.

Project Costs Subcommittee Report

At 2:27, Mr. Keller spoke on the progress of the project costs subcommittee. He noted that the committee met December 29 in Golden to analyze CDOT costs as a business would analyze costs. Mr. Keller then turned to Patrick Byrne, who discussed the budget report at CDOT. He stated he plans to break down the CDOT budget by a few categories, and further divide each category by labor, contractor costs, and other expenses. A basic table will show how revenues are used. He spoke of using the SAP system to analyze operating expenses and track the department's expenses.

Mr. Ferrell said he conducted research on CDOT financial reports. The idea was to find out if an ordinary person would be able to understand the budget report. He noted that the budget report is not clear and simple, and more must be done to simplify the report. He said the goal is to reconnect people back to transportation because right now those connections are missing. Mr. Ferrell further stated that the subcommittee would look for short-term simplification for presenting CDOT's budget. Mr. Davidson recommended the report should be done in alphabetical grading like a school report card. Mr. Keller also said if people don't understand the way it is presented, then it is assumed that the budget is not being used efficiently. Dave Childs thinks more than 75 percent of people that work at CDOT don't even understand the budget. Mr. Haile shared with members of the committee his finding about the transparency of the expenditure reports on the state of Colorado website. (Secretary's note: <http://tops.state.co.us/>) He said on the transparency report, CDOT was second to the Department of Corrections when it comes to the consumption of energy within the various state agencies and CDOT has the largest fuel expenditure in the State.

Mr. Keller suggested that the number of reports generated at CDOT can be duplicative and can cause improper use of human resources. Ms. Finch thinks there is opportunity to consolidate data gathering. Mr. Sakaguchi, commented on the higher energy consumption usage, noting it will be beneficial to look at the energy consumption and how CDOT can drive the energy cost down. Mr. Keller then distributed copies of the CDOT budget as depicted in the "Ron May Chart."

Permit Fees Subcommittee Report

At 2:45, Committee Vice Chair Casey Tighe spoke on the procurement subcommittee's examination of permit fees. Mr. Tighe stated that the last time CDOT adjusted highway access permit fees was in 1991. He then explained that there are three different levels of access fees based on its impact to the system, \$50 for low volume business below 20 daily trips up to \$300 for design, reviews and studies, when necessary. He also provided the permit fees table and findings from an audit review that was conducted in 2000. Deputy Chair Baskett asked the reason the fees that CDOT charges are so low. Mr. Tighe said that one might argue that one reason for the low fees is that developers often provide traffic lights, signs, and much larger capital improvements to the highway system during development. Mr. Ferrell asked whether CDOT is able to capture the costs of the improvement. Ms. Finch said CDOT does not capture that improvement cost, nor does the department recover future maintenance costs created by the project. Mr. Haile said that the fees are intended to cover the cost of reviewing plans and granting permission. Commissioner Erickson asked how much it costs CDOT to do access work. The 2000 audit report showed that fee revenue for the year (approximately \$50,000) did not cover the costs of reviewing access plans (approximately \$600,000). Deputy Chair Baskett said the permit fees should be revisited and CDOT must start thinking and operating like the private sector in order to cover operating costs. Members of the Committee asked the subcommittee to continue its analysis and report back with recommendations. Ms. Finch noted that the committee may wish to consider a broader policy addressing cost recovery of many fee-based services rather than only access plans reviews. Dan Owens said it is important to recognize that when CDOT subsidizes such development, the taxpayer is actually paying the cost.

Contracting Report

At 3:17, Tammy Lang of CDOT's Division of Transportation Development Information Management Branch updated the members on the contracting project with Treya Partners. She stated that the first phase of the CDOT contracting assessment was undertaken with the primary goals of understanding the "As-Is" state of the CDOT contracting environment. The second phase will now focus on how to improve the overall quality of CDOT contracting, as well as how to communicate effectively with customers and vendors. Those deliverables will occur from January 15 through March 25. She provided a handout detailing the projects, goals and procedures. She said one of area of emphasis is developing approved

contracting template and securing those template so that only approved language gets into CDOT contracts. SharePoint is the tool CDOT is using to lock down contract language, incorporating certain functionality from SAP. This process could one day put information at the finger tips of customers and vendors and ease some current contracting challenges at CDOT. Commissioner Erickson asked how long the project will take and if it has the potential of saving CDOT money. Ms. Lang explained that the changes should be evident later this spring and she hopes this will help improved efficiency and quality in contracting. Barnali Dasverma of Treya Partners pointed out that changes late in the contracting process were causing many contracts to follow through the entire process more than once. She said that the Attorney General must only sign high-risk contracts and that using standard contract forms would reduce CDOT's number of high-risk contracts. She added that the State Controller presently has only one full-time employee assigned to contracts complicates the timetable for standardizing contracts. Heidi Bimmerle thanked Ms. Lang and Ms. Finch for the outstanding work on this project to date and said that Ms. Lang's IT perspective has been very helpful.

At 4:02, Chair Lewis-Baker asked the committee what direction it wished to pursue in 2011. Members generally expressed approval with the current direction. Chair Lewis-Baker noted that the topic of performance measures had not been brought back before the committee since a staff presentation late in 2010. Commissioner Erickson noted that the Transportation Commission is seeking big projects for this committee and commissioners may wish to attend a future meeting to discuss new ideas. Bill Weidenaar asked how this committee could support the CDOT performance measure program. Secretary Scott Richrath talked about the benefit of helping the department better communicate its performance to the public. CDOT Division of Transportation Development Planning & Performance Branch Manager Sandi Kohrs asked the committee to help answer the question of what concerns the public. Chair Lewis-Baker suggested that time in February be dedicated to furthering this discussion.

The meeting adjourned at 4:25.

Respectfully submitted by Scott Richrath, Committee Secretary.

Efficiency and Accountability Committee

Appendix A – Action Plan

#	Who	What	By When	Output	Done
1	Scott Richrath	Identify cost to produce bid plans.	01-21-10	Report	X
2	Casey Tighe	Bring draft Scope of Work for hiring a consultant to conduct an assessment of the procurement and contracting processes.	01-21-10	Document	X
2a	Casey Tighe	Discuss progress of RFP.	03-18-10	Discussion	X
3	Casey Tighe	Have Audit Team gather and report on the cost of generating paper pay stubs.	01-21-10	Presentation or Report	X
4	Affected Committee Members	For those having trouble accessing SharePoint, send Casey Tighe an e-mail.	01-21-10	Enable access	X
5	Scott Richrath	Provide preliminary information on Energy Cost Reduction. Report provided by Joe Mahoney	02-18-10	Report	X
5a	Joe Mahoney	Report back on implementation of print shop efficiency recommendations and Energy Cost Reduction.	10-31-10	Report	X
6	Patrick Byrne	Report on components and impact of Construction Engineer and Indirect rates. (Heather Copp presented.)	03-18-10	Presentation	X
7	Sub-comm.	Investigate the Planning Process and related stakeholder issues.	05-20-10	Report	X
7a	J Finch; M Ferrell	Present recommendations of Project Costs subcommittee to Executive Director George.	09-16-10	Report back to committee	X

8	Sub-comm.	Investigate components of construction engineering and indirect rates and appropriate staffing levels.	05-20-10	Report	X
8a	Scott Richrath	Prepare three recommendations related to project, staff, and meeting costs to the committee of the whole.	06-17-10	Recommend.	X
8b	S Richrath; M Ferrell	Present recommendations of Project Costs subcommittee to Executive Director George.	07-31-10	Report back to committee	X
8c	J Keller; P Byrne	Provide initial report to committee on Fixed-Variable Cost Analysis.	10-31-10	Report to committee	X
8d	J Keller; P Byrne	Provide second report to committee on Fixed-Variable Cost Analysis.	11-30-10	Report to committee	X
8e	J Keller; P Byrne	Deliver final Fixed-Variable Cost Analysis to committee with recommendations.	12-31-10	Report to committee	
9	Sub-comm.	Investigate the procurement process and work with the consultant that will review the CDOT contract process.	05-20-10	Report	X
9a	Casey Tighe	Inquire with Executive Director on inviting non-staff to the procurement analysis project.	06-17-10	Invitation to Bob S.	X
9b	Casey Tighe, Tammy Lang	Present Treya Phase I report to committee.	08-19-10 if available	Report	X
10	J Finch; S Richrath; M Ferrell	Present recommendations of Planning subcommittee to Executive Director George.	09-30-10	Report back to committee	X
11	Staff	Gather performance measures from each division to provide foundation for interview of program managers.	11-18-10	Report back to committee	X
12	Staff	Gather list of employee recommendations for improved efficiency at CDOT.	11-30-10?	Report back to committee	

13	Sub-comm.	Compile CDOT fee schedule, now pending results of 13a.	01-20-11	Report back to committee	
13a	Sub-comm.	Examination of access permit fees.		Report back to committee	X
14	S Richrath; C Tighe	Prepare first annual committee report.	01-20-11	Distribute to committee	X
14a	M Ferrell	Present first annual committee report to Executive Director and Transportation Commission.	01-20-11	Report back to committee	X
15	Sub-comm.	Review of access permit policy.		Report / recommend to committee	