

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

March 17, 2011 Meeting Minutes

Committee members in attendance:

Patrick Byrne, CDOT Office of Financial Management & Budget
Dave Childs, CDOT Highway Maintenance & Operations
Jeanne Erickson, CDOT Transportation Commission
Mickey Ferrell, CDOT Government Relations
Jennifer Finch, CDOT Transportation Development
Solomon Haile, CDOT Engineering
Jeff Keller, Asphalt Paving Company
Daniel Owens, Operating Engineers Union
Bob Sakaguchi, Jacobs Engineering
Cliff Davidson, North Front Range MPO
Casey Tighe, Committee Vice Chair; CDOT Audit Director
Bill Weidenaar, Regional Transportation District

Staff in attendance:

Pam Hutton, Chief Engineer
Sandi Kohrs, DTD Planning and Performance Branch Manager
Scott McDaniel, CDOT Manager Staff Branches
Samuel Nnuro, CDOT Audit
Jerry Miller, CDOT Utility Engineer

Welcome and approval of agenda

At 2:00 p.m. Jeff Keller chaired in the absence of the Chair and Deputy Chair. Mr. Keller asked if there were any amendments or questions on the proposed agenda. There being no comments the agenda was approved.

Approval of February Minutes

At 2:05 pm, approval of the minutes for the February meeting was moved by Jeff Keller and seconded by Dave Childs. The Committee approved the minutes with all members voting aye.

Utility Permit Costs/ Fees

At 2:20 p.m., Mr. Childs introduced Jerry Miller, CDOT Utility Engineer. Mr. Miller provided the Committee with background on the utility program and some issues related to utility permits. Mr. Miller stated that currently CDOT does not charge a utility permit fee. Mr. Miller told the Committee that there are 3 categories of utility permits. Category one is the small single residence type permit that does not have much impact on the highway system. Category two is the permit for something like a small development that has moderate impact to a section of highway. Category three is for something like a

large pipeline that will have a significant impact to CDOT. The category three permits account for most of the time and effort by CDOT staff involved in utility permitting. If a utility wants to run a utility line or pipe down the right of way, they coordinate the activity with CDOT but they do not pay CDOT anything for the time and effort CDOT staff expend in monitoring the activity. Mr. Miller estimates that CDOT spends close to a million dollars in staff time working on utility permit related activities. Mr. Miller added that other state Departments of Transportation charge for both use of the right of way and for staff time reviewing utility plans. For example the California Transportation Department charges an hourly rate of around \$66 per hour for review of utility permit applications. Deputy Director Peggy Catlin told the committee that CDOT has entered into some agreements with some Communication Utilities in which CDOT was compensated for use of the right of way. However, this is a recent development and is not yet common. The Committee members agreed that utility permit costs warrant additional study, so the committee asked that Mr. Miller gather additional information on what other states are doing in this area. Of particular interest are states neighboring Colorado.

Access Permit Fee Report

At 2:40 p.m., committee Vice Chair Casey Tighe provided an edited version of the committee's access permit fees initiative incorporating all comments received to date. Mr. Tighe asked members of the committee to look at the report to see if there is anything they would like to include or change. Mr. Bob Sakaguchi recommended that there must be a cost analysis performed regarding the access permit fees in order to provide concise information about the fee proposal. Mr. Cliff Davidson thinks the access permit fees adjustment is long overdue, the access permit must be increased. He thinks it is about time to take a look at the access permit as another way to generate revenue for CDOT. Mr. Solomon Haile suggested that any adjustment that is made to the access permit fees must be tied to the labor market and income. He stated that the current labor market is weak, it will be imprudent to have a big fees increase. However, it will be better to make recommendation to management about possible future increase in order to recover costs. Jennifer Finch also stated that highway access is an important issue of discussion at the Transportation Commission meetings. She said the Transportation Commissioners are trying to come out with a better resolution regarding this issue. Members of the committee agreed and approved the report on access permit fees.

Update on Subcommittee on Fixed and Variable Cost/ and Public Communication

At 3:00 p.m., Mr. Keller spoke on the progress of the project costs subcommittee. He stated that the subcommittee members are still in the initial phase of the data process, which is gathering data and analyzing. He noted to date Mr. Ferrell has being very instrumental in the data gathering process, and continues to provide his knowledge in working with system application product (SAP). Mr. Keller suggested that the Project Cost Subcommittee reconvene before the April meeting of the Efficiency and Accountability Committee. Mr. Keller said that it is important that the results be credible and simple.

The Governor's Executive Order on Energy use by State Agencies

At 3:15 p.m Mr. Sakaguchi provided a report on the Governor's Executive Order on energy efficiency. He asked if the report has been submitted by the Governor's office. Ms. Finch replied that staff could provide the committee more information on different energy efforts and energy reports at CDOT. Mr. Sakaguchi then went through the various requirements of the Executive Order and explained the various sections of the order. Specifically, he noted that the order required various agencies to reduce their energy consumption by 20% by 2012. In order to achieve this result, the State introduced the Environmentally Preferable Purchasing Policy (EPP) in 2009 to help all agencies reduce their environmental imprint, including use of paper with recycled content. Mr. Sakaguchi asked how CDOT is doing when it comes to energy efficiency. Ms. Finch stated that CDOT is on the right track, she said CDOT has been able to reduce petroleum consumption by 11.6%, nearing the halfway mark to a 25% reduction goal. Much of this progress was due to the replacement of fleet vehicles with hybrid vehicles and use of alternative fuels. She noted that in order to achieve our greening government goals and to measure that progress, further reductions in consumption of water, energy, petroleum, and paper are necessary, and systematic collection of reduction data must be implemented.

The Committee agreed to continue to look at energy issues in future meetings rather than starting another subcommittee effort.

Planning Subcommittee Update

At 3:30pm, Scott McDaniel of CDOT's Staff Branches provided a report on the planning subcommittee. He explained to members of the committee the distinguishing between access management and access control. Mr. McDaniel noted that access management is the balancing of access to land with the traffic mobility needs of the roadway. It includes a set of tools that help protect public investments in roadways and improve safety. Primary access management tools and techniques include the location, spacing and design of unsignalized intersections (cross streets and driveways), raised medians and median openings, signalized intersections, and acceleration/deceleration lanes. Access control is the ingress or egress between a primary highway and abutting property or an intersecting local public road or street. In lay terms, access is also defined as entrances or driveways from properties to a public road system. Mr. Davidson stated that the true mission of CDOT is to preserve that infrastructure of the State therefore it is crucial to have a better access control in place.

Procurement Subcommittee update

At 3:45 p.m., Mr. Childs spoke about statutory limitation on highway work performed by CDOT maintenance forces. The limitations require CDOT maintenance staff to get Commission approval for resurfacing work that is expected to exceed \$50,000. Any resurfacing work expected to exceed \$150,000 must be competitively bid. Mr. Childs expressed concern that these limitations have not been adjusted in over 20 years but costs have increased. He wondered if some inefficiencies result from these low dollar limits.

Commissioner Erickson stated that she was not aware of any Commission concern over reviewing and approving the maintenance projects between \$50,000 and \$150,000.

Mr. Keller pointed out that concerning the \$150,000 threshold, the purpose of the statute was to allow private firms the opportunity to compete for highway work even small projects. He added that even though costs have increased there may still be firms willing to compete for the smaller jobs.

Mr. Childs stated that he would gather additional data on the impacts of the dollar thresholds to CDOT maintenance forces and report back to the Committee next month.

The meeting adjourned at 4:25.

Respectfully submitted by Samuel Nnuro on behalf of 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	