

**Colorado Department of Transportation
Efficiency and Accountability Committee**
September 22, 2011 Meeting Minutes

Committee members in attendance:

Heidi Bimmerle, CDOT Division of Human Resources and Administration
Patrick Byrne, CDOT Office of Financial Management & Budget
Dave Childs, CDOT Highway Maintenance & Operations
Mickey Ferrell, CDOT Government Relations
Kathy Gilliland, Transportation Commission
Solomon Haile, CDOT Engineering
Jeff Keller, Asphalt Paving Company
Maribeth Lewis-Baker, Committee Chair; Free Ride Transit System, Breckenridge
Daniel Owens, Operating Engineers Union
Debra Perkins-Smith, CDOT Division of Transportation Development
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, Division of Transportation Development
Scott McDaniel, Director of Staff Branches
Samuel Nnuro, CDOT Audit
Scott Richrath, non-voting Committee Secretary; CDOT Transportation Development
Gary Vansuch, Director of Process Improvement

Welcome and approval of agenda

Introduction

At 2:00 p.m., Committee Chair Maribeth Lewis-Baker called the meeting to order and facilitated introductions for guests and new members.

Approval of August Minutes

At 2:03 p.m., Chair Lewis-Baker asked for approval of the August minutes. Approval was moved and seconded. Chair Lewis-Baker approved the minutes.

Director of Process Improvement

At 2:05 p.m., CDOT's new Director of Process Improvement Gary Vansuch introduced himself and discussed his role at CDOT. He introduced a "Fist of Five" consensus survey and facilitated exercises on group collaboration, creative thinking, and meeting facilitation. He gathered from committee members their ideas on what was working well with the committee and where members would like to see change. Members wrote their ideas on sticky notes and applied them to the wall. Bob Sakaguchi asked how Mr. Vansuch will interact with the committee. Bill Weidenaar offered non-staff members as a valuable resource to share outside perspectives. Mr. Vansuch said that his interaction with the committee would in part be shaped by the committee and thanked Mr. Weidenaar for his offer.

Resolution from Project Costs Subcommittee

At 2:30 p.m., Jeff Keller offered to the Committee of the Whole a memorandum recommended by the Project Costs Subcommittee supporting a public friendly budget format ("CDOT Budget in English"), first presented to the Transportation Commission one day earlier. Mr. Keller said this would help form the basis for better understanding of CDOT's budget by the public and for a future fixed-variable cost analysis. He thanked Chair Lewis-Baker, Mickey Ferrell, Patrick Byrne, and other staff for their leading of this effort. Mr. Ferrell noted that the Transportation Commission had adopted this format at the prior day's budget workshop, but that the budget format originated with this committee and represented a strong step toward improved transparency. Mr. Byrne noted that he had shared the fiscal year 2013

budget in this format with staff of the Governor's Office of State Planning and Budget and staff received it very favorably. A motion to move forward the memorandum supporting the budget was seconded and passed with no one opposed. Mr. Keller stated that this was a big step for accountability. Chair Lewis-Baker thanked staff for supporting this effort.

Recommendation from Procurement Subcommittee / Cost Recovery

At 2:40 p.m., Vice Chair Casey Tighe and Dave Childs from the Procurement Subcommittee addressed existing legislation requiring CDOT to bid against contractors on projects greater than \$150,000. They provided data on projects and size of projects, showing how many would be impacted at different thresholds, with consideration that the \$150,000 threshold has not been indexed since its statutory establishment and may now be too low. Adjusted for inflation, this number would be \$242,000 in 2011. Fewer than 20 M-Projects (maintenance projects) would be impacted annually. CDOT has historically elected not to bid on projects above the \$150,000 threshold. Vice Chair Tighe and Mr. Childs offered a subcommittee recommendation to the Committee of the Whole to recommend a statutory increase of the threshold to \$300,000. Mr. Keller noted that in current economic circumstances, smaller projects can receive very competitive bids, particularly in urban areas. He suggested consideration for a set aside program for smaller projects and noted the requirements that CDOT and contractors must meet with regard to Disadvantaged Business Enterprises (DBE), who often bid on smaller projects. Mr. Tighe noted that legislation allows for CDOT to bid on projects above the threshold, but CDOT's cost structure can create difficulty justifying significantly lower bids due to the difficulty in distinguishing fixed costs from incremental maintenance costs for an individual projects. Scott McDaniel said that CDOT's Cost Data Book could offer evidence at what point a job is large enough that the contractor is more efficient. Dan Owens said that the inflation adjustment seemed reasonable. Mr. Keller suggested soliciting bids from \$150,000 to \$300,000. Mr. Tighe suggested further investigation over the next month. Mr. Ferrell recommended that Heidi Bimmerle be involved in the examination to provide input from the DBE perspective. Mr. Keller said that many municipalities and counties are in the same situation and the contractor community would want data to demonstrate that government agencies are more efficient on smaller projects. Chair Lewis-Baker recommended tabling the discussion until October.

Recommendation from Planning Subcommittee

At 3:05 p.m., Stephanie Thomas addressed Access Control Plans on behalf of the Planning Subcommittee. She thanked Mr. McDaniel for his involvement with the subcommittee. The subcommittee offered a recommendation that CDOT staff develop a schedule to expand the Access Control Plan program to include additional resources and to change the term to Access Management Plan to soften the connotation of CDOT's role in helping local jurisdictions manage access. Mr. Weidenaar said that the intent of the recommendation is to make CDOT more proactive in initializing access plans. Commissioner Kathy Gilliland asked Mr. McDaniel who typically spearheads a successful plan. Mr. McDaniel responded that often local agencies want a plan to better manage future growth. He noted the concern of CDOT staff that changing the name from Access Control Plans could require opening the entire rules set to rulemaking, offering to investigate the possibility of only changing the name through rulemaking. Mr. Ferrell said that improved planning would allow CDOT to be less reactionary and better able to handle growth. Commissioner Gilliland said that the commission and department should be considering proactive ways to mitigate future costs. During discussion on the appropriate time to dedicate budget to this effort, Debra Perkins-Smith said that the clause "at appropriate funding level" within the subcommittee's recommendation affords the department the flexibility for the timing of funding. The recommendation was moved, seconded, and passed and Mr. McDaniel offered to investigate the complications of a name change.

2011 Annual Report

At 3:25 p.m., Chair Lewis-Baker asked Mr. Ferrell to lead a discussion on the committee's 2011 Annual Report, due to the legislature near the end of the calendar year. Mr. Ferrell thanked Secretary Scott Richrath for his work on the 2010 and 2011 reports and Mr. Richrath passed around copies of the completed 2010 report and a shell of the 2011 report, soliciting feedback from committee members on the content of the report and noting the need for those involved most closely with committee action items during 2011 to provide narrative on those items.

Future Items

At 3:33 p.m., Chair Lewis-Baker facilitated a discussion on future meeting agenda items, suggesting a follow up on the Annual Report. Other topics included transit and rail grants, street light energy savings, the contract improvement initiative, financial reconciliation in light of that day's Denver Post article on CDOT's additional \$220-\$230 million, federal redistribution, and the energy performance contract. Ms. Bimmerle noted that CDOT had just entered into an approximate \$8 million contract with Johnson Controls to generate \$675,000 of annual savings.

Adjourn

At 3:40 p.m., the meeting adjourned.

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	X
8c	J Keller; P Byrne	Provide initial report to committee on Fixed-Variable Cost Analysis.	10-31-10	Report	X
8d	J Keller; P Byrne	Provide second report to committee on Fixed-Variable Cost Analysis.	11-30-10	Report	X
8e	Sub-comm.	Deliver final Fixed-Variable Cost Analysis to committee with recommendations.	12-31-10	Report	
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	X
11	Staff	Gather performance measures from each division to provide foundation for interview of program managers.	11-18-10	Report	X
12	Deputy Dir.	Gather list of employee recommendations for improved efficiency at CDOT.	11-30-10	Report	
13	Sub-comm.	Compile CDOT fee schedule, now pending results of 13a.	01-20-11	Report	X
13a	Sub-comm.	Examination of access permit fees.		Report	X

13b	Sub-comm.	Review of access permit policy.		August 2011 recommend to ED	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	X
15	C Tighe	Review of utility permit process.	09-22-11	Report	
16	M Ferrell	Prepare resolution support budget realignment.	09-22-11	Distribute to committee	X
17	S Richrath	Report on results of Resident Survey	11-17-11	Report	
18	S Richrath; C Tighe	Prepare draft of second annual committee report.	12-15-11	Distribute to committee	
19	Staff	Report on Transit and Rail grants.	10-		