

**Colorado Department of Transportation
Efficiency and Accountability Committee**
August 18, 2011 Meeting Minutes

Committee members in attendance:

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
Mickey Ferrell, CDOT Government Relations
Solomon Haile, CDOT Engineering
Jeff Keller, Asphalt Paving Company
Maribeth Lewis-Baker, Committee Chair; Free Ride Transit System, Breckenridge
Daniel Owens, Operating Engineers Union
John C. Rich, Jackson County Commissioner
Bob Sakaguchi, Jacobs
Stephanie Thomas, Colorado Environmental Coalition
Bill Weidenaar, Regional Transportation District

Staff in attendance:

Don Hunt, Executive Director, appeared for an update to the committee
Kate Dill, member of Contract Improvement Initiative Key Performance Indicator Implementation Team
JoAnn Mattson, member of Contract Improvement Initiative Key Performance Indicator Implementation Team
Samuel Nnuro, CDOT Audit
Scott Richrath, non-voting Committee Secretary; CDOT Transportation Development

Others in attendance:

Kevin Raines, Corona Insights
Michelle Tuchfeld, Corona Insights

Welcome and approval of agenda

Introduction:

At 2:00 p.m., Committee Chair Maribeth Lewis-Baker called the meeting to order.

Approval of June Minutes

At 2:02 p.m., Chair Lewis-Baker asked for approval of the June minutes. John Rich noted that he and Mickey Ferrell should be added to the attendance list for June. With those changes, approval of the minutes was moved and seconded.

Contract Improvement Initiative

At 2:05 p.m., Heidi Bimmerle and Scott Richrath introduced Kevin Raines, principal of Corona Insights, facilitators of a customer survey on CDOT's contracting process. Mr. Raines introduced analyst Michelle Tuchfeld. Mr. Raines presented findings from the July survey of customer satisfaction on CDOT's contracting processes and staff. (Presentation attached.) Mr. Raines noted that 257 employee surveys and 88 non-employee surveys had been validated in providing the information within the presentation. Themes included (1) contract status updates and timeliness of communication are key issues and (2) staff generally rated higher than the process. This survey was intended to establish a baseline so that future studies can provide measurement as to the progress and success of the contract initiative.



With CDOT
Comments - Unbrand

Update from the Executive Director

At 2:37 p.m., Executive Director Don Hunt provided an update to the committee. He announced that Gary Vansuch had been appointed as Director of Process Improvement and will be at the next committee meeting. He starts August 22 and has previously served for National Renewable Energy Laboratory and as Senior Examiner for the Malcolm Baldrige National Excellence Program. Mr. Hunt has charged Mr. Vansuch with engaging in the process of working with the Governor's Office of Information Technology and enhancing CDOT's use of its Enterprise Resource Planning software SAP. He will be expected to return to Mr. Hunt in September with other recommended areas for improvement, focusing first on customer-facing processes.

Mr. Hunt explained that there are five key areas for improvement within the department:

1. Improved business processes;
2. Application of innovation in construction management;
3. Getting more out of the existing system;
4. Partnering with private sector to augment CDOT funds;
5. Achieving more transparency and accountability.

Committee Deputy Debra Baskett asked whether the department had an initiative to handle large numbers of retirements among construction and engineering staff. Mr. Hunt replied that this is a time of change in government, not exclusive to CDOT. A combination of succession planning and retention improvement would be further developed by the department.

Resume Contract Improvement Initiative

At 2:50 p.m., Mr. Hunt departed and Mr. Raines opened his survey presentation to questions from the committee. Chair Lewis-Baker noted the low number of respondents and the number of contracting partners in her community that were frustrated with the contracting process but did not wish to respond to the survey. Jeff Keller noted that external satisfaction was higher than internal satisfaction. Bob Sakaguchi said it would be good to measure dollars associated with savings realized from improvement in the process. Ms. Bimmerle commented that the first phase of a five-phase implementation of SAP's Procurement for Public Sector could begin as early as January and that some process improvements including contract template development were already underway.

Secretary Richrath noted that Corona Insights was also conducting a survey of Colorado residents helping to lead to development of the next statewide long range plan. The committee agreed it would be useful to receive a report of this survey once complete.

Update from Project Costs Subcommittee / Public-Friendly Budget

At 3:00 p.m., Mickey Ferrell distributed a one page presentation of CDOT's fiscal year 2012 budget using existing funding programs but new "Public Budget Categories" in place of CDOT's existing investment categories. He said that the 2035 statewide long range plan and recently updated resource allocation precluded CDOT from completely transitioning to these categories at least in the near term. The categories include (1) Transportation Commission Contingency / Debt Service, (2) Pass-Through Funds, (3) Maintain, (4) Maximize, (5) Expand, (6) Deliver. Mr. Ferrell said that the budget was presented to the interim legislative committee using this format and that the Executive Director believed this would be a format the public would understand. Mr. Sakaguchi asked about any possible realignment of the revenue side in addition to the expenses side and Mr. Ferrell said that the department would examine that in the fall. Mr. Sakaguchi replied that it is becoming increasingly important to report economic contribution made by government. Chair Lewis-Baker noted that the subcommittee continues to work on its fixed-variable cost analysis. Bill Weidenaar asked where access management plans would fit into this realignment and Mr. Ferrell said they would be reported within a combination of STP Metro and other lines, depending on how they are expensed. Mr. Keller thanked all who participated and said that this would provide the committee and the public a good tool for beginning to understand the budget and for CDOT to be accountable. Mr. Rich moved to support a resolution at the September meeting approving this budget allocation. Deputy Baskett seconded. The motion was approved and Mr. Ferrell offered to draft a resolution for September.

Update from Procurement Subcommittee / Cost Recovery

At 3:25 p.m., Dave Childs said that staff had begun to analyze overtime versus regular time versus contractor costs for maintenance projects and Secretary Richrath mentioned that Vice Chair Casey Tighe had prepared analysis of utility permit cost recovery in Oregon and California as well as other analysis, but that Vice Chair Tighe could better deliver a comprehensive report. The committee asked that Vice Chair Tighe be provided time on September's agenda for these topics.

Pre-Award Authority

At 3:30 p.m., Chair Lewis-Baker began a discussion on pre-award authority and the length of time required by CDOT to issue a contract or a letter of no prejudice so that contracting partners and grant recipients can proceed with projects or procurement of assets based on grants awarded. She said that the Federal Transit Administration (FTA) allows pre-award authority and in some cases CDOT is merely passing through FTA funds, but transit agencies cannot start and/or do the work until a CDOT contract is in place. She described that one transit agency had received a grant last year and CDOT had still not finalized a contract for the project. It has been over a year without a contract being issued and another part of CDOT has advised that the grant money expires and has to be returned to FTA at the end of 2011. The transit agency cannot even begin to work on the project until they have a signed CDOT contract. Chair Lewis-Baker stated that the average production is currently 18-months on a procurement of a bus and the price goes up every month with a Producer's Price Index factor, so CDOT's inability to issue contracts timely and the current rules associated with the issuance of contracts does cost money when the grantee cannot place an order and has to wait for a signed contract. The state's transit agencies have experienced frustration with this issue for many years. She said that a reasonable time frame to process a grant should be 60 days and asked that the committee authorize exploration for the obstacles in closing the processing delays, with a plan to recommend improvement in the next year. The committee approved investigation and the project cost subcommittee will lead this effort. Patrick Byrne thought that part of the issue may be resolved with modification to Colorado Revised Statute, Title XXIV on contracting and agreements. Solomon Haile reiterated that added status tracking as provided in the Contract Improvement Initiative will be crucial. Chair Lewis-Baker stated that the improvements proposed in the contract initiative is just one part of the equation within the Division of Transit and Rail. The other part is closing the gap on how long it takes from when the division notifies a grantee of an award to when the project is initiated for contracting. Mr. Ferrell stated that this would be explored as the project costs subcommittee explores the Pre-Award Authority issue.

Adjourn

At 3:45 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	
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	