

Transportation Commission  
February 19 & 20, 2014  
Meeting Schedule & Agenda  
4201 East Arkansas Avenue  
Denver, Colorado 80222

Douglas E. Aden, Chairman  
Grand Junction, District 7

Shannon Gifford  
Denver, District 1  
Ed Peterson, Vice Chairman  
Lakewood, District 2  
Gary M. Reiff  
Englewood, District 3  
Heather Barry  
Westminster, District 4  
Kathleen Gilliland  
Livermore, District 5

Kathy Connell  
Steamboat Springs, District 6  
Sidny Zink  
Durango, District 8  
Les Gruen  
Colorado Springs, District 9  
William Thiebaut  
Pueblo, District 10  
Steven Hofmeister  
Haxtun, District 11

THE CHAIRMAN MAY ALTER THE ITEM SEQUENCE OR TIMES

The times indicated for each topic on the Commission agenda are an estimate and subject to change. Generally, upon the completion of each agenda item, the Commission will immediately move to the next item. However, the order of agenda items is tentative and, when necessary to accommodate the public or the Commission's schedules, the order of the agenda items is also subject to change.

Documents are posted at <http://www.coloradodot.info/about/transportation-commission/meeting-agenda.html> no less than 24 hours prior to the meeting. The documents are considered to be in draft form and for information only until final action is taken by the Commission.

Unless otherwise noted, all meetings are in CDOT HQ Auditorium.

Tuesday, February 18, 2014

8:30 a.m. Regional Transportation Committee [DRCOG]

Wednesday, February 19, 2014

12:00 p.m. HPTE Lunch Meeting [Room 225]

1:00 p.m. HPTE Board Meeting

2:00 p.m. I-70 Viaduct Workshop (Scott Richrath and Mike Cheroutes).

- HPTE Board is invited to participate. .... Tab 01

3:00 p.m. \* Compliance Agreement for U.S. 36 Concession Project

(Mike Cheroutes) ..... Tab 02

3:15 p.m. Asset Management (Deb Perkins-Smith) ..... Tab 03

4:15 p.m. \* Program Distribution Workshop (Deb Perkins-Smith) ..... Tab 04

4:30 p.m. RPP (Deb Perkins-Smith) ..... Tab 05

5:00 p.m. Adjournment

Thursday, February 20, 2014

7:30 a.m. Breakfast Meeting  
9:00 a.m. DBE Committee (Heidi Humphreys).....Tab 06  
9:30 a.m. Audit Review Committee (Barb Gold) .....Tab 07  
10:00 a.m. \* RAMP Project Staff Recommendations (Scott Richrath).....Tab 08  
10:30 a.m. Flood Workshop (Johnny Olson and Scott Richrath) .... Tab 09  
11:00 a.m. \* Program Management Workshop (Scott Richrath)..... Tab 10  
11:30 a.m. Lunch

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TRANSPORTATION COMMISSION MEETING

12:00 p.m. 1. Call to Order, Roll Call

12:00 p.m. 2. Audience Participation; Subject Limit:  
10 minutes; Time Limit: 3 minutes

12:00 p.m. 3. Comments of Individual Commissioners

12:05 p.m. 4. HPTE Director's Report (Michael Cheroutes)

12:10 p.m. 5. FHWA Division Administrator Report (John Cater)

12:15 p.m. 6. STAC Report (Vince Rogalski)

12:20 p.m. 7. \* Act on Consent Agenda .....Tab 12

a) Resolution to approve the Regular Meeting Minutes of January 16,  
2013 (Herman Stockinger) ..... Consent Agenda 1

b) Resolution to Approve the Addendum to FY2014 Over \$50,000 Project  
List (Scott McDaniel)..... Consent Agenda 21

c) Resolution to Approve the FASTER Transit Projects for FY2015  
(Mark Imhoff)..... Consent Agenda 25

d) Resolution to Approve RAMP Projects (Scott Richrath)  
..... Consent Agenda 34

e) Resolution to Approve Compliance Agreement for U.S. 36 Concession  
Project (Mike Cheroutes)..... Consent Agenda 37

f) Resolution to Approve the FY 2016 – 2040 Program Distribution (Deb  
Perkins-Smith) ..... Consent Agenda 39

12:25 p.m. 8. \* Discuss and Act on 9<sup>th</sup> Supplement to the FY'2014 Budget, including  
Disbursement of Snow and Ice Contingency Funds (Scott Richrath and  
Scott McDaniel)..... Tab 13

- 12:35 p.m. 9. \* Discuss and Act on a Resolution to Adopt Proposed Transportation Commission Rules (Herman Stockinger) .....Tab 14
- 12:40 p.m. 10. Discuss US 550 Rockfall (Kerrie Neet)
- 12:50 p.m. 11. Other Matters:
- 12:50 p.m. 12. Acknowledgements:
- 12:50 p.m. 13. Adjournment
- \*\*\*\*\*
- BRIDGE ENTERPRISE BOARD OF DIRECTORS .....Tab 15
- 12:55 p.m. Call to Order and Roll Call
- 12:55 p.m. Audience Participation  
Subject Limit: 10 minutes; Time Limit: 3 minutes
- 12:55 p.m. \* Act on Consent Agenda ..... Bridge Enterprise 3  
a) Resolution to Approve Regular Minutes from  
January 16, 2014 (Herman Stockinger)
- 1:00 p.m. \* Discuss and Act on 7<sup>th</sup> Budget Supplement for FY2014  
(Scott Richrath) ..... Bridge Enterprise 9
- 1:05 p.m. Bridge Enterprise 2013 Annual Financial Statements  
(Scott Richrath) ..... Bridge Enterprise 12
- 1:15 p.m. Program Funding Progression Overview  
(Scott Richrath) ..... Bridge Enterprise 13
- 1:20 p.m. Engineering News-Record Mountain States: Pecos Bridge Article  
(Scott McDaniel) ..... Bridge Enterprise 14
- 1:25 p.m. Monthly Progress Report (Scott McDaniel) ..... Bridge Enterprise 18
- 1:30 p.m. Adjournment

\* Indicates Action Item for the Commission

**Transportation Commission of Colorado  
Regular Meeting Minutes  
January 16, 2014**

**Chairman Doug Aden convened the meeting at 12:18am in the auditorium of the headquarters building in Denver, Colorado.**

PRESENT WERE: Doug Aden, Chairman, District 7  
Shannon Gifford, District 1  
Ed Peterson, District 2  
Gary Reiff, District 3  
Heather Barry, District 4  
Kathy Gilliland, District 5  
Kathy Connell, District 6  
Sidny Zink, District 8  
Les Gruen, District 9  
Bill Thiebaut, District 10  
Steven Hofmeister, District 11

ALSO PRESENT: Don Hunt, Executive Director  
Gary Vansuch, Director of Process Improvement  
Debra Perkins-Smith, Director of Division of Transportation  
Scott McDaniel, Acting Chief Engineer  
Heidi Humphreys, Director of Admin & Human Resources  
Amy Ford, Public Relations Director  
Soctt Richrath, CFO  
Herman Stockinger, Director of Policy and Government Relations  
Mike Cheroutes, Director of HPTE  
Mark Imhoff, Director of Division of Transit and Rail  
David Gordon, Aviation Director  
Ryan Rice, Director of Operations Division  
Darrell Lingk, Director of Office of Transportation Safety  
Tony DeVito, Region 1 Transportation Director  
Tom Wrona, Region 2 Transportation Director  
Dave Eller, Region 3 Transportation Director  
Johnny Olson, Region 4 Transportation Director  
Myron Hora, Acting Region 4 Transportation Director  
Kerrie Neet, Region 5 Transportation Director  
Kathy Young, Chief Transportation Counsel  
John Cater, FHWA  
Vince Rogalski, Statewide Transportation Advisory Committee (STAC)

AND: Other staff members, organization representatives, the public and the news media

An electronic recording of the meeting was made and filed with supporting documents in the Transportation Commission office.

### **Audience Participation**

Chairman Aden noted that there were no comments from the audience.

### **Individual Commissioner Comments**

Commissioner Thiebaut stated that he traveled extensively over the holidays and noted that Colorado had some very fine roads and was the state with the most construction going on in the states that he had traveled. He stated that this is a compliment to CDOT that they do such outstanding work with limited resources.

Commissioner Gilliland wished everyone a happy 2014.

Commissioner Zink stated that she was able to meet with Montezuma County Commissioners. The Commissioners were very happy with the projects that CDOT had completed in their areas. She also mentioned the rock falls that closed US 550. She stated that safety must come first. Even though the closure is a huge inconvenience to drivers, safety demands that the road stay closed for a while.

Commissioner Connell stated that she has traveled heavily on I-70 over the previous month. Due to the increased snow and traffic, there have been significant backups. There has been a record 78 inches of snow in a week and a half. She complimented the staff who has been working to keep the roads open. They are sorely understaffed for I-70, and she would support whatever is necessary to get more help there. Tourists who are not accustomed to driving in these conditions and chain restriction violations create traffic nightmares. It took two hours to get from Silverthorne to the Tunnel. She stated that anything the Commission can do to support CDOT and pressure Highway Patrol to do more should be done.

Commissioner Barry thanked the City of Brighton who hosted her for Bagels with Barry. She spent time with Adams County discussing the RAMP projects.

### **Audience Participation**

Chairman Aden returned to the Audience Participation portion of the meeting because Mayor Michael Hillman of Idaho Springs and Commissioner Tim Mauck of Clear Creek County had arrived.

Commissioner Mauck thanked the Commission for the 1-70 Eastbound Bore and asked the Transportation Commission to agree to do the same to I-70 Westbound. He stated that not many people would have believed that Clear Creek County would advocate for further construction through the community but that the request speaks volumes to the job that Director Hunt, Tony DeVito, Region 1, Angie Drumm and the contractors have done on this project. They ran the project like a shuttle launch. It could not have been better. Clear Creek County appreciates that and appreciates the Commission considering further improvements along the corridor. He stated that this queues projects to streamline major improvements along I-70 in the future. He thanked everyone for their hard work.

Mayor Hillman thanked the Commission for the Eastbound Tunnel. He stated that even though it was difficult as a resident and business owner on the back side of the project, the project was done very well. He stated that it was great that the Commission decided to move forward with the Westbound project now rather than waiting and having to come back later. He also thanked the Commission for the acceptance of their Colorado Blvd RAMP project proposal. This project will have a large impact on the future economic growth of the community.

### **Executive Director's Report:**

Executive Director Hunt stated that gubernatorial elections are coming up, and Governor Hickenlooper recently outlined his successes over the last three years of his administration. CDOT was prominently featured in his list of accomplishments. The Governor mentioned that the entire state was indebted to CDOT due to the Department's efforts in Flood Recovery, and he mentioned CDOT's lean process effort, including a 19% decrease in contracting timelines and savings with other contract initiatives close to \$2 million. CDOT has repealed or modified approximately 20 rules. The Governor mentioned the RAMP program and the Twin Tunnel projects.

The Executive Director stated that MPACT 64 is a group across the state that started a conversation about multi-modal transportation program for the future with a sales tax base. He stated that he was disappointed to report the polling had come back and there was not enough public support for the sales tax to go to the ballot in 2014. This will not stop the Department's discussion about Colorado's need for more transportation money. It would be very difficult to get new tax sources through Congress. There are 15-20 states have raised or are in the process of raising statewide taxes in order to invest in transportation. It is necessary for Colorado to find its way inside of TABOR to remain competitive.

### **High Performance Transportation Enterprise (HPTE) Director's Report**

Michael Cheroutes stated that HPTE had its regular board on January 15, 2014. The Board discussed the I-70E project with the Commission in order to determine the best direction forward. US-36 will close in the near future, and C-470 is still on a front burner. HPTE has important decisions to make regarding I-25N and will be turning to that soon. Brenda Smith from Colorado Springs is a new member on the Board. She has a wealth of accounting and management experience, which will be valuable to the Board.

### **FHWA Division Administrator Report**

John Cater stated that there are many federal requirements that are necessary to go through for transportation projects, including Financial Plans. Financial Plans are required for every project that is over \$100 million, according to statutory law passed in 2005 as part of SAFETEA-LU. There must be an initial plan prior to construction and a requirement to do an annual update. He stated that the process is to ensure the Department has a handle on the funding for the large projects. There were some visible failures nationally, so it has become a point of emphasis for Federal Highways.

He stated that this will be a more visible issue going forward, so the Commission is likely to hear about Financial Plans in the future.

ON January 28 & 29, there will be a peer exchange in Colorado discussing low volume roads and cost effective surface treatments for those roads. Representatives from Nevada, Utah, Montana, North Carolina and Washington will attend. The focus will be on cost effective ways to extend pavement life and getting the largest return on investment for these treatments. There will be a two day session to develop best practices to use in Colorado and elsewhere.

Chairman Aden asked Director Hunt who from CDOT was attending the peer exchange. He stated that this would be valuable learning experience for whoever could attend. Director Hunt stated that he encouraged all staff who are involved in surface treatment to participate. The Director and the Chairman thanked John Cater and the FHWA for putting the peer exchange together. Chairman Aden stated that he would like a report on the ideas and best practices that come out of the exchange.

### **STAC Report**

Vince Rogalski stated that STAC met on January 10, 2014, and reviewed the federal and state legislative update. MAP-21 expires later this calendar year, and there will likely be a continuing resolution until there can be a reauthorization. This may include a gas tax increase, but that is uncertain.

STAC also discussed Program Distribution. They discussed that Scenario 1 made sense and allows for flexibility, with the remaining variance going into TC Contingency. They discussed the history of the TRANS bonds and the current state of RPP.

STAC passed a motion to urge the TC to allocate the revenue going to TRANS bonds to RPP, which will restore the historic RPP levels.

STAC discussed FASTER-Safety and the improved metrics to document what is happening with the safety projects in terms of FASTER money.

He then stated that Tony DeVito presented the I-70 Westbound Tunnel presentation, discussing the potential savings of moving the project forward this season. After very little discussion, STAC passed a motion to advise the TC to approve the \$48 million in RAMP that was refunded previously.

He stated that Mark Imhoff discussed the various projects for FY'2015. STAC recommended unanimously to pass a motion to approve those FY2015 projects which should come before the Commission in February 2015.

STAC had the presentation on AGS and ICS that the Commission saw earlier during the day.

Scott McDaniel updated STAC in terms of RAMP and the flood. As of January 10, 2014, CDOT had received 35 of 43 RAMP letters. As of the January Commission meeting, CDOT had received 41 letters.

STAC had a presentation about Colorado's Strategic Highway Safety Plan, especially crash models demonstrating how highway fatalities can be reduced through education, fixing the roads and driver behavior.

**Act on Consent Agenda**

Chairman Aden stated that Item F was removed from the Consent Agenda because it will require action by the Commission at a later date. Chairman Aden entertained a motion to approve the Consent Agenda items A-E. Commissioner Hofmeister moved to approve the Consent Agenda Items A-E, and Commissioner Gilliland seconded the motion. By vote of the Commission, the Consent Agenda passed unanimously.

**Resolution #TC-3125**

BE IT HEREBY RESOLVED, that the Transportation Commission's Regular Meeting Minutes of December 19, 2013, are hereby approved as published in the official agenda of January 15 & 16, 2013.

**Resolution #TC-3126**

**Resolution # TC-3126**

**Approved January 16, 2014**

**Adoption of Policy Directive 600.0 “Equal Employment Opportunity and Affirmative Action”**

**WHEREAS**, pursuant to § 43-1-106(8)(a), C.R.S., the Colorado Transportation Commission is charged with formulating general policy for the Colorado Department of Transportation (“CDOT”); and

**WHEREAS**, CDOT is required to comply with Title VII of the Civil Rights Act, 42 U.S.C. § 2000e, and related statutes as a recipient of federal funds from the U.S. Department of Transportation; and

**WHEREAS**, CDOT is required to comply with the Colorado Anti-Discrimination Laws under § 24-34-401, *et seq.*, C.R.S.; and,

**WHEREAS**, Policy Directive 600.0 seeks to fulfill the Federal Highway Administration’s requirement to have a policy in place with regard to equal opportunity employment practices and prohibition of discrimination, which practices will be implemented through all phases of CDOT’s Affirmative Action Plan; and,

**WHEREAS**, Policy Directive 600.0 updates and replaces Policy Directive 600.0, “Equal Opportunity and Non-Discrimination Policy” adopted on June 18, 2008; and

**WHEREAS**, updated Policy Directive 600.0 confirms CDOT’s commitment to equal opportunity in employment and the prohibition of discrimination in employment.

**NOW THEREFORE BE IT RESOLVED**, the Commission herein adopts Policy Directive 600.00 “Equal Employment Opportunity and Affirmative Action.”

*Norman F. Stockinger III*

1-22-14

Transportation Secretary

Date

**Resolution #TC-3127****Resolution # TC-3127****Approved January 16, 2014****Adoption of Policy Directive 603.0 "Policy Prohibiting Sexual Harassment"**

**WHEREAS**, pursuant to § 43-1-106(8)(a), C.R.S., the Colorado Transportation Commission is charged with formulating general policy for the Colorado Department of Transportation ("CDOT"); and

**WHEREAS**, CDOT is required to comply with Title VII of the Civil Rights Act, 42 U.S.C. § 2000e, and related statutes as a recipient of federal funds from the U.S. Department of Transportation; and

**WHEREAS**, CDOT is required to comply with the Colorado Anti-Discrimination Laws under § 24-34-402, C.R.S., and 4 CCR 801-1, Personnel Board Rules and Personnel Director's Administrative Procedures; and,

**WHEREAS**, CDOT is required to comply with the Equal Employment Opportunity Commission ("EEOC") requirement to have a Policy in place with regard to the prohibition of sexual harassment in the workplace; and,

**WHEREAS**, this Policy Directive updates and replaces Policy Directive 603.0, "Sexual Harassment" adopted on August 16, 2007; and

**WHEREAS**, this updated Policy Directive 603.0 confirms CDOT's commitment to the prohibition of sexual harassment in the workplace.

**NOW THEREFORE BE IT RESOLVED**, the Commission herein adopts Policy Directive 603.00 "Policy Prohibiting Sexual Harassment."

*Herman F. Stockinger III*

Transportation Secretary

1-22-14

Date

**Resolution #TC-3128**

**Resolution # TC-3128**

**Approved on January 16, 2014**

**Adoption of Policy Directive 604.0 “Policy on Non-Discrimination” and Repeal of Policy Directive 611.0 “Disadvantaged Business Enterprise Program”**

**WHEREAS**, pursuant to § 43-1-106(8)(a), C.R.S., the Colorado Transportation Commission is charged with formulating general policy with respect to the management, construction, and maintenance of public highways and other transportation systems in the state; and

**WHEREAS**, The Colorado Department of Transportation (“CDOT”) is required to comply with Title VI of the Civil Rights Act, 42 U.S.C. § 2000d, and related statutes as a recipient of federal funds from the U.S. Department of Transportation; and

**WHEREAS**, CDOT is required to comply with Title II of the Americans with Disabilities Act of 1990, 42 U.S.C. §12101-12213, and related statutes as a recipient of federal funds from the U.S. Department of Transportation; and

**WHEREAS**, CDOT is required to comply with the Civil Rights Restoration Act of 1987, Pub L. No. 100-259, 102 Stat. 28, as a recipient of federal funds from the U.S. Department of Transportation; and

**WHEREAS**, CDOT created the Civil Rights and Business Resource Center to coordinate with regional civil rights staff to ensure compliance with civil rights laws; and

**WHEREAS**, revised Policy Directive 604.0 updates and replaces Policy Directive 604.0, “Non-Discrimination in Federally Funded Programs Policy” adopted on July 1, 2004; and

**WHEREAS**, Policy Directive 604.0 includes the policy specifications regarding the Disadvantaged Business Enterprise Program and thus, replaces the need for Policy Directive 611.0, “Disadvantaged Business Enterprise Program” adopted on April 15, 2010.

**NOW THEREFORE BE IT RESOLVED**, the Commission herein approves updated Policy Directive 604.00 “Policy on Non-Discrimination.”

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**BE IT FURTHER RESOLVED**, the Commission repeals Policy Directive 611.0 "Disadvantaged Business Enterprise Program" as its terms have been consolidated into updated Policy Directive 604.0.

Norman F. Stockings III

Transportation Commission Secretary

1-22-14

Date

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**Resolution #TC-3129****Resolution #TC-3129****Approved on January 16, 2014****PROJECT #:** F006-1(2)**PARCEL:** 33-EX**LOCATION:** SH 85 Greeley**COUNTY:** Weld

**WHEREAS**, the Colorado Department of Transportation acquired 33-EX in 1949 for SH 85 right of way; and

**WHEREAS**, Parcel 33-EX contains 2.136 acres and is located in the southeast quadrant of the SH 85 Bypass and SH 85 Business interchange in northern Greeley, Weld County, Colorado; and

**WHEREAS**, CDOT Region 4 has made the determination that Parcel 33-EX is no longer needed for transportation purposes; and

**WHEREAS**, CDOT Region 4 desires to sell Parcel 33-EX for fair market value in accordance with Colorado Revised Statute 43-1-210 (5) ; and

**WHEREAS**, the sale of Parcel 33-EX will not affect the design, construction or utility of SH 85; and

**WHEREAS**, the Department of Transportation, Region 4, recommends that the property described as 33-EX of Project F006-1(2) be declared excess property; and

**WHEREAS**, the Chief Engineer and the Department of Transportation are authorized pursuant to C.R.S. 43-1-106(8)(n), 43-1-110, 43-1-114(3), and 43-1-210(5) to make determinations regarding property to be declared excess and not needed for transportation purposes; and

**WHEREAS**, the Department of Transportation, has declared through its Chief Engineer, that Parcel 33-EX is no longer needed for transportation; and

**WHEREAS**, the Transportation Commission concurs with the Chief Engineer that Parcel 33-EX is no longer needed for transportation purposes.

**NOW THEREFORE BE IT RESOLVED**, that the Department of Transportation be given authority to dispose of Parcel 33-EX of Project F006-1(2) containing

2.136 acres more or less as shown in Exhibit A and contained in the official agenda.

**NOW THEREFORE BE IT FURTHER RESOLVED**, that funds from the sale of the property shall be disbursed in accordance with Section 7.2.15 of the CDOT Right-of-Way Manual.

  
 \_\_\_\_\_  
 Herman Stockinger, Secretary  
 Transportation Commission of Colorado

1-22-14  
 \_\_\_\_\_  
 Date

**Discuss and Act on the 7<sup>th</sup> Supplement to the FY2014 Budget**

Scott Richrath stated that there were two walk-ons for the January Commission meeting. The first walk-on is for Region 5 for a US550-160 continuous flow intersection in Durango. There were no bids in the first opening for this project. There was a single competitive bid in the second opening, which was after the mailing of the Commission's January packet. This bid came was more than 15% more than the allotted budget amount, which then requires the approval of the Commission. This project is part of the Highway Safety Improvement Program approved list. Transportation Systems Management and Operations have signed off on the project.

He stated the second of the walk-ons is related to the funding of the Region 4 Greeley Headquarters project, which the Commission approved in November. The staff had agreed in November to come back to the Commission with a funding alternative. Initially, the \$20 million would be financed through Certificates of Participation (COP). The staff decided it was possible to manage cash finances effectively to fund that project internally. The staff recommendation was altered from the one in the packet and requests permission from the Commission to advance budgeting to fund the project.

He then discussed the Twin Tunnels project in the supplemental packet. Tony DeVito provided a presentation, and local partners spoke to the Commission earlier about it. The staff sought funding through the supplemental process for \$47 million of what would have been HPTE RAMP funding and \$7 million of Region 1 Regional Priority Program advanced from next year.

He then outlined five surface treatment projects that are part of the Asset Management's approved FY'2014 project list.

Chairman Aden entertained a motion to approve the Supplement including the two walk-on requests. Commissioner Connell moved to approve the resolution, and the Commissioner Zink seconded the motion. By vote of the Commission, the resolution was unanimously approved.

**Resolution #TC-3130****Resolution Number #TC-3130**

**Approved by the Colorado Transportation Commission on January 16, 2014**

**Approve the 8<sup>th</sup> Budget Supplement to the FY'2014 Budget**

**WHEREAS**, pursuant to C.R.S. 43-1-211, CDOT is authorized to purchase land and/or build buildings suitable for offices for housing machines, tools, and equipment and pursuant to C.R.S. 43-1-212, CDOT may enter into rental or leasehold agreements under which the department may acquire title to such buildings with the approval of the Governor, the Chief Engineer, the Director of the Office of State Planning and Budgeting and a majority of the Transportation Commission; and,

**WHEREAS**, a Facility Needs Assessment was completed by CDOT Property Management indicated that CDOT Region 4 Headquarters Building located in Greeley, CO, currently has facility deficiencies; and

**WHEREAS**, the building deficiencies include, but are not limited to, fire and other safety hazards, size constraints, inefficient access and site circulation; and

**WHEREAS**, CDOT Property Management and Region 4 contracted with real estate brokerage firm CRBE, Inc. to analyze and identify viable alternative relocation sites for the Region 4 Headquarters Building; and

**WHEREAS**, after a thorough analysis, CDOT and CRBE have identified a site located in Greeley, CO, and on the US 34 Business Loop as the preferred alternative location to build a new CDOT Region 4 Headquarters facility; and

**WHEREAS**, the current baseline budget for the new Region 4 Headquarters building and sufficient space for the Colorado State Patrol to purchase from CDOT as a part of this transaction is \$19,866,735, which includes LEED certification as required by C.R.S. 24-30-1301(13); and

**WHEREAS**, relocating the Region 4 Headquarters will also require that a new vehicle maintenance and regional storeroom supply facility be built; and

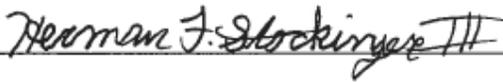
**WHEREAS**, CRBE's and CDOT's study of this issue has identified the best location for this facility to be on land that CDOT already owns in Gilcrest, CO, with the cost of erecting this facility included in the dollar amount specified in the prior paragraph; and

**WHEREAS**, in November 2013, the Transportation Commission approved the advancement of \$2M of FY15 Property Management Capital Construction

sufficient space for the Colorado State Patrol, subject to arrival at a mutually satisfactory interagency agreement with the Colorado State Patrol to reimburse CDOT for the State Patrol's pro rata share of the facility.

**IT IS FURTHER RESOLVED** that the Transportation Commission authorizes CDOT to market and sell in accordance with 43-1-210(5) the existing CDOT Region 4 Headquarters Site and the residencies located in Evans, CO, and Loveland, CO, and authorizes that the funds received from the sale of these properties be returned to the Transportation Commission for it to allocate, or if so permitted by the covenants associated with any potential Certificates, to accelerate the pay down of the balance of the Certificates of Participation issued for the new Region 4 Headquarters project.

**IT IS FURTHER RESOLVED** that the primary source for the repayment of any potential certificates not repaid from the sale of these properties or the payments toward the cost of the facility reimbursed by the Colorado State Patrol (to the extent permitted by the covenants of the Certificates) shall be repaid through annual allocations made as a part of the annual budget process as approved by the Transportation Commission.



Transportation Secretary



Date

**Discuss and Act on a Resolution for the COP for the Relocation of Region 4 Headquarters**

Chairman Aden stated that due to the fact that Region 4 Headquarters request was included in the Budget Supplement, this item would be removed from the agenda.

**Discuss and Act on a Resolution for the Adoption of Temporary Tunnel Rules and a Resolution for Promulgation of Permanent Tunnel Rules**

Tony DeVito requested the Commission to adopt the proposed rules on a temporary basis so that they can be in place for the remaining winter months of this year. If the Commission chose not to adopt the rules on a temporary basis, the permanent rules would not go into effect until July 2014. He also asked the Commission to open the rule-making process for the Tunnel Rules. The Commission has authority of 13 sets of administrative rules, and the Tunnel Rules are among those.

Tony DeVito stated that the Commission last adopted Tunnel Rules in 1986. He read the definition of "combustible liquid" out of the previous set of rules to demonstrate that it was too technical to be understood by a majority of drivers who need to know what is restricted and what is not.

While these rules govern all the tunnels on the state highway system, the most important sections concern the Eisenhower Johnson Memorial Tunnel (EJMT). The

rules state which HAZMAT materials are prohibited at all times from using the EJMT and which HAZMAT may go through the EJMT when Loveland Pass is closed. Loveland Pass closes on average 20 times a year due to snow and avalanche conditions. During those periods HAZMAT vehicles must be accommodated through the EJMT, typically on the top of the hour except during peak period operations. HAZMAT transportation statewide is under the authority of the Colorado State Patrol (CSP) with the exception of CDOT tunnels.

The rules that the Commission is asked to approve will make many improvements to the existing rules. The new rules will be placard based, colored on top with either red or green demonstrating what is never allowed in the EJMT and what is allowed when Loveland Pass is closed. These new rules are clear, concise and interpretable.

The temporary rules also correct federal regulations in the old set of rules that were improperly referenced.

This is a culmination of a year-long process working with CSP, Colorado Motor Carriers, the Colorado-Wyoming Petroleum Marketers Association (who included a letter of support), the ski areas, the I-70 Coalition and the US Forest Service. He requested the Commission to approve both the temporary and the permanent rules making processes.

Chairman Aden entertained a motion to approve a resolution to open the Tunnel Rules and to approve a separate resolution to adopt temporary Tunnel Rules. Commissioner Gilliland moved to approve both resolutions, and Commissioner Connell seconded that motion. By vote of the Commission, the resolutions passed unanimously.

**Resolution #TC-3131****Resolution # TC-3131**

**Approved by the Colorado Transportation Commission on January 16, 2014**

**Open Rule-Making Regarding Revisions to the Rules Governing the Use of Tunnels on Colorado State Highways, 2 CCR 601-8 and Delegate Authority to an Administrative Hearing Officer to Hold a Public Rule-Making Hearing.**

**WHEREAS**, § 43-1-106(8)(k), C.R.S., § 42-4-106 (7)(a) and (b), C.R.S., § 42-20-301(3), authorize the Transportation Commission of Colorado (the "Commission") to promulgate rules governing the use of tunnels on Colorado state highways ("Tunnel Rules"); and

**WHEREAS**, the Commission adopted the Tunnel Rules in 1986, with a subsequent adoption making minor corrections in 2008; and

**WHEREAS**, the current rules require updating in order to conform to current federal regulations and provide clearer guidance to the travelling public; and

**WHEREAS**, pursuant to Governor Hickenlooper's Executive Order D 2012-002, the proposed rules are drafted in clear language to make them accessible to CDOT personnel, Colorado State Patrol, motor carriers and the travelling public; and

**WHEREAS**, following the measures taken by the Department to comply with the Administrative Procedure Act, the proposed Rules will be submitted to the Commission for approval and adoption.

**NOW THEREFORE BE IT RESOLVED**, the Transportation Commission herein opens the rule-making process and delegates authority to an administrative hearing officer to preside over a public rule-making hearing on the modifications to the Rules.

Norman F. Stockinger III  
Transportation Commission Secretary

1-22-14  
Date

**Resolution #TC-3132****Resolution # TC-3132**

Approved by the Colorado Transportation Commission on January 16, 2014

**Adopt Temporary Rules Governing the Use of Tunnels on Colorado State Highways, 2 CCR 601-8 and Direct the Department to Comply with all Requirements of the State Administrative Procedure Act.**

**WHEREAS**, § 43-1-106(8)(k) C.R.S., § 42-4-106 (7)(a) and (b), and C.R.S., § 42-20-301(3), authorize the Transportation Commission of Colorado (the "Commission") to promulgate rules governing the use of tunnels on Colorado state highways; and

**WHEREAS**, the current rules were last updated in 1986, with minor revisions in 2008; and

**WHEREAS**, the current rules require updating in order to conform to current federal regulations, eliminate obsolete information and provide clearer guidance to the travelling public; and

**WHEREAS**, pursuant to Governor Hickenlooper's Executive Order D 2012-002, the proposed rules are drafted in clear language to make them accessible to CDOT personnel, Colorado State Patrol, motor carriers and the travelling public; and

**WHEREAS**, the Commission finds that temporary adoption of the Tunnel Rules is imperatively necessary for the health, safety and welfare of the travelling public so that the Rules will be immediately in conformance to federal regulations; and

**WHEREAS**, immediate adoption is necessary so that clear guidance is provided to CDOT tunnel personnel, the Colorado State Patrol, motor carriers and members of the travelling public during the inclement weather in the remaining winter and early spring months of 2014; and

**NOW THEREFORE BE IT RESOLVED**, the Transportation Commission herein adopt temporary rules Governing the Use of Tunnels on Colorado State Highways, 2 CCR 601-8 and directs the Department to take all necessary steps to comply with the State Administrative Procedure Act.

Norman F. Stocking, III  
Transportation Commission Secretary

1-22-14  
Date

### **Discuss and Act on a Resolution to Approve the Interregional Express (IX) Bus Plan and Implementation**

Mark Imhoff stated that he was requested the Commission's approval of the Interregional Express Bus Plan and Implementation. There have been more than a year of outreach efforts and a very active subcommittee of the Transit and Rail Advisory Committee leading to this resolution. There have been presentations along both corridors.

Part of the resolution describes the funding sources for FY2014, including \$10.9 million from a combination of unallocated FASTER and unallocated Senate Bill 1 transit funds. He also requested authorization for \$3 million each year from the FASTER Statewide Transit Pool. Included in that would be a reserve fund that would never grow more than \$3 million, which the Transportation Commission would control.

He stated that as part of the expenditure, CDOT will purchase 13 over the road coaches for an estimated cost of \$7.8 million, contracted with a private operator for three years with two one-year options. That is estimated at \$5.85 million for the three years. Park and ride improvements will cost \$1 million, and miscellaneous capital, operating expenses and an initial deposit into the IX Reserve will be approximately \$1.5 million.

He requested the Commission to designate the T&I Committee as the IX Bus Operating Committee. As soon as buses are delivered, there will be a 30 day testing period. Service will open late in 2014 or early in 2015, as soon as the fleet becomes available. The system will be established so that there is a three year operational assessment for the Commission, at which time the service will be evaluated to be continued, modified or canceled.

Director Hunt stated that it will be necessary to obtain an operator within the Operating Cost Plan that was put forward by the Transit Division. He stated that he and Mark Imhoff are working to limit CDOT's financial exposure until the time that CDOT receives a successful bid from an operator within the financial constraints of the operating plan. Bus purchases, employee hires and similar expenditures will be limited until that bid is received.

Commissioner Gilliland stated that she is very excited about CDOT's opportunity to invest in transit to this extent. It will provide a sustainable backbone service for the state. This will include the I-25 and I-70 West. She stated that she hopes for success and hopes that CDOT continues to move forward.

Chairman Aden entertained a motion to approve the resolution for the Interregional Express Bus Plan and Implementation. Commission Gilliland moved to approve the resolution, and Commissioner Gruen seconded the motion. By vote of the Commission, the resolution passed unanimously.

Chairman Aden stated that this is a historic occasion for CDOT. Over the years, the discussion around CDOT's role in transit has evolved. It is an exciting time, and a big step forward.

**Resolution #TC-3133**

**Resolution #TC-3133**

Approved by the Transportation Commission on: January 16, 2014

**Approving Implementation of the Interregional Express Bus**

**WHEREAS**, the CDOT mission is to “provide the best multi modal transportation system for Colorado”; and

**WHEREAS**, the Colorado Legislature created the Division of Transit & Rail in 2009 (Senate Bill 09-094) vesting in CDOT the authority to develop, operate and integrate transit service into the statewide transportation system, and to establish and modify fares and schedules for transit services provided directly by the state or contracted for by the state; and

**WHEREAS** the FASTER legislation (Senate Bill 09-108, Section 43-4-206) provides ten million dollars per year for statewide transit including the maintenance, operation, or administration of transit-related projects; and

**WHEREAS** transit service connectivity is lacking due to service gaps exist between local transit systems; and

**WHEREAS** the I-25 and I-70 corridors carry high volumes of travelers and experience high levels of congestion, and therefore have significant transit demands; and

**WHEREAS** the Transportation Commission directed the development of an interregional express bus plan in December, 2012; and

**WHEREAS** the development of an interregional express bus plan included stakeholder outreach.

**WHEREAS**, upon approval by the Transportation Commission, CDOT is prepared to begin interregional express bus service in FY 2015 after it contracts with an operator and obtains fleet vehicles.

**NOW THEREFORE BE IT RESOLVED**, the Transportation Commission hereby approves that CDOT shall provide interregional express bus service, through a contract with a private operator, and approves that service will be initiated in the following areas:

- o I-25 corridor between Colorado Springs and Denver, and Fort Collins and Denver.
- o The I-70 corridor between Glenwood springs and Denver.

**BE IT FURTHER RESOLVED** that an initial FY 2014 Start-Up Fund of \$10.9 Million shall be established from the following sources:

**Other Matters**

Chairman Aden stated that there were no other matters to come before the Commission.

**Acknowledgements**

Chairman Aden stated that there are not acknowledgements.

**Adjournment**

Chairman Aden announced that the meeting was adjourned at 1:00pm.

# MEMORANDUM

## DEPARTMENT OF TRANSPORTATION

Colorado Department of Transportation  
4201 East Arkansas Ave  
Denver, CO 80222  
(303) 757-9793  
Scott.richrath@state.co.us



Date: February 19, 2014

To: Transportation Commission, High Performance Transportation Enterprise (HPTE) Board of Directors, and Colorado Bridge Enterprise (CBE) Board of Directors

From: Scott Richrath, Chief Financial Officer  
Tony DeVito, Region 1 Transportation Director  
Mike Cheroutes, Director of the HPTE  
Ben Stein, Office of Major Project Development

CC: Don Hunt, CDOT Executive Director and Director of the CBE

Subject: Next Steps for the I-70 East / Viaduct Project

### Purpose

During the workshop for the I-70 East / Viaduct project on January 15, 2014, staff provided a variety of potential funding sources and scenarios with the intent of returning in February to facilitate additional discussion on policies related to

- tolling through use of managed lanes;
- concessionaire agreements as a means of operating such tolled facilities;
- Public-Private Partnerships as a means of investing in the viaduct.

Staff will reply to questions raised at January's workshop. Staff also intends in February to obtain approval with proceeding with initial procurement to engage private sector expertise and competition through Public Private Partnership (P3).

### Background

Last month staff provided an overview of available funding sources and impacts to the Colorado Bridge Enterprise (CBE) for financing the I-70 East / Viaduct project. This was the latest in several events and presentations on the project. Table 1, presented in January, summarizes the financial impacts of financing the project using CDOT Enterprise financing authority.

**Table 1 – Summary Table**

Millions Available to CBE	'15-'46	Avg.	Min	Max
1 - Viaduct-Only Alternative - All CBE	\$3,008.1	\$94.0	\$45.9	\$172.3
2 - Macquarie Alternative - CBE + SB 09-228	\$2,988.5	\$93.4	\$45.1	\$172.1
3a - FASTER Safety Alternative - CBE + 228 + FS	\$3,070.2	\$95.9	\$48.6	\$172.9
3b - MPO Alternative - CBE + 228 + FS + DRCOG	\$3,151.9	\$98.5	\$52.2	\$173.8

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### **Information: Staff Recommendation**

The staff analysis examines ways for engaging the private sector. The Private Public Partnership would be a useful tool for achieving this goal.

Staff asks that the Transportation Commission:

- **Part I:** Review staff responses to questions raised during January workshops
- **Part II:** Discuss staff recommendation to move forward with engagement of private sector

**Figure 1 – Map of corridor with staff recommended segments highlighted in red**



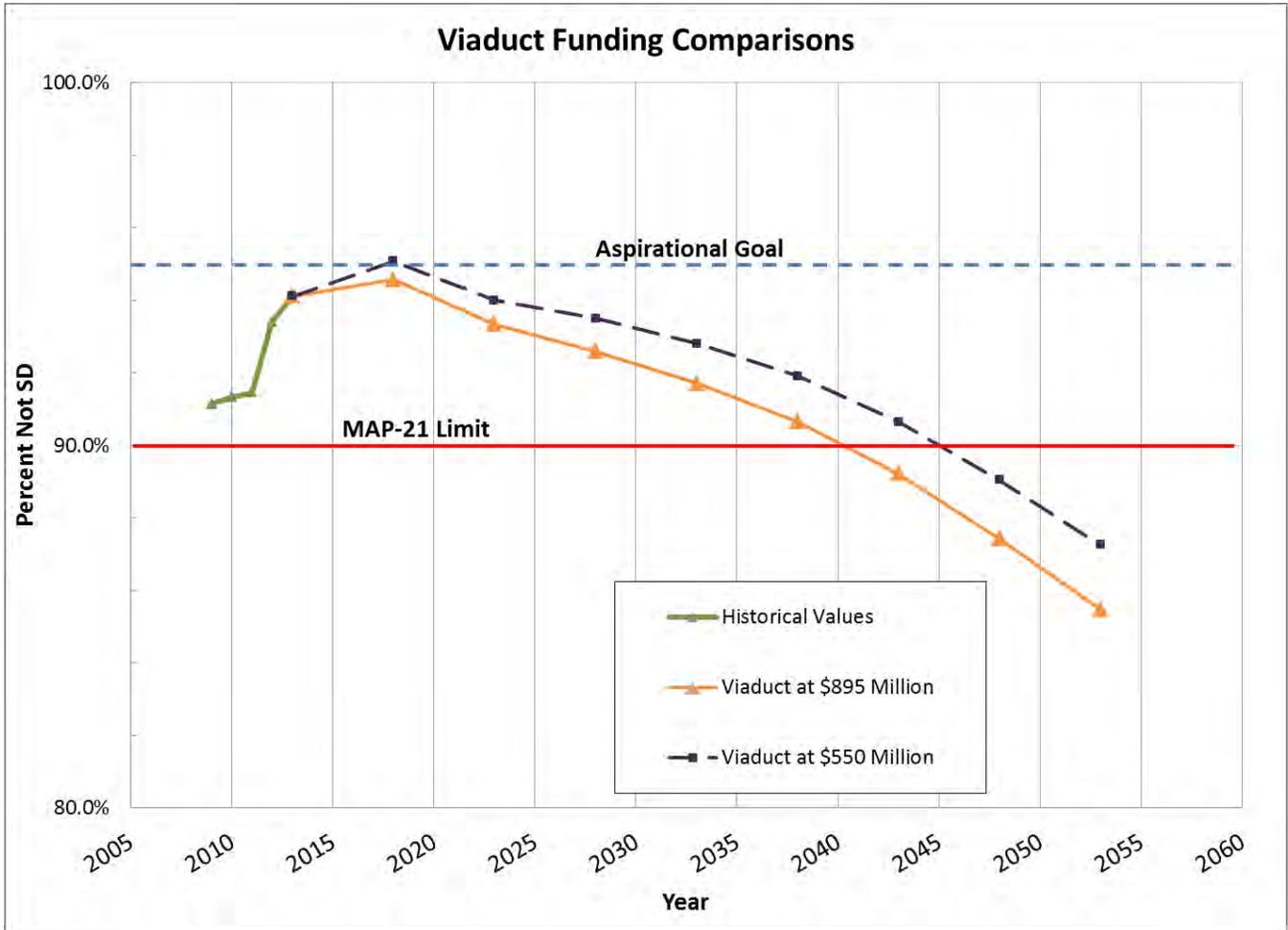
In 2003, CDOT began an Environmental Impact Statement (EIS) to improve safety, access, and mobility along I-70 from Brighton Boulevard to Tower Road. An overview of the EIS study and the larger context surrounding this work is included in Appendix A.

**PART I: Respond to January Workshop Questions**

**Question #1: Show the impact to the Bridge Network assuming an \$895 million total CBE commitment.**

Last month staff presented the deterioration curve of CDOT’s entire bridge network assuming a \$550 million ("Do Nothing" alternative) viaduct replacement cost. Figure 2 shows the deterioration curve at \$895 million (allowing for additional capacity).

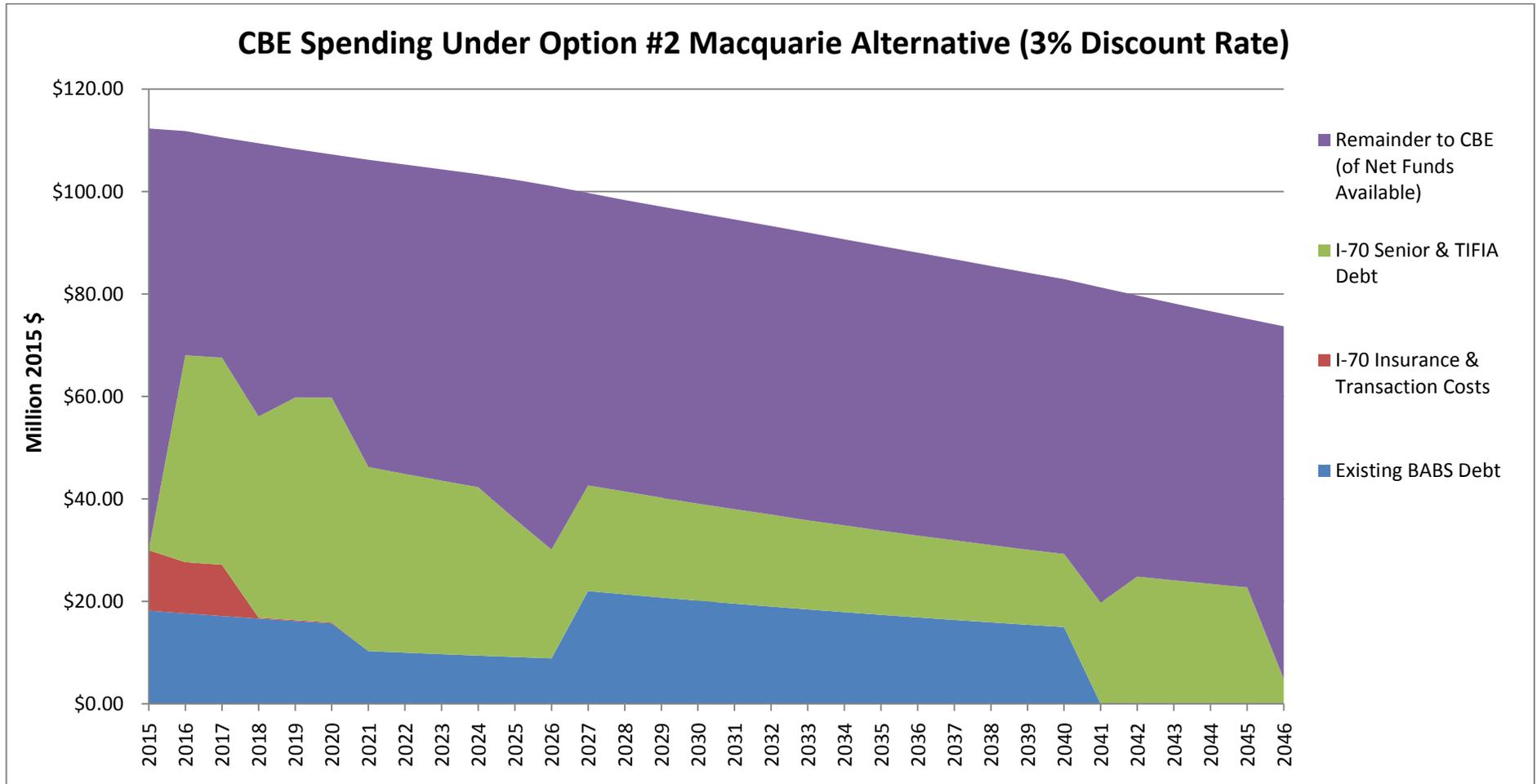
**Figure 2 – Bridge Network Deterioration Curves**



**Question #2: Discount the annual cash flow analysis back to Year One, showing the net present value (NPV) impact to the CBE.**

In January, staff presented a graph of dollars available to CBE in the year of expenditure. The Transportation Commission requested that staff show the same graph in 2015 dollars so that CBE purchasing power would be better represented.

**Figure 3 – CBE Spending under Option #2 Macquarie Alternative in 2015 Dollars**



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**Question #3: Show an Option 3C that increases FASTER Safety and MPO funding, and delays SB 228 funding requirement.**

**Option #1 – Viaduct-Only Alternative: Funded Exclusively by CBE**

<b>Viaduct-Only Alternative:</b>			<b>2015-2046 NPV</b>	<b>AVG NPV</b>
<b>All CBE</b>	<b>2015-2046</b>	<b>AVG</b>	<b>(2015 Dollars)</b>	<b>(2015 Dollars)</b>
Net Funds Available to CBE	\$4,177.00	\$130.50	\$2,610.24	\$81.57
Less: Construction Insurance & Transaction Costs	(\$32.80)	(\$1.00)	(\$31.79)	(\$0.99)
Senior Debt and TIFIA Debt Payments	(\$1,136.10)	(\$35.50)	(\$742.37)	(\$23.20)
Remainder to CBE	\$3,008.10	\$94.00	\$1,836.07	\$57.38

**Option #2 – Macquarie Alternative: Add \$270 million of SB 09-228 and extend to I-270**

<b>Macquarie Alternative:</b>			<b>2015-2046 NPV</b>	<b>AVG NPV</b>
<b>CBE + SB 09-228</b>	<b>2015-2046</b>	<b>AVG</b>	<b>(2015 Dollars)</b>	<b>(2015 Dollars)</b>
Net Funds Available to CBE	\$4,177.00	\$130.50	\$2,610.24	\$81.57
Less: Construction Insurance & Transaction Costs	(\$33.30)	(\$1.00)	(\$32.32)	(\$1.01)
Senior Debt and TIFIA Debt Payments	(\$1,155.20)	(\$36.10)	(\$754.80)	(\$23.60)
Remainder to CBE	\$2,988.50	\$93.40	\$1,823.10	\$57.00

**Option #3A – FASTER Safety Alternative: Add \$50 million total to Option #2**

<b>FASTER Safety Alternative:</b>			<b>2015-2046 NPV</b>	<b>AVG NPV</b>
<b>CBE + 228 + FS</b>	<b>2015-2046</b>	<b>AVG</b>	<b>(2015 Dollars)</b>	<b>(2015 Dollars)</b>
Net Funds Available to CBE	\$4,177.00	\$130.50	\$2,610.24	\$81.57
Less: Construction Insurance & Transaction Costs	(\$31.00)	(\$1.00)	(\$30.10)	(\$0.94)
Senior Debt and TIFIA Debt Payments	(\$1,075.80)	(\$33.60)	(\$702.92)	(\$21.97)
Remainder to CBE	\$3,070.20	\$95.90	\$1,877.22	\$58.66

**Option #3B – MPO Alternative: Add \$50 million total to Option #3**

<b>MPO Alternative:</b>			<b>2015-2046 NPV</b>	<b>AVG NPV</b>
<b>CBE + 228 + FS + DRCOG</b>	<b>2015-2046</b>	<b>AVG</b>	<b>(2015 Dollars)</b>	<b>(2015 Dollars)</b>
Net Funds Available to CBE	\$4,177.00	\$130.50	\$2,610.24	\$81.57
Less: Construction Insurance & Transaction Costs	(\$28.70)	(\$0.90)	(\$27.88)	(\$0.87)
Senior Debt and TIFIA Debt Payments	(\$996.30)	(\$31.10)	(\$651.00)	(\$20.34)
Remainder to CBE	\$3,151.90	\$98.50	\$1,931.35	\$60.35

**Option #3C – Certainty-Based Timing Alternative: Expand Scope as SB 228 Firms**

This alternative was requested by the Transportation Commission in January, with an additional \$100 million of FASTER Safety and MPO funding in early years, deferring SB 228 and reducing the amount of loan by \$100 million. In actuality, the timing of the project may allow SB 228 to lock in at desired levels before those funds are needed. See the Timeline on page 10 for more detail.

<b>Certainty-Based Timing:</b>			<b>2015-2046 NPV</b>	<b>AVG NPV</b>
<b>CBE + FS + DRCOG + Deferred 228</b>	<b>2015-2046</b>	<b>AVG</b>	<b>(2015 Dollars)</b>	<b>(2015 Dollars)</b>
Net Funds Available to CBE	\$4,176.96	\$130.53	\$2,610.24	\$81.57
Less: Construction Insurance & Transaction Costs	(\$27.88)	(\$0.87)	(\$27.08)	(\$0.85)
Senior Debt and TIFIA Debt Payments	(\$651.00)	(\$20.34)	(\$457.59)	(\$14.30)
Remainder to CBE	\$3,498.08	\$109.31	\$2,125.57	\$66.42

## **PART II: Public-Private Partnerships**

### **Policy Discussion**

The purpose of this discussion is to:

- Review the specific risk transfer features and cost analysis of the US 36 transaction and reaffirm that P3 remain an essential delivery model in the eyes of the Transportation Commission.
- As noted above, consider the staff recommendation to pursue a full P3 Design Build Finance Operate Maintain (DBFOM) model for the I-70 East / Viaduct Project.

An internally prepared Value for Money report for the U.S. 36 project, the latest update of the financial analysis prepared by KPMG Auditing for HPTE, and a flow chart detailing the specific risk transfer elements of the U.S. 36 project have been compiled in a separate document uploaded by HPTE.

Implied in the decision of the HPTE Board and Transportation Commission to move ahead with a P3 delivery model for U.S. 36 was the assumption both bodies were open to P3 as an essential tool in CDOT's tool box. Table 2 summarizes the key public policy issues at play.

**Table 2 – Policy Issues & Alternatives**

	<b><u>Issue</u></b>	<b><u>Alternatives</u></b>	<b><u>Pro</u></b>	<b><u>Con</u></b>
1.	<b>Construction:</b> Who designs and builds the project	A. CDOT contracts for design and construction, probably using fixed-price Design/Build model.	A. CDOT more familiar with D/B contracting; can have more involvement.	A. Complicated projects, in particular, are uncertain as to cost and schedule-even D/B contracts often accrue substantial change order costs and delays or build in an extra risk premium into price. Universe of competitors may be smaller.
		B. Private party performs or subcontracts design and construction at a price built into the concession contract.	B. Lowest cost. Private party generally better able and more incentivized to control and expedite construction schedule and to absorb unforeseen costs. Avoids contingencies. Key for innovation and project savings.	B. CDOT, having initially negotiated the contract guardrails, will have less control over project implementation.
2.	<b>Operation/Maintenance/Replacement:</b> Routine maintenance, snowplowing, life-cycle replacement (i.e., major reconstruction)	A. CDOT retains responsibility	A. CDOT uses existing equipment and personnel to maintain. CDOT decides when/whether major reconstruction necessary.	A. O&M costs unpredictable and subject to higher budget priorities. Deferred maintenance not always performed. CDOT may not have budget to reconstruct.
		B. Transfer to private partner	B. Private partner can bring economies of scale and "best practices". Required by contract to meet performance standards and assume risk of cost increases.	B. Displaces CDOT personnel. Requires high level of oversight.
		C. Split responsibility	C. Sometimes possible to divide responsibilities between express and general purpose lanes.	C. Not economically efficient and difficult to coordinate. Will add to cost.

	<u>Issue</u>	<u>Alternatives</u>	<u>Pro</u>	<u>Con</u>
3.	<b>Tolls:</b> Who sets, collects, and is entitled to tolls	A. HPTE sets and collects tolls (E-470 is current back-office)	A. HPTE retains flexibility; perceived as more accountable to user reaction. Has upside potential (though in most cases we would want to share in upside even if private partner takes toll risk).	A. HPTE/CDOT will need to make up the difference in order to pay debt service and O&M costs if tolls are below projections. Additional FTE required.
		B. Private partner requests HPTE to set tolls within contract limits and uses collection subcontractor designated/permitted by HPTE (E-470 is current designated back-office)	B. Private partner better able to administer toll regimen and control congestion using dynamic tolling. Able to leverage projected revenues more aggressively, with resulting project savings to CDOT.	B. Private partner realizes additional profit if toll revenues are above projections.
4.	<b>Concession Term:</b> Given the uncertainties of tomorrow, how long should CDOT permit a private partner to operate and (if toll risk is transferred) collect tolls from express lanes.	A. 30 years	A. May be more acceptable politically. CDOT captures toll revenues sooner.	A. Project costs higher. Greater strain on annual CDOT financial resources
		B. 40 years	B. May be more economically efficient. Shorter than many comparable transactions.	B. Greater political suspicion.

Not all new capacity projects are necessarily good candidates for P3. C-470, for example, may well be an appropriate case for conventional public financing. P3 appears to offer little value in view of the anticipated project scope, among other things. HPTE and the Office of Major Project Development (OMPD) will, though, test that preliminary view with our financial advisors.

In the staff's view, I-70 East / Viaduct Project is a different story. As you know, the HPTE and OMPD have been working with Macquarie to explore a number of funding/financing alternatives. If the Transportation Commission decides to go forward with the project and reaffirms P3 as an acceptable alternative, HPTE and OMPD will continue to explore its potential.

After participating in a half-day workshop with Macquarie, Federal Highway Administration (FHWA), and Region 1 engineers and personnel, HPTE/OMPD compiled an inventory of significant project risks that could/should be transferred to a private partner for a project like this in Table 3.

**Table 3 – Risk Analysis**

Risk	Risk Allocation		
	CDOT/HPTE	Private	Shared
Design of highway and structures		✓	
Construction of highway and structures (risk of time and cost overruns)		✓	
Majority of risks associated with environmental factors, including changes to restrictions and permitting (with the exception of permits obtained by CDOT or HPTE)		✓	
Geotechnical (for example, soil below the highway surface)		✓	
Operations and maintenance, including routine maintenance and life cycle maintenance, life cycle maintenance in relation to non-separable tasks on the general purpose lanes		✓	
Snow and ice removal on both the general purpose lanes and the managed lanes		✓	
Handback of the facility at the contract term's end which fulfills CDOT and HPTE requirements in relation to the residual life of the highway at that time		✓	
Acquisition of property required for highway construction, including risks related to cost and timeliness to acquire such property	✓		
Responsibility for repairing any latent defects in work, as completed prior to the contract commencement date or for works undertaken by other CDOT contractors	✓		
Bringing the highway back into agreed-upon condition after the occurrence of a significant natural event	✓		
Undertaking soils or other remediation as a result of the discovery of undisclosed contaminated soils	✓		
Phasing railroad relocation	✓		
Relief events (render the private party unable to comply with all or a material part of its obligations and are beyond the reasonable control of the private party)	✓		
Relief events - events for which insurance can be obtained together with events which are beyond the reasonable control of the private party (change in law, unplanned revenue impacting facility, contract breach)	✓		
Approvals from the state, locals, railroads and utilities			✓
Contaminants found during construction			✓
Requirements for moving utilities to construct the highway and structures, and the risk that utility companies will not move quickly enough to meet private party's schedule, or that they will levy higher than expected charges for the relocation work			✓
Archaeological remains, paleontological and historic site found during construction			✓
Increases in the future of general insurance premium cost charged by the insurance industry for the insurance required by the contract			✓

This risk transfer analysis, along with the financial modelling done by Macquarie in its Value for Money report, led HPTE/OMPD to the conclusion that it made good sense to pursue a full P3 DBFOM to deliver the I-70 East / Viaduct Project.

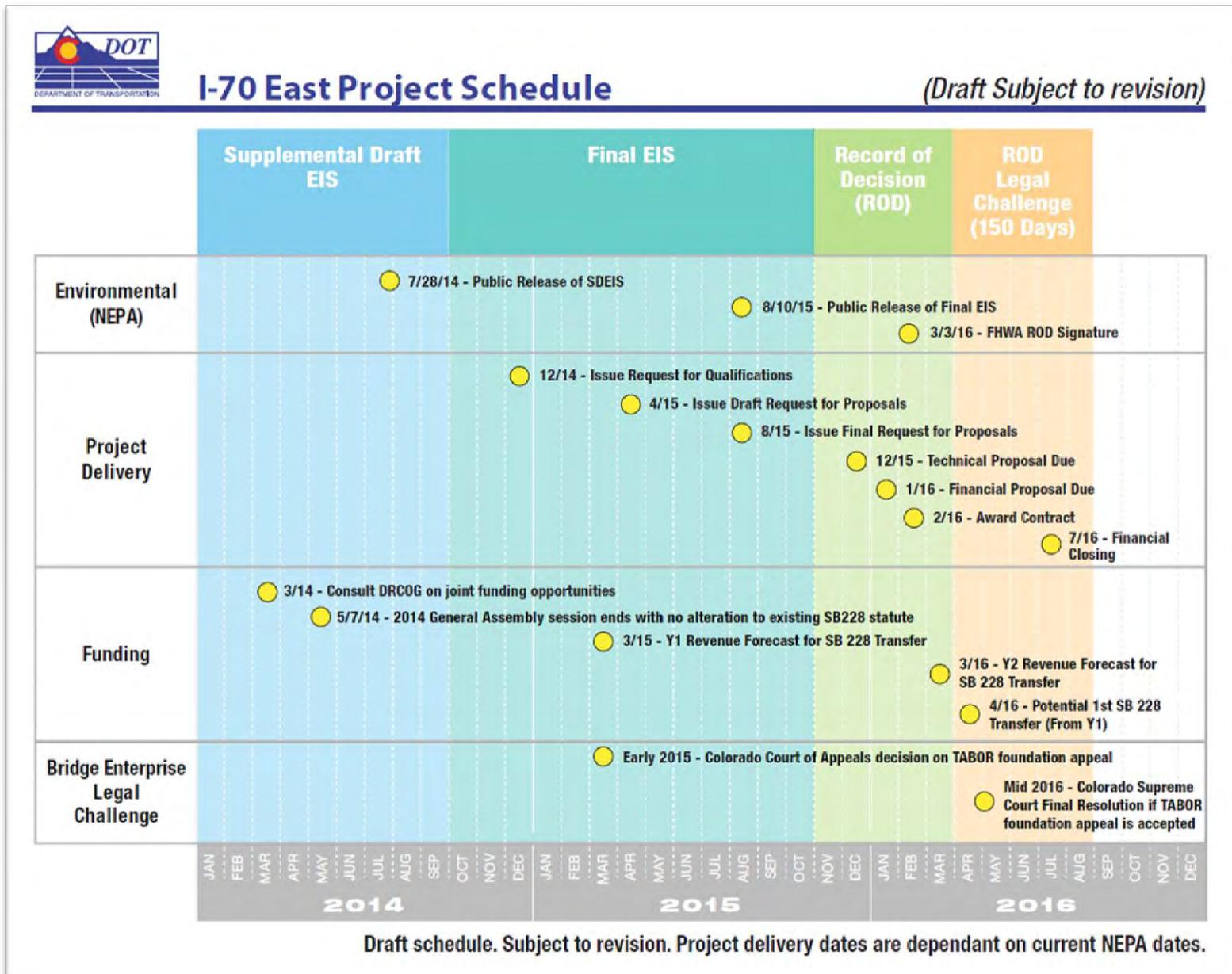
## **Next Steps**

As with any large project, local support is critical to moving forward with the I-70 East project. The Department has received strong endorsement for the basic Partially Covered Lid (PCL) alternative from the City of Denver, the City of Commerce City, and Adams County along with key business associations and stakeholders including the Denver Chamber of Commerce, the Downtown Denver Partnership, and the National Western Stock Show. In addition, Mayor Hancock has included I-70 reconstruction among the six projects under the umbrella of the North Denver Cornerstone Collaborative, which has been formed to bring new attention and resources to the neighborhoods adjacent to I-70.

Receiving a statement of support or proclamation from the Denver City Council would be an important next step. This statement would demonstrate united support across city government and provide political certainty for the project as we move closer to engaging the private sector. Currently, staff is working closely with Denver City Council to answer any outstanding questions with the goal of receiving a statement of support by April 2014.

Another critical step is determining the details of the preferred alternative so that progress on the EIS can continue. The extensive analysis and review periods inherent in the EIS require certainty on the preferred alternative by April 1, 2014. This includes the future of the Steele/Vasquez interchange (and second lid) along with the location of 46th Avenue near Swansea Elementary School.

Regarding the status of the *TABOR Foundation v. the Colorado Bridge Enterprise* lawsuit, an appeal process is currently underway. The CBE was successful on all counts at the trial court level and the TABOR Foundation is appealing, arguing that the bridge surcharge fee is really a tax and that the CBE is not a valid enterprise. To the extent it can, the CBE will seek an expedited ruling. However, it is not anticipated that the appellate phase will be speedy. It is anticipated that the Colorado Court of Appeals will hold oral arguments in this matter and a decision is not expected until early 2015. If the Colorado Supreme Court accepts an appeal in this matter, then the date for a final resolution in this matter could be extended until early or mid-2016.



**Appendix A**

**I-70 EAST BACKGROUND AND CONTEXT**

**ENVIRONMENTAL IMPACT STATEMENT**

Began EIS in 2003 with study area including I-70 from Brighton Blvd to Tower Road. CDOT leadership directed study to include mobility and congestion relief while replacing the aging viaduct. Initial EIS also partnered with RTD to study transit and future East corridor.

Purpose and Need: implement a transportation solution that improves safety, access, and mobility and addresses congestion along I-70.

Community involvement and outreach exceeds any project in CDOT history, including years of input from the diverse stakeholders in the region. Dozens of alternatives have been evaluated, including concepts that would move the location of a portion of the interstate.

Three alternatives will be presented in the 2014 Supplemental DEIS:

1. NO BUILD: Would reconstruct the viaduct to meet FHWA standards for lane and shoulder width without new lanes (\$540-5550m)
2. VIADUCT REBUILD: Rebuilds viaduct and adds two new tolled express lanes in each direction either shifting the structure north, requiring relocation of Swansea Elementary School) or a south, requiring relocation of Purina Plant (\$1.64-\$1.66B)
3. PARTIAL COVER LOWERED (PCL): Removes viaduct and places highway below ground with two new tolled express lanes, reconnecting neighborhoods and improving community facilities with a cover over the highway (\$1.8B)

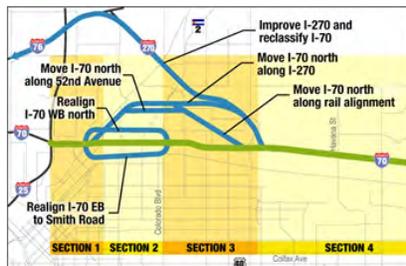
PCL Alternative is first concept to receive broad community and political support since start of study.

**COMMUNITY/RESIDENTS**

Original decision to locate I-70 in Denver along 46<sup>th</sup> Ave. was controversial and debated for many years in the late 1950s, including several City Council votes.

By 1960, I-70 location was a well-established industrial area and home to freight rail lines, Purina Plant, and several smelters. Also was the location of several historic neighborhoods, largely housing workers from adjacent companies.

Interstate location divided Swansea, Elyria and Globeville neighborhoods. Today, Swansea and Elyria are designated environmental justice communities. CDOT has focused EIS outreach on these neighborhoods.



**POLITICAL CONTEXT**

I-70 East has generated a significant amount of discussion. CDOT's original realignment option which would have relocated I-70 along I-270 and 52<sup>nd</sup> Avenue, was developed in response to community impacts in Denver. It was strongly opposed by Commerce City.

CDOT formed the Preferred Alternative Collaboration Team (PACT) in 2011 after reaching an impasse following the publication of the 2008 DEIS. The Partial Covered Lid (PCL) alternative was supported by the members of the PACT, which included Denver, Commerce City, Adams County, Denver Chamber of Commerce, the Downtown Denver Partnership, the National Western Stock Show, residents and others. The alternative also kept the Purina plant in its current location and shifted the highway closer to Swansea Elementary.

Mayor Hancock has brought a renewed focus to this part of Denver and recently formed the North Denver Cornerstone Collaborative (NDCC). I-70 reconstruction is one of six projects under the NDCC umbrella and has been termed the Corridor of Opportunity by the Mayor. Redevelopment focuses on the National Western Stock Show, RiNo and the neighborhoods.

**ECONOMIC CONTEXT**

Denver has developed along I-70. The interstate serves as an economic thread connecting DIA to Downtown, and Denver to the rest of the Rocky Mountain region.

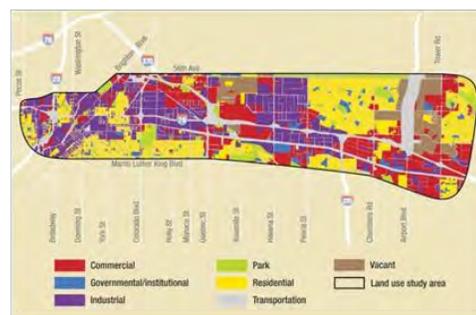
Today, 684 businesses, employing approx. 11,000 people, are located along I-70 between I-25 and I-270. There are another 600 – 700 businesses and 10,000 employees in the area between I-270 and Tower Road.

Nearby businesses are heavily reliant on the I-70 corridor, including major distribution and trucking centers (e.g. UPS and Safeway).

Close to 200,000 cars travel I-70 every day, and that number is expected to increase to 350,000 by 2035.

At full completion, the project will generate significant economic benefits:

- Benefit the regional economy by \$1.513 billion annually
- Generate 23,950 new jobs in the region (9,790 recurring)
- Generate \$21.8 million from construction sales and use taxes; \$26.4 million from productivity improvements and time savings
- Reduce the average time spent by a vehicle traversing any part of the I-70 East Corridor by approximately 12 minutes





# **Colorado High Performance Transportation Enterprise**

## **US 36 Managed Lanes Toll Concession Project Project Value Analysis January 2014**

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*APPENDIX A – DETAILED PVA RESULTS*

## ***EXECUTIVE SUMMARY***

This report describes the rationale, objectives and processes that led to the High Performance Transportation Enterprise Board's ("Board") decision to use a Concession Model public private partnership for the US36 Managed Lanes Project. The report is intended to give a clear sense of how and why the decision was reached to proceed with the Concession Model. The report details how the Board determined it would receive value from the Concession Model under which significant project risks are transferred to the private sector in return for some control contractually granted to the concessionaire.

Project Value is a broad term that captures both quantitative factors such as costs, and qualitative factors such as service quality and public interest. The Project Value Analysis ("PVA") was developed to assist the Board in evaluating and selecting the project delivery model that best met its goals and objectives, appropriately addressed project risks and optimized the use of scarce taxpayer dollars. The PVA quantifies value by comparing the potential cost to HPTE under a range of outcomes upon the occurrence of certain risks under both the traditional Public Model and the Concession Model.

This report is an update of the PVA dated June 2012 ("2012 PVA") and reflects the results of the competitive bidding process leading to the selection of the Concessionaire. The Board made its decision to proceed with the procurement of US 36 ("Project") as a Concession based in part on the results of the 2012 PVA. At that time the Board decided that the use of the Concession Model provided significant value to HPTE and ultimately the residents of the State of Colorado through the transfer of revenue and other project risks to the concessionaire. The 2012 PVA also indicated that the Concession Model required the lowest amount of upfront funding in order to deliver the Project.

Following a competitive P3 procurement process, on April 5, 2013 the Board selected Plenary Roads Denver ("PRD") as the Preferred Proposer for the Project. This update was prepared to brief the Board on changes to estimated Project Values under both the Concession Model and the Public Model as a result of the P3 Procurement and the negotiated Concession Agreement.

## ***PROJECT BACKGROUND***

In February 2012, the High Performance Transportation Enterprise (“HPTE”) initiated a two-stage competitive procurement to select a private partner to design, build, finance, operate and maintain the Project (as defined further below). A Request for Qualifications was issued and four teams submitted Statements of Qualifications. The HPTE Board (“Board”) shortlisted the three highest ranked teams (“Proposers”) as the best qualified and sufficiently capitalized to move into the Request for Proposal stage of the procurement. These teams included Denver Access Partners led by Cintra Infraestructuras S.A., Plenary Roads Denver led by The Plenary Group, and US 36 Development Partners led by Isolux Corsan.

After the shortlist was determined, HPTE staff and advisors prepared a draft Concession Agreement and Request for Proposals (“RFP”) and engaged in a series of one-on-one negotiations with Proposers that culminated in the issuance of a final RFP and Concession Agreement on December 14, 2012. On March 1, 2013 binding proposals were received from Plenary Roads Denver and US 36 Development Partners. Evaluation of proposals was conducted during the month of March and on April 5, 2013 the Board announced that Plenary Roads Denver (“PRD”) was the Preferred Proposer.

This update to the 2012 PVA reflects changes made to Project scope and numerous other factors, such as changes in interest rates and HOV policy that were considered during the procurement process and therefore results may not be directly comparable to the earlier analysis. In addition to the quantitative component of the PVA, the Board determined that certain qualitative factors were important to the decision process, including the following:

- delivering the Project with the lowest amount of upfront subsidy;
- transferring revenue risk to the concessionaire;
- relieving CDOT of its contingent obligations to the Project under the CDOT O&M Loan Agreement for Phase 1;
- constructing the Phase 2 Managed Lanes and the Phase 2 General Purpose Lanes in an effective and economic way and in accordance with HPTE/CDOT requirements;
- facilitating RTD’s Bus Rapid Transit programs in the corridor;
- optimizing asset condition over the long term; and
- minimizing inconvenience to the public and maximizing safety of workers and the travelling public.

## ***PROJECT DESCRIPTION***

After discussions with Proposers and evaluation of available funding, the base Project scope was redefined to include the following components:

- Construct Phase 2 of the US 36 Corridor:
  - Construct one managed lane in each direction
  - Reconstruct two general purpose lanes in each direction
  - Construct a Divergent Diamond Interchange at McCaslin Boulevard (this scope was not part of the 2012 PVA analysis)
- Operate and maintain (routine and major maintenance):
  - US 36 Managed Lanes
  - US 36 General Purpose Lanes\*
  - I-25 Express Lanes
  - I-25 Works Package (this scope was not part of the 2012 PVA analysis)
  - Snow and ice removal on US36 (including both managed lanes and general purpose lanes)
  - Snow and ice removal on I-25 Express Lanes (but not including the I-25 general purpose lanes)
- Perform major maintenance:
  - US 36 Managed Lanes
  - I-25 Express Lanes

\*Based on the proposal submitted by the Preferred Proposer, the US36 GP Lanes Routine Maintenance will be performed by PRD while major maintenance of the GP Lanes will be CDOT's responsibility.

## ***BASIS FOR COMPETITIVE P3 PROCUREMENT***

*Best Value Proposal:* The P3 procurement was based on selecting the "best value" proposer. Best value was determined by the relative weightings of the evaluation criteria with the financial aspects of the proposal weighted at 65% of the total score and technical proposals at 35%. Of the 65% weighting for the financial components of the proposals, 55% was assigned to the amount of subsidy requested ("HPTE Capital Payment Request"). This weighting reflected HPTE's goal of minimizing the amount of subsidy required for the Project. The remaining 10% of the weighting for the financial proposal was based on the overall feasibility of the Proposer's financial plan including the proposed schedule of events to reach financial close.

*General Purpose Lanes Maintenance Proposal:* Proposers were also asked to submit a price to perform routine maintenance on the US36 General Purpose Lanes. If the proposed price for this work was less than a benchmark price predetermined by CDOT, but not provided to the proposers, the concessionaire

selected under the best value proposal would receive the fees and perform the work associated with this work. This element of the procurement was not scored as a part of the bid evaluation process.

## ***RISK ALLOCATION SUMMARY***

Prior to the P3 procurement, HPTE carefully considered a range of project risks and developed an initial project risk allocation that assigned each project risk to the party best able to cost-effectively manage that risk. As a result of negotiations with shortlisted Proposers during the P3 procurement, minor changes were made to the original risk allocation and the final Concession Agreement reflects the negotiated risk allocation which was acceptable to both HPTE and PRD.

Under the Concession Agreement, PRD is primarily responsible for the risks associated with the following:

- Sufficiency of toll revenues;
- Level of HOV traffic in the managed lanes and the impact on revenue;
- Repayment of the Phase 1 TIFIA Loan and new debt issued to finance Phase 2;
- Toll collection and enforcement;
- Effectiveness and ability to implement the proposed project design;
- Construction costs, schedule, labor availability and geotechnical conditions;
- Price and availability of operations and maintenance resources;
- Snow and ice removal;
- Rehabilitation;
- Handback of the facility with the required residual life; and
- A portion of the costs associated with availability of and changes to the cost of financing through financial close.

Of the risks that will be transferred to PRD, HPTE and the Board considered the most important of these to be revenue risk, debt repayment risk, and long-term operations and maintenance risk. Transfer of these risks was considered to be particularly important given HPTE and CDOT's limited ability to contribute additional funds to the Project in the event revenues are less than estimated, and the TABOR restrictions limiting the use of taxpayer funds for costs such as debt service.

## ***PVA METHODOLOGY***

In reaching its decision to use the Concession Model, the Board evaluated the Project several times as project scope, revenues and costs were refined. The PVA includes an analysis of a Base Case which measures the value under both the Public and the Concession models by the amount of upfront subsidy required. The Base Case under the Public Model includes HPTE's P50 traffic and revenue estimates, CDOT cost estimates and traditional tax-exempt bond financing structure. The Concession Model Base Case includes PRD's traffic and revenue estimates, costs and finance plan. The Base Case is not risk adjusted to account for the cost or value of many key project risks retained by HPTE in the Public Model, such as: construction risk, cost overruns and revenue risk. Accordingly, the PVA also includes a range of

sensitivities to test the impact on Project Value of several project risks that would be retained by HPTE under the Public Model.

This PVA report provides the most reasonable assessment of whether the Concession Model better satisfies the Board's goals and objectives and anticipated value because it is based on the actual risk allocation negotiated in the Concession Agreement. However it should be noted that while the Concession Model is based on PRD's proposal, the Public Model is still an estimate based on high level assumptions as described below.

## ***ASSUMPTIONS***

This updated PVA incorporates the following assumptions which are the result of changes in the project scope, final terms of the Concession Agreement, revised costs or actual data based on the Preferred Proposer's proposal.

### **1. Revenue**

The Public Model uses the traffic and revenue forecasts prepared by CDM Smith which are consistent with the revenue forecasts HPTE would rely on if it financed the Project itself. These revenue estimates are typically referred to as P50. It is noted that the Public Model traffic and revenue forecasts were updated from those used in the June 2012 PVA to account for the change in the regional HOV policy from HOV 2+ to HOV 3+ beginning in 2017.

The Concession Model is based on the traffic and revenue estimates prepared by the PRD's traffic and revenue consultant. Of note, the Concession Model revenue forecasts were very close to CDM Smith's P50 case for the first 15 years of the operating period which is unusual based on prior precedent transactions and serves to dampen the financing capacity of the Project. While it is common for the private sector to take a more optimistic view of the potential traffic and revenue that may be generated in a project, there are a few possible reasons that this did not occur during the procurement for the Project. Several project-specific characteristics most likely contributed to more conservative forecasts than expected including uncertainty around timing and impact of the HOV policy, the impact of RTD's bus service on the amount of toll-paying traffic in the corridor and the fact that the project is only one Managed Lane in each direction which is uncommon for these types of projects. Additionally, the private sector has generally become more conservative in estimating revenues on managed lanes projects due to changes by the rating agencies in assessing credit quality of managed lanes projects and the residual effects of the global financial crisis.

### **1. Construction Costs**

The Public Model was updated to incorporate the Design-Build price bid by PRD as it is now a more accurate reflection of the prices HPTE would have likely received in a public procurement. As part of the competitive P3 procurement process the project scope changed significantly to include certain improvements that were not included in the initial PVA, such as improvements in the I-25 corridor and a divergent diamond interchange at McCaslin Boulevard. In addition, HPTE is required to pay a stipend of \$500,000 to proposers submitting a responsive proposal. As two responsive proposals were submitted,

\$1.0 million has been included as a cost in the Public Model. This payment would need to be made by HPTE if it elected to finance the Project using the Public Model approach after the receipt of proposals.

## 2. Operations and Maintenance (O&M) Costs

O&M costs for the managed lanes in the Public Model were developed by CDOT. The Public Model was updated to include an ongoing HPTE oversight cost for the Project equal to the HPTE Reimbursement Amount to be paid by the concessionaire, i.e. \$375,000 per year inflated. This cost was included in the Public Model to account for costs that would be incurred by HPTE that would not otherwise be captured as on-going project costs.

PRD's price of \$675,000 per year for the US36 GP Lanes Routine Maintenance was less than the CDOT Benchmark of \$798,900 per year. Therefore the difference of \$123,900 per year was added as a cost in the Public Model to account for the higher cost CDOT would incur for GP Lanes maintenance if it performed this work.

## 3. Toll Collection Costs

Toll collection costs for the Public Model were based on the preliminary pricing provided by E-470 for the Project. While these costs are higher than E-470 is currently charging for the I-25 Express Lanes, they are representative of E-470's actual passthrough costs and do not include any mark-up or profit. PRD assumed that E-470 would provide back office toll collection services so the Concession Model uses the same toll collection costs.

## 4. Major Maintenance Costs

Major maintenance costs for the Public Model were developed by Jacobs and are the same as those used in the initial PVA.

## 5. Financing Assumptions

Both models contemplate that the Phase 1 TIFIA loan remains in place without change to the loan repayment schedule. The Public Model financing assumptions, including a Phase 2 TIFIA Loan and tax-exempt bonds, have not changed except to update interest rates which are higher now than when the PVA was completed in 2012. The Concession Model includes a subordinate Phase 2 TIFIA Loan, Private Activity Bonds, a subordinate shareholder loan and equity, however this financing has not yet been executed and the interest costs will change until financial close occurs. In addition to customary debt service reserve accounts, the Concession Model also contains several important reserve funds for long term project costs such as major maintenance, ramp up and O&M. The Public Model includes only a debt service reserve account and a major maintenance reserve account.

## 6. Term of Analysis

The analysis considers the subsidy and net revenues over the 50 year operating term of the Concession Agreement.

## 7. Net Present Value of the Project

The Project Value Analysis considers the net present value (npv) of both the upfront subsidy as well as the value of “excess” revenues over the period analyzed. The net present value of the Project has been calculated as follows: *Upfront Subsidy + Excess Revenues*

The Concession Agreement requires the concessionaire to share a portion of excess revenues with HPTE in the event actual revenues are higher than the concessionaire’s projections.

## 8. Discount Rates

Consistent with the 2012 PVA, the results for each model are shown on a net present value basis. A discount rate of 14% was used for this update. This rate is slightly higher than the 13% used in the initial PVA but reflects the average equity return expectations bid by proposers. This rate therefore represents the most accurate assessment of the cost of the Project’s risks. A discount rate of 5% has been applied to the upfront subsidy requirements and the difference in CDOT General Purpose Lanes Maintenance costs and PRD’s GP Lane price. The 5% discount rate approximates HPTE’s cost of funds as the subsidy is being paid from state and local resources and is contributed over a relatively short time frame.

# ***SENSITIVITY ANALYSES***

## 1. Revenue Sensitivities

- a. Revenue sensitivities were prepared to illustrate the impact to HPTE if the Public Model revenues (P50) were 25% and 40% lower than projections after the Project has been financed and is open to traffic.

There is no impact to HPTE if revenues are lower than projections under the Concession Model therefore no downside sensitivities were performed.

- b. Two sensitivities were prepared to estimate the positive benefit to HPTE under the Public Model if revenues were higher than projections after the Project is open to traffic. These sensitivities are: 1) if revenues are 10% higher than projections throughout the term of the analysis period; and 2) if revenues meet projections for the first five years, exceed projections by 5% for the next five years, and exceed projections by 10% for the remainder of the term of the analysis period.
- c. Sensitivities were also prepared to estimate the positive benefit to HPTE under the Concession Model if revenues are higher than projected in PRD’s base case model and revenue sharing is triggered. These are: 1) if revenues are 10% higher than projections throughout the term of the Agreement; and 2) if revenues meet projections for the first five years, exceed projections by 5% for the next five years, and exceed projections by 10% for the remainder of the term of the Agreement.

In determining the impact on HPTE's ability to meet its Project obligations, the revenue sensitivity analysis considers the priority of the use of revenues as required by the rating agencies and lenders, i.e. 1) routine O&M, 2) debt service and 3) major maintenance.

### *Basis for Revenue Sensitivities*

There are a limited number of operating managed lanes projects in the U.S. and information about actual performance against initial projections is not readily available. However, the rating agencies have developed an approach to rating managed lanes projects which considers the revenue risk of these types of projects and applies various sensitivities in order to test a project's resilience to underperformance. The downside revenue sensitivities used in the PVA were selected based on information contained in published reports from Moody's<sup>1</sup> and Fitch<sup>2</sup> on managed lanes ("ML projects").

In particular, Moody's notes "that managed lanes projects have a limited history in the US and the demand for them among motorists is highly discretionary....we expect in general managed lanes projects to exhibit a higher degree of revenue volatility compared to traditional toll roads." Fitch notes that "ML projects have sound foundation, but will be more volatile." Further, Fitch's report goes on to say that "...sensitivity testing reveals that a 10% reduction in total corridor volume ...results in a more than 25% reduction in ML volume...This sensitivity also results in a 48% reduction in revenue from the base scenario." These comments indicate that due to the sensitive nature of managed lane pricing, small changes in overall corridor traffic volume (e.g. 10% reduction) can have a large impact on ML toll volume (25% reduction) and revenues (48%). Based on this data ML revenue reductions of 25% and 40% were considered appropriate.

Even less information was available about positive project performance and while the upside of a corridor wide traffic increase may be symmetrical with the downside impact (i.e. 10% increase in corridor traffic resulting in 48% increase in ML revenues) there is little evidence to date to support this assertion or that managed lanes projects in general or this project in particular will outperform projections. Therefore the PVA considered a somewhat conservative upside revenue scenario in which Project revenues are increased by 10%.

## 2. O&M Sensitivities

- a. An updated O&M sensitivity analysis was conducted to determine the impact of potential savings on O&M costs. As noted above, the PRD price for the US36 GP Lanes Routine Maintenance was approximately \$123,900 per year or 15% below the CDOT Benchmark cost. This price gives an indication of the savings that may be realized for all O&M costs on the Project under the Concession Model and is in line with the empirical data and O&M sensitivity analysis performed under the 2012 PVA. Therefore the Public Model considered the impact of O&M costs 15% higher than the Concession Model.

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<sup>1</sup> Moody's Special Comment: Managed Lanes are HOT! Unique risks and benefits versus traditional tolling. Dated: May 9, 2013.

<sup>2</sup> Fitch Ratings Special Report: Paying for Predictability, U.S. Managed Lanes Projects. Dated: April 2, 2012.

- b. An O&M sensitivity was also undertaken to estimate the potential financial exposure to CDOT under the O&M Loan assumed in the Public Model. The CDOT O&M Loan was provided to enhance the credit quality of the Phase 1 financing but placed a contingent liability on CDOT to provide funds for the Project if excess revenues from I-25 were insufficient to pay O&M on Phase 1. The PVA assumes that under the Public Model, CDOT would also provide an O&M Loan to support the funding of Phase 2, thereby increasing its contingent liability risk. A sensitivity was performed on the Public Model to estimate the amount of funding that CDOT may be required to contribute to the Project if excess I-25 revenues only covered 50% of annual O&M costs. Under the Concession Model, CDOT has no liability or risk for providing funds for O&M.

## RESULTS

Net Project Value is the net present value of excess revenues less the net present value of the upfront subsidy. Table 1 presents the estimated upfront subsidy requirements under the Base Case for the Concession Model and the Public Model. Table 2 shows total Project Values for the Base Case and the sensitivities described above.

### Upfront Subsidy Observations

As shown in Table 1, the npv of the upfront subsidy is (\$45.4) million under the Concession Model while the npv of the upfront subsidy is (\$63.9) million under the Public Model. Under the Public Model, HPTE would retain all revenues from the Project after paying debt service, operations and maintenance costs. As these revenues are not guaranteed, the discount rate used reflects the potential risk of HPTE receiving the excess revenues as discussed in “Assumptions” above. Under the Concession Model HPTE would not be entitled to receive any project revenues under the Base Case.

**Table 1 – Upfront Subsidy Requirements**

	Base Case Total Upfront Subsidy in \$ (millions)	
	Concession Model <sup>(1)</sup>	Public Model <sup>(1)</sup>
Nominal	\$(48.8)	\$(70.1)
NPV	\$(45.4)	\$(63.9)

(1) The total subsidy includes \$13.5 million from the cities of Louisville and Superior and \$1.3 million from Boulder County.

### Summary of Project Values

Table 2 presents the Base Case Project Values as well as the Project Values resulting from the various sensitivity analyses.

The results indicate that the Concession Model Base Case shows a higher Project Value than the Public Model Base Case. Further, Project Values change considerably once the sensitivities have been added to the Base Case Project Values. The results of the sensitivity analysis presented in Table 1 are shown on a standalone basis therefore if more than one sensitivity were combined, Project Values could change significantly.

Project Values are presented on a net present value basis in order to effectively compare the results under each model. Detailed analyses for all sensitivities are included in Appendix A.

**Table 2 – Summary of Project Values**

Base Case	Concession Model (NPV)	Public Model (NPV)
Net Project Value <sup>1</sup>	(\$45,400,000)	(\$51,181,000)
<b>25% Downside Revenue Sensitivity</b>		
25% Downside Revenues <sup>1</sup>	\$0	(\$33,100,000)
Net Project Value	(\$45,400,000)	(\$84,281,000)
<b>10% Upside Revenue Sensitivity</b>		
10% Upside Revenues <sup>1</sup>	\$2,700,000	\$13,300,000
Net Project Value	(\$42,700,000)	(\$37,881,000)
<b>O&amp;M Sensitivity</b>		
15% Higher HPTE Managed Lanes O&M Costs <sup>1,2</sup>	\$0	(\$13,200,000)
Net Project Value	(\$45,400,000)	(\$64,381,000)
<b>CDOT O&amp;M Contingent Liability Sensitivity</b>		
50% of estimated annual O&M exposure <sup>1,2</sup>	\$0	(\$14,500,000)
Net Project Value	(\$45,400,000)	(\$65,681,000)

1. Net present value at 14% discount rate for revenues and 5% discount rate for the upfront subsidy amounts
2. Includes O&M costs for US36 Phase 1 and US36 Phase 2

#### *Revenue Sensitivity Observations*

Revenue forecasts over a 50 year time horizon are only estimates and include an element of risk whether they are “most likely” revenue estimates or otherwise. Given HPTE and CDOT’s limited financial resources, the Board was concerned about the potential financial exposure if revenues were less than the estimates supporting the Project financing under both delivery models. The PVA results show that if revenues are 25% below projections, the Project Value under the Public Model changes from (\$51.2) million to (\$84.3) million, while the Project Value under the Concession Model remains at (\$45.4 million). This sensitivity shows the magnitude of risk associated with revenue projections and project performance.

The revenue upside sensitivity highlights the potential benefits of better than expected project performance and results in a Project Value of (\$37.9) million under the Public Model compared to a Project Value of (\$42.7) million under the Concession Model.

#### *O&M Sensitivity Observations*

Isolating the O&M cost sensitivities indicates that Project Values change significantly. Project Value under the Public Model decreases from (\$51.2) million to (\$64.4) million if O&M costs are 15% higher

than Public Model estimates. Comparing this result with the Concession Model shows that the Concession Model provides a higher value to HPTE.

Lastly, if I-25 excess revenues only covered 50% of annual O&M costs on US 36, CDOT's potential exposure to paying US36 O&M costs would result in a Project Value of (\$65.7) million under the Public Model versus a Project Value that remains unchanged at (\$45.4) million under the Concession Model.

The sensitivity analysis highlights that Project Values under the Concession Model, when compared to estimated costs of HPTE retaining risks under the Public Model, provides the better value to HPTE, CDOT, and the State through the risk transfers it achieves. As noted above, these results do not quantify the impact to Project Value if two or more of the sensitivities are combined.

## **CONCLUSIONS**

The updated PVA confirms that the Concession Model delivers significant value to the State of Colorado. Not only does the Concession Model reduce the requisite upfront subsidy, it also meets the Board's priorities for the Project including an appropriate allocation of risk between HPTE and PRD, in particular the transfer of revenue, operations and maintenance risks; relieving HPTE of its obligation to repay the Phase 1 TIFIA; eliminating the potential financial risks associated with the CDOT O&M Loan for Phase 1; and realization of the benefits of a performance-based contract such as a more efficient use of financial resources for construction and guaranteed level of long-term maintenance of the Project.

The Project Value results indicate that on a net present value basis the benefit of the Concession Model over the Public Model is \$5.8 million. Public Model value is primarily driven by the expectation the HPTE will receive revenues which otherwise would accrue to the concessionaire under the Concession Model. The value of the revenues in the Public Model are approximately \$12 million in npv terms (i.e. today's dollars). However, those revenues would likely not be realized for approximately 20 years while HPTE's exposure to potential revenue shortfalls is most likely to occur in the early years of the Project's operation. The \$12 million benefit of excess revenues is eliminated once the \$18.5 million (npv) higher upfront subsidy for the Public Model is considered.

Additionally, the results of the sensitivity analyses demonstrate that the Concession Model will provide the highest Project Value under each scenario except the revenue upside sensitivity.

Accordingly, the Board concluded that the Concession Model provided significant value to the HPTE by trading protection from a potential revenue shortfall, lower upfront subsidy and \$5.8 million higher Project Value versus approximately a \$4.8 million higher value for the Public Model, if the project were to exceed projections by 10% annually each year over the project's life. These financial considerations were especially important to the Board given HPTE's limited financial resources.

The Concession Agreement between PRD and HPTE delivers value to the State by providing:

- *Revenue risk transfer that protects taxpayers and the State from underperformance of the Project:* The revenue sensitivity indicates that under the Public Model there would be a shortfall of \$129 million (nominal) or \$19.5 million (npv) if revenues were 25% lower than projected resulting in insufficient funding for HPTE to make its debt service payments for 17 years.
- *The lowest amount of Upfront Subsidy:* PRD requested an HPTE Capital Payment of \$44.1 million (nominal) while the Public Model indicated an upfront subsidy of \$70.1 million which is \$21.3 million higher than the available funds. HPTE will realize the benefit of transferring the majority of financing risk as its contribution to the Project is limited to \$48.8 million. Analysis as of January 2014 indicates that without a cap on the HPTE Capital Payment, HPTE may have been required to contribute at least \$50.9 million mainly due to changes in interest rates. This risk transfer has resulted in additional value to the State under the Concession Model.
- *Elimination of CDOT's contingent liabilities under the CDOT O&M Loan:* PRD does not have the benefit of the CDOT O&M Loan agreement and is assuming all project risks relating to operations and maintenance. Based on the Phase 1 O&M estimates, this contingent liability on average may have been as much as \$3 million annually (nominal) over the Term. Additionally, if the Project were delivered under the Public Model, and assuming that CDOT would include Phase 2 under the CDOT O&M Loan, potential exposure under the O&M Loan could be approximately \$14.5 million (npv) assuming revenues were insufficient to fund 50% of the total Project O&M.
- *Taxpayer protection from cost overruns during construction:* The Concession Agreement contains a fixed price, date-certain construction contract and HPTE receives liquidated damages in the event PRD does not meet the Full Services Commencement Date Deadline;
- *Taxpayer protection from cost overruns during operations:* PRD is responsible for all operations and maintenance activities and is at risk if these costs increase over the Term.
- *Savings on maintenance costs on the US36 General Purpose Lanes:* PRD's cost proposal to maintain the GP Lanes was \$123,900 or approximately 15% lower than CDOT's estimate for the same works.
- *A well-maintained asset:* PRD must meet performance standards set by HPTE on the Project and is subject to penalties if it is not in compliance with those standards, regardless of the facility's revenue performance. A well-maintained asset reduces the total major maintenance costs through a whole-life approach to developing the project and the avoidance of deferred maintenance. Deferred maintenance can significantly increase long term project costs as more rehabilitation work will be needed the longer the project is under-maintained and the inflationary impacts of deferring those costs.

The Project will bring other qualitative benefits to the State. Such qualitative benefits include more reliable and efficient travel throughout the corridor for passenger cars and RTD buses, improved safety, and improved air quality. Macro economic benefits such as job creation in the short and long term and increased productivity due to reduced travel times will also be derived from the Project. These benefits have not been quantified in this analysis and would be derived under both delivery models however the timing of these benefits depends upon when Phase 2 of the Project could be delivered under each model. Given CDOT's financial constraints it is unlikely the Public Model could deliver the Project on the same schedule as will be achieved by the Concession Model.

## APPENDIX A – DETAILED PVA RESULTS

### SUMMARY OF PVA RESULTS

The following table shows the Net Project Value under the Base Case as well as the impact on Project Value under each of the sensitivities.

Base Case	Concession Model (NPV)	Public Model (NPV)
Net Project Value	(\$45,400,000)	(\$51,181,000)
<b>25% Downside Revenue Sensitivity</b>		
25% Downside Revenues <sup>1</sup>	\$0	(\$33,100,000)
Net Project Value	(\$45,400,000)	(\$84,281,000)
<b>40% Downside Revenue Sensitivity</b>		
40% Downside Revenues	\$0	(\$53,000,000)
Net Project Value	(\$45,400,000)	(\$104,181,000)
<b>10% Upside Revenue Sensitivity</b>		
10% Upside Revenues <sup>1</sup>	\$2,700,000	\$13,300,000
Net Project Value	(\$42,700,000)	(\$37,881,000)
<b>Escalating Upside Revenue Sensitivity</b>		
Escalating Upside Revenues <sup>1</sup>	\$1,800,000	\$8,100,000
Net Project Value	(\$45,600,000)	(\$43,081,000)
<b>O&amp;M Sensitivity</b>		
15% Higher HPTE Managed Lanes O&M Costs <sup>1,2</sup>	\$0	(\$13,200,000)
Net Project Value	(\$45,400,000)	(\$64,381,000)
<b>CDOT O&amp;M Contingent Liability Sensitivity</b>		
50% of estimated annual O&M exposure <sup>1,2</sup>	\$0	(\$14,500,000)
Net Project Value	(\$45,400,000)	(\$65,681,000)

1. Net present value at 14% discount rate for revenues and 5% discount rate for the upfront subsidy amounts
2. Includes O&M costs for US36 Phase 1 and US36 Phase 2

### BASE CASE RESULTS

#### Upfront Subsidy – Nominal

The HPTE Capital Payment Request was the primary financial metric evaluated under the concession procurement and was an important factor considered in the 2012 PVA and in HPTE’s decision to utilize the Concession Model. The results of the updated PVA show the upfront subsidy on a nominal basis (see Table 1) and a Net Present Value basis (see Table 2).

The upfront subsidy is presented in nominal or year-of-expenditure terms in order to provide consistency in comparing the results of each delivery model against the amount of available funding. The results show that the nominal amount of upfront subsidy required under the Public Model is approximately \$70.1 million. PRD is likely to be paid an HPTE Capital Payment of \$48.8 million, an amount \$21.3 million or approximately 30% less than the amount of upfront subsidy required under the Public Model. This represents a significant savings for the Project and when coupled with other risk factors, a key fact supporting the Board’s decision to utilize the Concession Model.

**Table 1 – Nominal Upfront Subsidy Requirements**

Base Case Total Upfront Subsidy in Nominal \$ (millions)	
Concession Model <sup>(1)</sup>	Public Model <sup>(1)</sup>
\$48.8	\$70.1

(1) The total subsidy includes \$13.5 million from the cities of Louisville and Superior and \$1.3 million from Boulder County.

**Total Project Value – Net Present Value**

Table 2 presents the PVA results on a net present value basis in order to effectively compare the results of the full Project Value under each model as excess revenues are received over time. Total Project Value is the net present value of excess revenues less the upfront subsidy. Under the Public Model, HPTE would retain all revenues from the Project after paying debt service, operations and maintenance costs. As these revenues are not guaranteed, the discount rate used reflects the potential risk of HPTE receiving the excess revenues as discussed above.

Total Project Value and upfront subsidy are the same number under the Concession Model as the concessionaire has the right to retain revenues from the Project, except to the extent the Project performs better than expected in which case the concessionaire would be required to share a portion of these revenues with HPTE.

As discussed above, the upfront subsidy is shown separately for the Public Model given the importance of the Board’s goal for the Project of minimizing the upfront subsidy. The results indicate that while the Project may generate excess revenues for HPTE over time under the Public Model, the lower upfront subsidy required under the Concession Model provides an immediate benefit. Additionally, under the Public Model HPTE would need time to raise the required additional upfront funding needed and therefore it is likely the Project could not be delivered on the same schedule as the Concession Model. The costs associated with later project delivery have not been quantified in this PVA.

**Table 2 – Total Project Value**

	Concession Model	Public Model		
	Upfront (Subsidy)/ Total Project Value <sup>(1)</sup>	Upfront (Subsidy) <sup>(2)</sup>	NPV of Excess Revenues	Total Project Value <sup>(2)</sup>
Project Value	\$ (45.4)	\$ (63.9)	\$ 12.7	\$ (51.2)

(1) Under the Concession Model the Upfront Subsidy and the Total Project Value are the same as no excess revenues will flow to HPTE during the concession term. This analysis does not consider any revenues that may be available to HPTE under the revenue sharing mechanism of the Concession Agreement. NPV using a 5% discount rate for subsidy amount.

(2) NPV using discount rate of 14% for excess revenues and a 5% discount rate for the upfront subsidy amounts.

The Total Project Value under the Public Model is approximately 10% lower than the Concession Model.

## ***SENSITIVITY ANALYSIS RESULTS***

### **A. Revenue**

While Table 2 indicates that the Total Project Value under the Base Case is lower under the Public Model, revenue forecasts over a 50 year time horizon are only estimates and include an element of risk whether they are “most likely” revenue estimates or otherwise. Given HPTE and CDOT’s limited financial resources, the Board was concerned about the potential financial exposure if revenues were less than the estimates supporting the Project financing under both delivery models. The PVA analyzes the potential impact to HPTE and CDOT in terms of additional funding that may be required to support the Project under two downside revenue cases as well as the greater benefits that may accrue under two better than expected revenue outcomes.

There are a limited number of operating managed lanes projects in the U.S. and information about actual performance against initial projections is not readily available. However, the rating agencies have developed an approach to rating managed lanes projects which considers the revenue risk of these types of projects and applies various sensitivities in order to test a project’s resilience to underperformance. The downside revenue sensitivities used in the PVA were selected based on information contained in published reports from Moody’s<sup>3</sup> and Fitch<sup>4</sup> on managed lanes (“ML projects”).

In particular, Moody’s notes “that managed lanes projects have a limited history in the US and the demand for them among motorists is highly discretionary....we expect in general managed lanes projects to exhibit a higher degree of revenue volatility compared to traditional toll roads.” Fitch notes that “ML projects have sound foundation, but will be more volatile.” Further, Fitch’s report goes on to say that “...sensitivity testing reveals that a 10% reduction in total corridor volume...results in a more than 25% reduction in ML volume...This sensitivity also results in a 48% reduction in revenue from the base scenario.” These comments indicate that due to the sensitive nature of managed lane pricing, small changes in overall corridor traffic volume (e.g. 10% reduction) can have a large impact on ML toll volume (25% reduction) and revenues (48%). Based on this data ML revenue reductions of 25% and 40% were considered appropriate.

Even less information was available about positive project performance and while the upside of a corridor wide traffic increase may be symmetrical with the downside impact (i.e. 10% increase in corridor traffic resulting in 48% increase in ML revenues) there is little evidence to date to support this assertion or that managed lanes projects in general or this project in particular will outperform projections. Therefore the PVA considered a somewhat conservative upside revenue scenario in which Project revenues are increased by 10%.

*Downside Revenue Sensitivity:* The downside revenue sensitivity analysis considered 25% and 40% reductions in the Public Model revenues (P50) revenue during the operating period. The results demonstrate that in both cases there are periods where revenues are insufficient to pay operations and

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<sup>3</sup> Moody’s Special Comment: Managed Lanes are HOT! Unique risks and benefits versus traditional tolling. Dated: May 9, 2013.

<sup>4</sup> FitchRatings Special Report: Paying for Predictability, U.S. Managed Lanes Projects. Dated: April 2, 2012.

maintenance, debt service and major maintenance. In such circumstances HPTE or CDOT will need to consider allocating other funds to cover these unanticipated costs.

Debt service reserve funds would cover debt service obligations however debt service reserve funds are typically only sufficient to cover one year of debt service. Under the Concession Model, a concessionaire has the obligation to undertake major maintenance activities to ensure it meets the performance standards of the Concession Agreement and could contribute additional equity if the project revenues were lower than anticipated. Deferring major maintenance may also result in higher routine maintenance costs and in significantly higher costs for these repairs in the future. While the Public Sector has some discretion to defer major maintenance activities this analysis did not quantify the impact of such a deferral.

Table 3 shows that in the Base Case (i.e. Public Model with no risk adjustments) if revenues were 25% and 40% below projections there would be a shortfall that would result in insufficient funding for routine operations and maintenance as well as debt service and major maintenance.

In the first scenario (25% downside), the revenue shortfall would be approximately \$129 million, comprising \$4.6 million for O&M, \$26.1 million for debt service and deferred deposits to the major maintenance reserve account of approximately \$98.3 million. Deferred deposits to the major maintenance reserve account means that necessary major maintenance will not be completed as scheduled. Some of this shortfall may be recovered in later years and is reflected in the Total Project Value calculation.

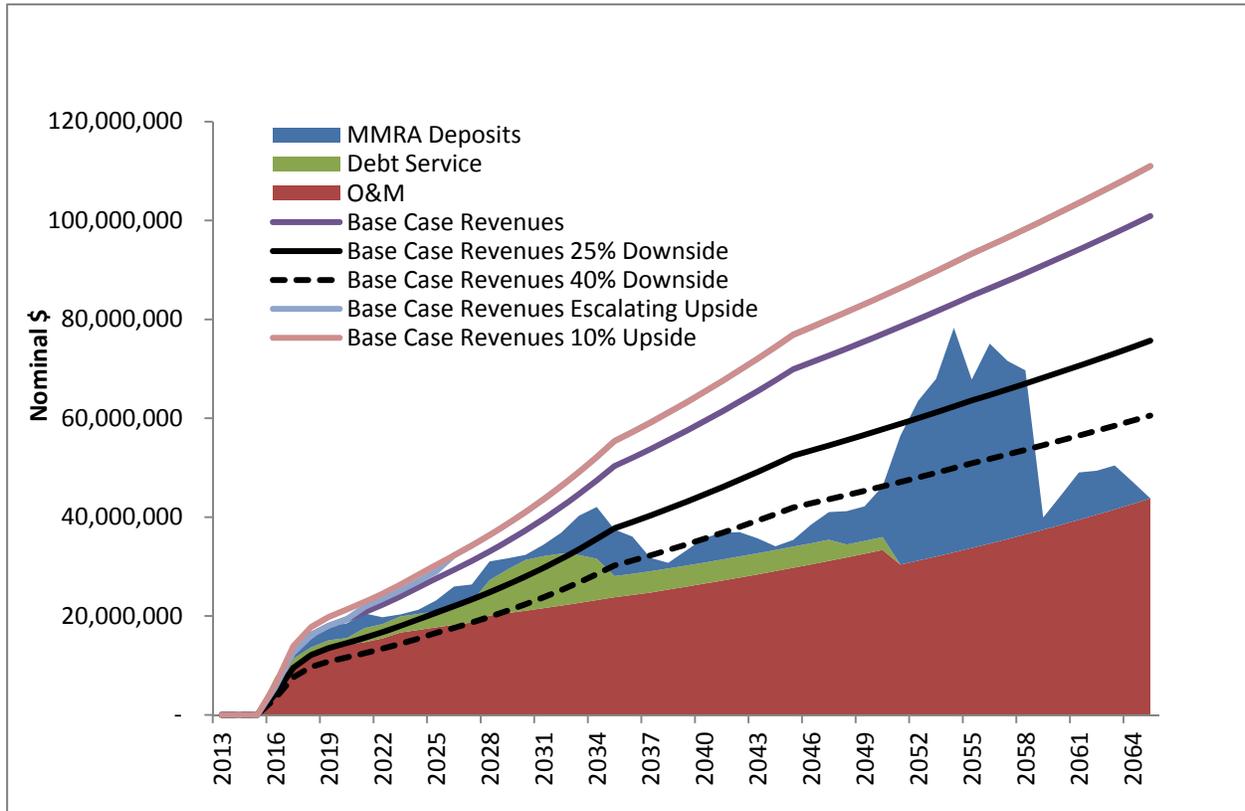
If revenues are 40% lower than estimated, the total shortfall would be approximately \$319.4 million, consisting of approximately \$25.5 million of O&M, \$79.4 million of debt service and \$214.5 million of deferred deposits to the major maintenance reserve account.

**Table 3 – Public Model Revenue Sensitivities**

\$ Million	O&M Service Shortfall			Debt Service Shortfall			Major Maintenance Shortfall			Total Shortfall		
	Nominal	NPV @ 5%	NPV @ 14%	Nominal	NPV @ 5%	NPV @ 14%	Nominal	NPV @ 5%	NPV @ 14%	Nominal	NPV @ 5%	NPV @ 14%
Base Case	-	-	-	-	-	-	-	-	-	-	-	-
25% Downside	(4.6)	(4.0)	(3.2)	(26.1)	(15.0)	(6.8)	(98.3)	(31.3)	(9.5)	(129.0)	(50.3)	(19.5)
40% Downside	(25.5)	(18.5)	(11.3)	(79.4)	(39.8)	(14.1)	(214.5)	(50.4)	(11.0)	(319.4)	(108.7)	(36.4)

Figure 1 shows that under the 25% downside scenario the Project can pay all routine operations and maintenance by 2020 but does not regain a positive cash flow position until 2035, while under the 40% downside scenario, there would be a revenue shortfall until 2037.

**Figure 1 – Public Model Revenue Sensitivities**



*Public Model Upside Revenue Sensitivity:* The upside revenue sensitivity considered two upside scenarios. The first scenario demonstrates the impact to HPTE if revenues were 10% higher than the base case for the entire term. The second scenario considered escalating revenues in which revenue is assumed to remain at the base case level for five years, show an increase of 5% over base case revenues for each of the next 5 years and then revenues are assumed to be 10% higher than base case revenues until the end of the term (Escalating Upside case).

Table 4 shows that on a net present value basis HPTE may realize approximately \$8 - 13 million in additional Project Value under the two upside sensitivity scenarios. These revenues are the incremental revenues that would be generated in excess of the Public Model revenue estimates (P50).

**Table 4 – Public Model Upside Revenue Sensitivities**

Upside Revenue Sensitivities \$ (millions)		
Public Model	Add'l Revenue Nominal*	Add'l Revenue PV @14%*
10% Upside	\$290.0	\$13.3
Escalating Upside	\$276.9	\$8.1

\*Does not include the effect of any TIFIA prepayments which would be paid prior to revenue sharing with HPTE.

*Concession Model Upside Revenue Sensitivity:* Under the terms of the Concession Agreement, HPTE will share in excess revenues once PRD achieves its Initial Equity IRR. The Concession Model upside revenue sensitivity considered the same scenarios that were applied to the Public Model upside sensitivity analysis. The first scenario assumes that revenues are 10% above PRD’s base case estimates from day one of operations. The second case tests the impact of escalating growth, i.e. revenues equal PRD’s base case revenues for the first five years of the operating period, revenues are 5% higher than the base case revenues for the next five years and are 10% higher than base case revenues for the remainder of the term of the agreement.

Table 5 shows the potential revenue that may be received by HPTE under each of the two sensitivities during the term of the Concession Agreement and the year in which revenue sharing would begin. Under each sensitivity scenario HPTE would not benefit from revenue sharing until the Project is reasonably mature, i.e. 18 - 21 years after the Project opens to traffic and therefore on a net present value basis, the sharing amounts are relatively small. Additionally the revenue share amounts would be paid periodically over the remaining term of the agreement.

**Table 5 – Concession Model Upside Revenue Sensitivities**

Upside Revenue Sensitivities \$ (millions)			
Concession Model	Add'l Revenue Nominal*	Add'l Revenue NPV @14%*	Year of 1 <sup>st</sup> Payment*
10% revenue increase above Base Case	\$375.3	\$2.7	2033
Escalating revenue increase above Base Case	\$281.7	\$1.8	2036

\*Does not include the effect of any TIFIA prepayments which would be paid prior to revenue sharing with HPTE.

## B. Operations and Maintenance

As noted in the 2012 PVA, there is a significant amount of empirical evidence to suggest that the public sector will receive value through reduced O&M costs under the Concession Model. For example, savings ranging from 22.5% - 25% have been experienced when these activities have been outsourced. As noted above, the PRD price of \$675,000 for the US36 GP Lanes Routine Maintenance was approximately \$123,900 per year or 15% below the CDOT Benchmark cost of \$798,900. While this pricing was for the General Purpose Lanes, it is reasonable for HPTE to expect to receive a similar level of savings in the cost of operating and maintaining the Managed Lanes. This sensitivity results in a reduction in Project Value of approximately \$19 million.

The second O&M sensitivity considers the potential risk of CDOT having to advance funds under the CDOT O&M Loan. The results show that if CDOT had to pay for 50% of the O&M costs on the Project (including both Phase 1 and Phase 2), the Project Value under the Public Model would be (\$65.7) million compared to (\$45.4) million under the Concession Model.



**Project Report: Achieving Value for Money**  
U.S. 36 Express Lanes Public-Private Partnership

**COLORADO DEPARTMENT  
OF TRANSPORTATION**

February 12, 2014

## U.S. 36 Express Lanes Public Private Partnership



### BACKGROUND AND OBJECTIVES

The FASTER transportation measure passed by Colorado lawmakers in 2009 authorized state officials to look for innovative ways to finance and construct major highway projects since traditional sources of roads funding, including federal and state fuel taxes, are insufficient.

Passage of the law followed the release in 2008 of a special report on Colorado’s transportation crisis, commissioned by then Governor Bill Ritter that highlighted the need to invest billions of dollars in highway and bridge modernization in a period of diminishing resources.

The \$500 million project to expand and rebuild U.S. 36 between Denver and Boulder is the first highway venture in Colorado that will rely on the expertise of a private consortium to finance, build, operate and maintain a major roadway under a long-term contract.

Given the age and constrained lane capacity of U.S. 36, the deal forged between Colorado and the private consortium represents an opportunity to dramatically accelerate construction of a state-of-the-art multimodal transportation corridor and transfer the project risks—financing, operation and maintenance, and replacement risks—while retaining for the state the right to share in excess revenues generated by the highway if toll income exceeds pre-determined targets over the life of the agreement.

This report describes the project need and benefits, delivery method, and value received by the state by entering into a Public Private Partnership.

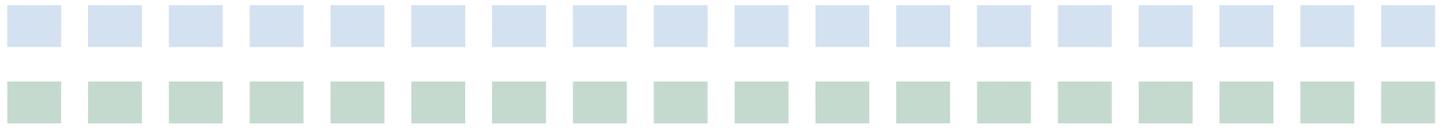
### Funding Transportation

Currently over 80% of CDOT’s \$1.1 billion budget is dedicated to maintenance of the system, providing little to improve congestion and mobility. Despite innovative approaches to budgeting that will increase construction, as well as the retirement of the TRANS bonds, CDOT projects an approximately \$600 million/year shortfall to maintain and expand our transportation system.

ANNUAL FUNDING GAP—After RAMP/TRANS Bond Debt Retirement			
	Annual Funding	RAMP	TRANS Retirement
Transportation Category	Annual Gap*	2013–17	2018–22
Maintain the System	\$157	\$150	\$167
Rural Road Safety/Reliability	\$100	\$0	\$0
Congestion Relief/Mobility	\$500	\$150	\$0
Inter-Regional Transit	\$15	\$0	\$0
<b>Total</b>	<b>\$772</b>	<b>\$300</b>	<b>\$167</b>
*TBD Colorado		Deficit	Deficit
*All \$ in millions		\$432	\$605

CDOT’s ability to keep pace with that growth is hamstrung by state and federal gas taxes that have not changed in the last twenty years. Due to inflation and increases in fuel efficiency, CDOT is unable to keep pace with the growing demands on the statewide transportation system.

In the meantime, CDOT is not sitting still. The agency has initiated several programs to do more with the available resources. Public private partnerships (P3) are a strategy to leverage limited state resources with the private sector.



## PROJECT NEEDS AND BENEFITS

The U.S. 36 Express Lanes project builds upon the success of the existing I-25 Express Lanes by extending the regional managed lanes system to form a continuous network from downtown Denver all the way to Boulder. It is a priority regional transportation project in one of the highest growth corridors in the state.

A congested and rapidly growing corridor carrying between 80,000 and 100,000 vehicle trips per day and operating at nearly 90 percent capacity, U.S. 36 currently experiences three to four hours of severe bi-directional congestion daily.

Overall, the project need was clear:

- Improve the condition of the highway
- Replace bridges that are in poor condition
- Provide congestion relief
- Expand mode of travel options
- Increase efficiency of transit service



Because CDOT revenue only provides the funds to maintain the statewide transportation system, with no planned-for funds available for highway expansion, the department, through the Colorado High Performance Transportation Enterprise, has been exploring innovative partnerships to expand capacity and mobility in congested corridors. The U.S. 36 Express Lanes Project is the first of several potential projects to include tolled express lanes that will enhance the reliability of travel in the area by providing an additional lane of capacity for transit, high occupancy vehicles and single occupancy vehicles willing to pay a toll.

At the completion of the U.S. 36 Express Lanes project, the traveling public will have more choices—pay toll, carpool or ride bus for a more efficient trip, or travel free in existing lanes—creating a more effective transportation system that supports economic and job growth. Additionally, the project will reduce congestion, improve gas mileage and air quality.

### Project Scope

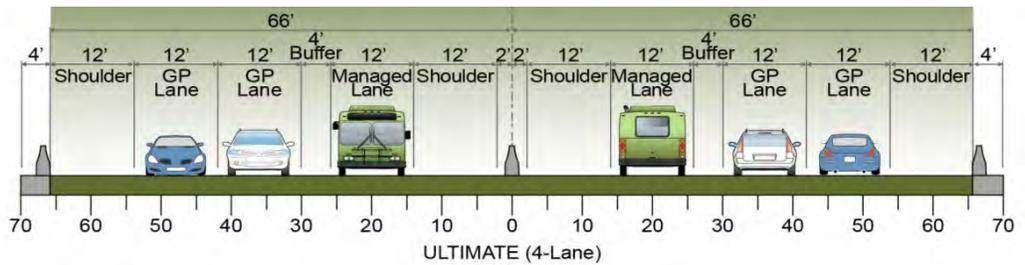
U.S. 36 Express Lanes is a two-phase multi-modal project led by the Colorado Department of Transportation (CDOT) and the Regional Transportation District (RTD) to reconstruct and widen U.S. 36 between Denver and Boulder. Project scope includes:

- Add a single express toll lane in each direction between Pecos Street and Table Mesa Drive for Bus Rapid Transit (BRT), High Occupancy Vehicles (HOV) and tolled Single Occupancy Vehicles (SOV);
- Reconstruct the highway throughout a 15.2 mile stretch of the corridor;
- Widen the highway to accommodate 12-foot-wide inside and outside shoulders;
- Add Bus Rapid Transit improvements, including new electronic display signage at stations and bus priority improvements at ramps. The improvements also will allow buses to operate on the shoulders of US 36 between interchanges to decrease bus travel time;
- Replace the Wadsworth Parkway, Wadsworth Boulevard (at 112th Avenue), Lowell Boulevard and Sheridan Boulevard bridges, and the US 36 bridge over the Burlington Northern Santa Fe Railway;
- Construct a diverging diamond interchange at McCaslin Boulevard to improve safety and better flow for buses, cars, bicyclists and pedestrians;
- Install Intelligent Transportation Systems (ITS) for tolling, transit and traveler information, and incident management;
- Install a separate commuter bikeway along much of the corridor; and
- Improve RTD stations along the corridor, including new canopies with enhanced weather protection.

## US 36 Express Lanes Project Map and Elements



## Final Configuration



## PROJECT DELIVERY

While the project is being delivered in two phases with separate project delivery models, the goals of both Phase 1 and Phase 2 are the same and include:

- Maximize scope and improvements within the project budget;
- Minimize operating and life cycle maintenance costs and provide a quality product;
- Meet or beat schedule;
- Minimize inconvenience to the public and maximize safety of workers and traveling public;
- Maximize engagement of local workers, businesses, and communities in the development, construction and sustainability of improvements.

### Phase 1 Delivery Details

The first phase of the project, which broke ground in July 2012, includes the construction of the project elements between Pecos Street and 88th Street in Louisville. Managed by CDOT, the \$317.9 million project is being constructed using a Design-Build (DB) delivery model. The new express lanes will connect to the northern terminus of the existing reversible I-25 Express Lanes. The BRT component of the project will become part of Regional Transportation District's (RTD) FasTracks system. Construction of Phase 1 is expected to be completed by early 2015.

Phase 1 of the project is being financed with Federal, State and Regional Transportation District (RTD) funds, including a federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan (the repayment of which will be supported by tolls), a federal Transportation Investment Generating Economic Recovery (TIGER) grant, as well as contributions from the City and County of Broomfield and the City of Westminster.

### Phase 2 Delivery Details

RTD's substantial commitment to Phase 1 of the project came with an understanding that partial completion does not fill the need, and commencement of Phase 2 should begin before completion of Phase 1. CDOT and our local partners share in that view. Given current constraints on funding and the financing risks attached to the additional cost, the second phase of the U.S. 36 project is being constructed using a Public-Private Partnership ("P3") with Plenary Roads Denver (Plenary).

### Benefits of Phase 1: Design Build Delivery

Design build allows for a best value selection rather than lowest bid. The Ames/Granite team:

- Successfully addressed all five goals outlined in the Request for Proposals;
- Beat the project completion schedule by six months;
- Committed to build many Additional Requested Elements (improvements that were desired but not included in the base project), including extending the terminus of the project  $\frac{3}{4}$  miles to the west to 88th Street and reconstructing two additional bridges on the corridor.



### Phase 2: Public Private Partnership Selection Process

The selection process included several steps which involved partner agencies and local governments:

- Request for Qualifications (RFQ) released February 2012
- Four teams responded by April 2012 and three were short-listed
- Final Request for Proposals (RFP) released August 2012
- Submissions were evaluated on technical proposal, financial capacity, experience and qualifications of team
- Plenary Roads Denver selected April 2013

*All RFQ and RFP materials available for public review*



**Phase 2 Delivery Details (continued)**

Plenary’s Canadian parent company is a major participant in large North American infrastructure projects. Phase 2 will extend approximately five miles, from 88th Street in Louisville to Table Mesa/Foothills in Boulder, and will carry forward the features of Phase 1. BRT will have priority in the express lanes and HOV free travel (starting with HOV 2+ and changing to HOV 3+ in 2017 or earlier if congestion warrants) will be permitted. It is expected that Phase 2 will be open in early 2016.

Plenary was selected on a competitive basis in April 2013, at the end of an extended and open procurement process lasting almost a year, with local governments consulted throughout the process. Plenary will build the tolled express lanes and reconstruct the general purpose lanes in Phase 2 and will operate and maintain the entire corridor (I-25 Express Lanes, Phase 1 and Phase 2) over a 50 year period. The contract includes strict performance measures and requires Plenary to return the express lanes to CDOT in reconstructed condition at the end of the concession term.

Plenary will have the right, subject to contractual limitations, to collect tolls from the express lanes. Under terms of the pact, Plenary also will retain tolls collected from the 7.7-mile express-toll operation on Interstate 25 between downtown Denver and the Pecos Street interchange on U.S. 36. The I-25 High Occupancy Toll, or “HOT lane”, facility opened in 2006 and currently generates about \$2.6 million in annual toll revenues.

Plenary will assume the Phase 1 TIFIA loan and will contribute more than \$120 million in equity and new debt (including a new \$60 million loan from TIFIA) to the Phase 2 project cost, which is estimated to total about \$180 million. Plenary will be solely liable for the project’s debt.

In addition, CDOT/HPTE, RTD, DRCOG, Boulder County and the cities of Superior and Louisville will contribute to the Phase 2 cost. By financing almost two-thirds of the Phase 2 cost rather than waiting until funds become available over time, construction is accelerated for the Phase 2 projects by 20 years.

**The Plenary Roads Denver Team includes:**

- Ames Construction, Inc.–Construction
- Granite Construction–Construction
- HDR–Engineering Design
- Transfield Services–Maintenance
- Goldman Sachs–Financial Advisor



US 36 Phase 1 and 2 Funding Sources			
	Phase 1	Phase 2	Total
<b>RTD</b>	\$124,000,000	\$18,500,000	\$142,500,000
<b>DRCOG</b>	46,600,000	15,000,000	61,600,000
<b>CDOT</b> (including Bridge Enterprise)	77,700,000	15,000,000	92,700,000
<b>HPTE</b> (including TIGER Grant)	10,000,000	–	10,000,000
<b>Plenary Debt &amp; Equity</b> (including TIFIA 1 & 2)	54,000,000	120,000,000	174,000,000
<b>Local Government</b>	5,600,000	11,000,000	16,600,000
<b>TOTAL</b>	<b>\$317,900,000</b>	<b>\$179,500,000</b>	<b>\$497,400,000</b>

## PROJECT VALUE ANALYSIS AND RATIONAL FOR PUBLIC PRIVATE PARTNERSHIP

The decision to enter into a Public Private Partnership (P3) for Phase 2 of the U.S. 36 Express Lanes project was based on a Project Value Analysis (PVA). A PVA is a risk-adjusted analysis that attempts to quantify the benefits and costs of the HPTE Board retaining risks under the “public model” and compares those risks to the risks of utilizing the “concession model.”

HPTE asked KPMG, a national consulting firm, to analyze the value Colorado and its taxpayers are getting from having a private concessionaire build, operate and maintain the entire U.S. 36 project, along with the I-25 express lanes, under a long-term agreement instead of having the state try to handle the venture itself. The analysis considers the subsidy and net revenues over the 50 year operating term of the concession agreement.

### Summary of Assumptions

**Revenue:** The public model uses traffic and revenue forecasts prepared by CDM Smith and are the forecasts HPTE would rely on if it financed the project itself. The concession model utilizes the Plenary traffic and revenue consultant for its model. The concession model forecasts are very similar to the CDM Smith forecasts for the first fifteen years of the concession. This is a bit unusual, as traditionally the private sector forecasts higher traffic and revenue numbers than those of the public sector. The concessionaire has the right to collect and retain all estimated revenues during the fifty years. However, if revenue is higher than projected under the concession model, the HPTE will share in those “excess” revenues. Revenue assumptions include the change in the regional HOV policy from HOV 2+ to HOV 3+ beginning in 2017.

**Construction:** Because the public model would utilize a design-build delivery method, overall construction costs are expected to be similar in both the public and concession delivery models. It should be noted that because the term of the Final Request for Proposal included a \$500,000 stipend for responsive bidders if the state financed the project using a public delivery model, \$1 million has been included in the cost of the public model.

### Qualitative Factors Influencing P3 Decision

- Deliver project with lowest upfront subsidy
- Transfer risk to concessionaire
- Relieve CDOT of Phase 1 O&M obligations
- Construct Phase 2 Managed Lanes Reconstruction of General Purpose Lanes in an effective and economical way
- Facilitate RTD’s Bus Rapid Transit programs
- Optimize asset condition over long term
- Minimize inconvenience to public and maximize safety of workers and the traveling public.



## Summary of Assumptions (continued)

**Operations and Maintenance (O&M):** CDOT asked proposers to submit a price to perform routine maintenance on the U.S. 36 General Purpose Lanes. If the proposed price was less than a benchmark price predetermined by CDOT but not provided to the proposers, the concessionaire would receive the fees and perform the associated maintenance work. Because Plenary's proposer was less than the benchmark, the O&M agreement covers "fence to fence," meaning the concessionaire will be responsible for not only operations and maintenance of the express lanes, but also the general purpose lanes and highway right-of-way on either side of the travel lanes, and includes snow removal activities. Both Phase 1 and Phase 2 of the project will be maintained by the concessionaire, as well as the I-25 Express Lanes (not General Purpose Lanes).

**Major Maintenance:** Major maintenance includes both periodic surface treatments to maintain the quality of the managed lanes, but also full reconstruction during the fifty year life of the agreement. The concessionaire will be responsible for both the U.S. 36 Express Toll Lanes, as well as the I-25 Express Toll Lanes. Major maintenance of the U.S. 36 General Purpose Lanes will remain CDOT's responsibility.

**Toll Collection:** Because both the public and concession models assume utilizing the E-470 Public Highway Authority to provide back office toll collection services, these costs do not impact the overall PVA.

**Financing:** Both models assume the Phase 1 TIFIA loan remains unchanged, although Plenary takes the loan over as part of the concession. The public model assumes a Phase 2 TIFIA loan and tax-exempt bonds. The concession model includes a subordinate Phase 2 TIFIA loan, senior level Private Activity Bonds, and a subordinate shareholder loan and equity. Both models include a debt service reserve account and major maintenance accounts, while the concession model also includes reserve funds for ramp up and O&M.

### Upfront Public Subsidy

The cost of Phase 2 is expected to be approximately \$190 million. The upfront public subsidy is that portion of the construction cost that the state and other public partners (such as RTD) must produce in order to fully fund the project. The upfront subsidy is presented in nominal<sup>1</sup> or year-of-expenditure terms to provide consistency in comparing the results of each delivery model against the amount of available funding. KPMG found that the concession model could deliver the project with a lower upfront public subsidy. Overall, the subsidy under the public model, assuming a design-build delivery method, is \$70.1 million. The concessionaire's proposal required a public subsidy of \$48.8 million, or \$21.3 million less than the required subsidy under the public model.

Base Case Upfront Public Subsidy (millions)—Nominal Value		
Concession Model Public Subsidy	Public Model Public Subsidy	Public Savings from Concession Model
\$(48.8)	\$(70.1)	\$21.3

<sup>1</sup>Nominal value considers the value of money in today's dollars, without considering when the dollar was earned or spent. Therefore, it doesn't account for variables such as how increases in inflation over time may lessen the buying power, and therefore the value, of the dollar.

## Total Project Value

Total Project Value is a metric that allows the HPTE to compare whether the public model or concession model requires the public to bear the greater financial burden (actual and at risk) for initial construction and long-term maintenance over the fifty year term. As you can see from the table above, if the only factor for consideration was reducing the upfront public subsidy, the concession model is the clear winner.

However, while an important goal of the HPTE Board was to minimize the upfront public subsidy—and it is unclear whether the project could even move forward at a cost to the public of \$70.1 million—it is only a piece of the overall financial picture. In order to effectively determine which delivery method provides the most value to the public, the PVA must consider not only the nominal value, but also net present value.<sup>2</sup> For example, the PVA considers the net present value of both the upfront subsidy and future “excess” toll revenues over the fifty year analysis. Because the excess toll revenues do not come until the later years, the net present value accounts for expected inflationary changes that reduce the value of those dollars as compared to the reduced construction costs today. The net present value is calculated as *upfront subsidy + excess revenues = net present value*. The model uses a 14% discount rate<sup>3</sup> for excess revenues and a 5% discount rate for the upfront and additional subsidy amounts to cover the difference in the U.S. 36 General Purpose Lane O&M costs.

The following table shows the Base Case<sup>4</sup> Total Project Value based on the proposal received from Plenary and adjustments, including savings that accrue on O&M costs, interest rates and project costs. The total project value (and public savings) under the concession model is a bit more narrow than the nominal upfront subsidy difference of \$21.3 million. However, working with toll revenue estimates and forecasts of operating and maintenance expenses, KPMG determined that the concession model under a base case scenario still offers Colorado a \$5.8 million advantage in value over the public alternative when the figures are expressed in “net present value.”

Base Case Total Project Value (millions)—Net Present Value				
Concession Model Upfront Subsidy (Changed to NPV) and Total Project Value	Public Model			Total Project Value of Concession Model Over Public Model
	Upfront Subsidy (changed to NPV)	Excess Revenues (in NPV)	Total Project Value	
\$(45.4)	\$(63.9)	\$12.7	\$(51.2)	\$5.8

<sup>2</sup>Net present value accounts for when a dollar is earned or spent and what inflation has done to the value of that dollar over time.

<sup>3</sup>Discount rate is the percentage that is applied to a dollar in order to calculate its net present value.

<sup>4</sup>The Base Case does not assume risk variables such as the possibility that toll revenues come in higher or lower than projected. The risk analysis and how it impacts project value is discussed in the next section.



## PROTECTING THE TAXPAYERS: TRANSFER OF RISK

While the total project value (and public savings) is slightly greater under the concession model, revenue and other forecasts over a 50 year time horizon are only estimates and include an element of high risk. Given HPTE and CDOT's limited financial resources, the Board was concerned about the potential financial exposure if revenue were less than estimates over fifty years, or other costs were higher forecast.

The analysis indicated that even if Colorado could build, operate and maintain Phase 2 of the U.S. 36 highway complex itself instead of having a P3 concessionaire perform the tasks, the public model carried significant risks for the state, especially if traffic counts and toll revenues are lower than anticipated in the coming decades.

It is in this risk analysis where the nominal value of the public model is overshadowed by the value of transferring the long-term risks to the private sector. The transaction HPTE reached with Plenary calls for the concessionaire to assume nearly all the project risks, including financing and maintenance risks, while retaining for the state the right to share in excess revenues generated by the highway if toll income meets forecasted targets over the life of the agreement. The nominal value of this risk transfer could equate to several hundred million dollars over the fifty year agreement. Moody's estimates that a 10 percent reduction in total corridor volume results in a more than 25 percent reduction in managed lane volume. This sensitivity results in a 48 percent reduction in revenue from the base scenario, and reflects the potential volatility of revenue projections.

### Revenue Risks

Lower Than Expected Revenue: HPTE's prime motivation for selecting the P3 model was to shift the bulk of the project's risk to the concessionaire. With highway projects using the express lanes model having limited experience in the United States, there is more than a little uncertainty about how the U.S. 36 project will fare financially over the long term. So, the PVA includes a sensitivity analysis that considers 25 percent and 40 percent reductions in revenue from base-case projections. For example, if toll revenues come in 25 percent below the base-case projections, there would be insufficient funding for HPTE to make debt service payments on the project for 17 years, according to consultant's analysis. In nominal terms, the total shortfall to fund O&M, debt service, and major maintenance would be nearly \$130 million.

If revenues are below projections for the concession model HPTE has no liability. Lower-than-expected toll revenues are among the risks being borne by the P3 concessionaire. Shortfalls could mean a decline in toll income totaling tens of millions of dollars, yet Plenary still will have the responsibility for paying off loans and operating and maintaining the highway over the 50-year period. The concessionaire may request toll increases, up to a capped amount, to secure its investment and guarantee that enough revenue is generated to meet loan obligations and operate and maintain the roadway over the decades. However, approval from HPTE's Board is required before a toll increase can go into effect.

Public Model Revenue Sensitivities												
\$M	Debt Service Shortfall			O&M Service Shortfall			Major Maintenance Shortfall			Total Shortfall		
	Nominal	NPV @ 5%	NPV @ 14%	Nominal	NPV @ 5%	NPV @ 14%	Nominal	NPV @ 5%	NPV @ 14%	Nominal	NPV @ 5%	NPV @ 14%
25% Downside	(26.1)	(15.0)	(6.8)	(4.6)	(4.0)	(3.2)	(98.3)	(31.3)	(9.5)	(129.0)	(50.3)	(19.5)
40% Downside	(79.4)	(39.8)	(14.1)	(25.5)	(18.5)	(11.3)	(214.5)	(50.4)	(11.0)	(319.4)	(108.7)	(36.4)

**Higher Than Expected Revenue:** HPTE’s consultant also looked at scenarios in which toll revenues might exceed predictions, including one where income would be 10 percent higher. Such a case would reward Plenary for the risks it took on the project by accelerating the concessionaire’s return on its investment, including the payment of interest. To attract involvement from the private sector in the U.S. 36 venture, it was necessary to provide an adequate return on the equity investment a consortium would be making in the project.

HPTE’s contract with Plenary calls for the state to share in revenues generated by the U.S. 36 project after minimum rate-of-return targets are met. The revenue-sharing formula is designed to maintain an incentive for the concessionaire to maximize revenue, but also increases the state’s revenue share as the return to Plenary increases. On a nominal basis, the HPTE may realize up to \$290 million in additional revenues if the express lanes immediately generate 10 percent more revenue than the base case, and slightly less than that if the revenue escalates up to a 10 percent over time. In this way, HPTE has a stake in the financial upside of the project while leaving in place the primary incentive for securing participation of a private investor. The amount of revenue-sharing and its timing, likely a decade or more into the concession term, depends on just how robust the toll income turns out to be.

Upside Revenue Sensitivities (millions)		
Public Model	HPTE Revenue Nominal	HPTE Revenue NPV @14%
10% Upside Immediately	\$290.0	\$13.3
Escalating Upside	\$276.9	\$8.1

**Local Benefits to Cost-Sharing**

HPTE has signed an agreement with cities and counties in the U.S. 36 corridor that allows them to participate in deliberations over how the state would spend excess toll revenue, should it materialize, to boost mobility and transit options in the corridor.

**Operations & Maintenance Risks:** There is significant empirical evidence nationally to suggest that the public sector will receive value through reduced O&M costs under the concession model. CDOT estimates this maintenance to be approximately \$798,900 per year for the state to maintain over the fifty year review period under the public model. The concessionaire proposal requires a state payment of \$675,000 per year, or \$123,900 per year less than the benchmark set by the department, resulting in savings to the state of approximately 15 percent. In both the public and concession model, the new express lanes would be maintained using toll revenues.

Maintenance costs assume a 5% discount rate to determine Net Project Value and include both Phases 1 and 2 of the project, as well as the I-25 Express Lanes.

Annual Operations and Maintenance Costs for GP Lanes	
Concession Model	Public Model
\$675,000	\$798,900

**State Employee Impact**

No state employee will lose their job because of the new P3 arrangement. CDOT crews will be deployed to other critical areas to provide maintenance and operations for the traveling public. CDOT may also adjust staffing levels over time based on retirement and attrition.

**Risks Related to Maintenance Costs:** O&M cost variances could result from higher materials cost due to inflation as well as higher than expected snow and ice removal costs. If highway maintenance and operation costs are greater than \$675,000 annually, the concession model puts the entire liability for those additional costs on Plenary, increasing the value to CDOT of the concession model. Under the public model CDOT would be responsible for those additional costs, with potential liability to CDOT as high as a \$3 million nominal cost over the term. In Net Present Value terms, the potential exposure to the state could total approximately \$14.5 million assuming revenues were insufficient to fund 50% of the total project O&M.

**Lower Than Expected Maintenance Costs:** If O&M over the term is 15% less than expected, it would match the CDOT benchmark costs for O&M. In other words, the value of the concession model would be equal to the public model.

**Overall Risk Analysis:** Colorado weighed risks vs. rewards in selecting the concession model for the U.S. 36 project. It limits the state’s exposure if toll revenues come in lower than expected, or if maintenance costs are higher than anticipated, yet the revenue-sharing provision allows for upside gain if toll-lane traffic and income are more robust than predicted. The following table provides a checklist of all risks associated with the concession model, and whether the risk belongs to the state, Plenary, or the risk is shared.

The following table provides a summary of the risk allocation for the project, including risks transferred to PRD, risks retained by CDOT/HPTE and shared risks.

Risks Relating to:	Risk Allocation		
	CDOT/HPTE	Private (PRD)	Shared
Design of highway and structures		•	
Construction of highway and structures (risk of time and cost overruns)		•	
Revenue risk, that is, the risk that toll revenue is not sufficient to pay off debt raised for the project		•	
Majority of risks associated with environmental factors including changes to restrictions and permitting (with the exception of permits obtained by CDOT or HPTE)		•	
Geotechnical (for example, soil below the highway surface)		•	
Operations and maintenance, including routine maintenance and life cycle maintenance, life cycle maintenance in relation to non-separable tasks on the general purpose lanes		•	
Snow and ice removal on both the general purpose lanes and the managed lanes		•	
Handback of the facility at the end of the term of the contract which fulfills CDOT and HPTE requirements in relation to the residual life of the highway at that time		•	
Acquisition of property required for highway construction—including risks related to cost and timeliness to acquire such property	•		
Responsibility for repairing any latent defects in work which as completed prior to the contract commencement date or for works undertaken by other CDOT contractors	•		
Bringing the highway back into agreed-upon condition after the occurrence of a significant natural event	•		
Require to undertake soils or other remediation as a result of the discovery of undisclosed contaminated soils	•		
Requirements for moving utilities to construct the highway and structures and the risk that utility companies will not move quickly enough to meet PRD's schedule or that they will levy higher than expected charges for the relocation work			•
Increases in the future of general insurance premium cost charged by the insurance industry for the insurance required by the contract			•

## VALUE TO THE TAXPAYERS

According to the PVA consultant, the concession agreement reflects “an optimal balance of risks” between HPTE and Plenary. Additionally, the infusing of private sector resources accelerates the construction schedule of this critical project by 20 years, providing an immediate return on investment to the traveling public through reduction in delay of travel time on this currently heavily congested corridor.

Under the agreement, Plenary is responsible for risks associated with the level of traffic in the express lanes and the sufficiency of toll revenues to support repayment of loans, as well as the long-term operation and maintenance of the highway.

Tolls on the U.S. 36 and I-25 express lanes will be variable, with higher tolls set for peak travel periods. HPTE and the concessionaire will have the capability of introducing dynamic pricing at some future point. This would allow toll rates to be adjusted in real time to help meter traffic flows and limit congestion in the express lanes.

Express lanes give commuters options to carpool, take public transportation or pay a toll to get reliable, congestion-free travel in a busy transportation corridor.

HPTE’s consultant found the concession model “delivers significant value” to the state by transferring revenue, operations and maintenance risks to the private operator, and by having the concessionaire assume financial risks associated with loans on the project. Regardless of how much revenue is produced by the express lanes, Plenary must meet high performance standards set by HPTE that ensure the lanes will be well maintained and adequately plowed during snowstorms, or the concessionaire is subject to penalties established by the agreement. Plenary also is responsible for returning to the state a highway in first-class condition at the end of the concession agreement.

### High Occupancy Vehicles

In the concession agreement, HPTE directors approved a provision that after Jan. 1, 2017 will only allow vehicles with three or more occupants to travel toll-free in the U.S. 36 and I-25 express lanes. Until then, vehicles with at least two occupants, so-called HOV 2+ vehicles, can continue free use of the lanes, unless congestion increases to a level that impedes the reliable flow of RTD buses and other vehicles in the corridor. Current congestion levels on the I-25 Express Lanes may trigger HOV 3+ sooner than 2017.

The HOV 3+ policy was needed as a market mechanism to forestall excessive use of the express lanes, which would slow travel times to unacceptable levels. The policy also was designed to raise enough toll income to attract private sector interest and investment in the project. HOV 3+ tolling is a policy employed by a number of toll road operators around the country.



## FINAL CONTRACT

The contract with Plenary Roads Denver is designed to protect the public interest by maintaining public ownership of the roads while specifying service standards under which the concessionaire will operate and maintain the system. Any tolling decisions are the final decision of the HPTB Board and the contract permits CDOT and any other transportation agency to make future improvements to the roads or transportation system in the area.

Other key terms of the contract include:

- Plenary will design, construct, and finance its portion of the corridor improvements;
- The state retains ownership of the highway and Plenary is granted a non-exclusive license for 50 years to access and use the highway and its structures for the purpose of carrying out the operations;
- Plenary will operate, maintain and rehabilitate the whole corridor including the express tolled lanes as well as the general purpose lanes;
- Plenary will operate, maintain and rehabilitate the I-25 express tolled lanes;
- Plenary will receive payment from the state for fulfilling its maintenance obligations on the general purpose lanes;
- If Plenary fails to meet the specified performance standards, they can incur financial penalties. Examples of performance failures include:
  - Failure to meet the operations and maintenance standards such as snow plowing;
  - Travel time delays to transit;
- Plenary will assume certain risks, such as construction schedule and budget and is responsible to ensure the asset meets acceptable conditions such as highway surfaces and bridge quality
- The state will monitor compliance against the contract requirements
- The state can make further improvements to the highway at its own option and cost
- The state will share in revenues generated by the U.S. 36 project after minimum rate-of-return targets are met
- Plenary must return to the state a highway in first-class condition at the end of the concession agreement

The U.S. 36 concession agreement could be a model for other major highway ventures in Colorado, including expansion and improvement projects being considered for C-470; I-25 north of the Denver metro area; and I-70 in both the mountain corridor and central Denver.





**DATE:** February 7, 2014  
**TO:** Transportation Commission of Colorado  
**FROM:** Michael Cheroutes, Director of High Performance Transportation Enterprise  
**SUBJECT:** Compliance Agreement required by TIFIA for U.S. 36 Concession Project

In connection with the U.S. 36 Concession Project, the High Performance Transportation Enterprise (HPTE) is near financial close with the Concessionaire, Plenary Roads Denver LLC (Concessionaire), and the Concessionaire's lenders. The Concessionaire anticipates receiving a TIFIA loan from the U.S. Department of Transportation (TIFIA Lender) at close. The TIFIA Lender has requested that the Colorado Department of Transportation (CDOT) and HPTE enter into a compliance agreement (Compliance Agreement), pursuant to which CDOT and HPTE will provide certain assurances to, and make certain agreements with, the TIFIA Lender regarding the U.S. 36 Concession Project. In general, the proposed umbrella document simply repeats (in favor of the TIFIA Lender) what CDOT/HPTE have already authorized in other agreements. We have made sure CDOT obligations are not enlarged in other respects.

The Compliance Agreement is included for workshop discussion by the Transportation Commission in February and for immediate consideration on the Consent Agenda for final action.

**Resolution #TC-**

Approving the Compliance Agreement required by TIFIA Lender for U.S. 36 Concession Project.

Approved by the Transportation Commission on: \_\_\_\_\_

**1-WHEREAS** the Transportation Commission is responsible, pursuant to C.R.S. 43-1-106(8), for formulating the general policy of the Colorado Department of Transportation (CDOT); and

**2-WHEREAS** the Colorado High Performance Transportation Enterprise (HPTE), in partnership with CDOT, is in final financial close negotiations with its preferred proposer, Plenary Roads Denver LLC, for the design, construction, financing, operation and maintenance of the U.S. 36 Corridor between Denver and Boulder and the I-25 Express Lanes (collectively US 36 project); and

**4-WHEREAS** when constructed, the US 36 project will contain two general purpose lanes and one managed lane in each direction between Denver and Boulder; and

**5-WHEREAS** the Transportation Commission supports the US 36 project and recognizes the benefits of this project, which include, but are not limited to, encouraging carpooling and transit use, reducing vehicle emissions, reducing congestion, and improving the safety, capacity, and accessibility of the surface transportation system; and

**6-WHEREAS** in order to finalize the concession agreement between HPTE and Plenary Roads Denver, and reach financial close, Plenary Roads Denver LLC must receive a TIFIA loan from the U.S. Department of Transportation (TIFIA Lender); and

**7-WHEREAS** the TIFIA Lender has requested that CDOT and HPTE enter into a supplemental undertaking that has been labeled a “Compliance Agreement”; and

**8-WHERAS** the Transportation Commission has been briefed on the scope and requirements of the Compliance Agreement and understands it will require CDOT to provide certain assurances to, and agreements with, TIFIA Lender, including assurances and agreements related to the compliance with certain agreements already authorized by CDOT and applicable laws related to the US 36 project.

**NOW THEREFORE BE IT RESOLVED**, the Transportation Commission hereby approves the Compliance Agreement between CDOT, HPTE, and the United States Department of Transportation required for the US 36 Project Concession Agreement financial close and authorizes CDOT’s Executive Director to sign the

Compliance Agreement and any required certificates referenced therein on behalf of CDOT.

## COMPLIANCE AGREEMENT

This COMPLIANCE AGREEMENT (“**Compliance Agreement**”) dated [•], 2014, is made by and among the COLORADO DEPARTMENT OF TRANSPORTATION, an agency of the State of Colorado (“**CDOT**”), COLORADO HIGH PERFORMANCE TRANSPORTATION ENTERPRISE, a government-owned business and a division of CDOT (“**HPTE**”), and together with CDOT, the “**Compliance Parties**” and each a “**Compliance Party**”) and UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator (the “**TIFIA Lender**”).

### RECITALS

WHEREAS, Plenary Roads Denver LLC (the “**Concessionaire**”) has entered into that certain Concession Agreement for US 36 and I-25 Managed Lanes, dated June 27, 2013, as amended pursuant to the first amendment to the Concession Agreement dated October 4, 2013, as amended pursuant to the second amendment to the Concession Agreement dated December 27, 2013 and amended and restated on [•], 2014, with HPTE (the “**Concession Agreement**”); and

WHEREAS, Compliance Parties have entered into the following additional agreements, among others, relating to the U.S. 36 Phase 2 Project:

(i) “**Project Oversight Agreement**” means that certain Federal Highway Administration High Performance Transportation Enterprise (HPTE) Project Oversight Agreement for the Public Private Partnership to Design, Build, Finance and Operate and Maintain US 36 Express Lanes Phase II, dated as of November 15, 2013, among HPTE, CDOT and the Federal Highway Administration Colorado Division Office;

(ii) “**HPTE Direct Agreement**” means that certain Direct Agreement, dated as of [•], 2014 among HPTE, the Concessionaire and The Bank of New York Mellon Trust Company, N.A. in its capacity as security trustee;

(iii) “**HPTE-CDOT IGA**” means that certain HPTE US36 Concession Project Intra-Agency Agreement dated June 27, 2013, between HPTE and CDOT, as amended by the First Amendment dated October 17, 2013; and

(iv) “**HPTE-CDOT-RTD IGA**” means that certain US 36 Concession Project Intergovernmental Agreement dated June 13, 2013, between HPTE, CDOT, and the Regional Transportation District, as amended by the US 36 Concession Project Intergovernmental Agreement Amendment dated November 7, 2013.

WHEREAS, pursuant to the terms and provisions of the TIFIA Loan Agreement, dated as of [•], 2014, by and among the TIFIA Lender, Plenary Roads Finco LP (the “**Borrower**”), the Concessionaire and other affiliates of the Concessionaire party thereto (the “**TIFIA Phase 2 Loan Agreement**”), the TIFIA Lender has agreed to make a loan (the “**TIFIA Phase 2 Loan**”) in an aggregate principal amount not to exceed \$60,000,000, the proceeds of which are to be used to pay a portion of the Eligible Project Costs (as defined in TIFIA Phase 2 Loan

Agreement) related to the U.S. 36 Phase 2 Project pursuant to the application for TIFIA credit assistance; and

WHEREAS, the completion and opening to revenue service of the Phase 2 Managed Lanes is essential to meeting the public policy goals of the TIFIA Lender;

WHEREAS, on [•], 2014, the United States Secretary of Transportation approved TIFIA credit assistance for the U.S. 36 Phase 2 Project in the form of a direct loan in an aggregate principal amount not to exceed \$60,000,000; and

WHEREAS, the TIFIA Lender is prepared to extend credit upon the terms and conditions set forth in the TIFIA Phase 2 Loan Agreement; and

WHEREAS, it is a condition to the consummation of the transactions contemplated by the TIFIA Phase 2 Loan Agreement that HPTE, CDOT and the TIFIA Lender enter into this Compliance Agreement to provide certain assurances and agreements, as further described below.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, HPTE, CDOT and the TIFIA Lender (each, a “Party”) hereby agree as follows:

**Section 1. Definitions.**

All capitalized terms not defined herein shall have the meanings ascribed to them in the Concession Agreement. In addition, the terms set forth below shall have the following meanings:

“**Compliance Party Agreements**” means the HPTE-CDOT IGA, this Compliance Agreement and the Project Oversight Agreement.

“**Compliance Party Payment Obligations**” means all obligations of each Compliance Party to pay money pursuant to the terms of each Compliance Party Agreement, subject to any conditions precedent to, limitations on, and other conditions to such obligations set forth in the Compliance Party Agreements.

“**TIFIA Agreements**” means the TIFIA Phase 2 Loan Agreement and this Compliance Agreement.

**Section 2. Interpretation.** Unless the context shall otherwise require, the words “hereto”, “herein”, “hereof” and other words of similar import refer to this Compliance Agreement as a whole. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise require. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. Whenever any Compliance Party’s knowledge is implicated in this Compliance Agreement or the phrase “to any Compliance Party’s knowledge” or a similar phrase is used in this Compliance Agreement, the Compliance Party’s knowledge or such

phrase(s) shall be interpreted to mean to the best of the Compliance Party's knowledge after reasonable and diligent inquiry and investigation. Unless the context shall otherwise require, references to any Person shall be deemed to include such Person's successors and permitted assigns. Unless the context shall otherwise require, references to sections, subsections, schedules, exhibits, appendices and provisions are to the applicable sections, subsections, schedules, exhibits, appendices and provisions of this Compliance Agreement. The headings or titles of this Compliance Agreement and its sections, as well as any table of contents, are for convenience of reference only and shall not define or limit its provisions. Unless the context shall otherwise require, all references to any resolution, contract, agreement, lease or other document shall be deemed to include any amendments or supplements to, or modifications or restatements or replacements of, such documents that are approved from time to time in accordance with the terms thereof and hereof. Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 20 and signed by a duly authorized representative of such party.

**Section 3.**     Compliance with Laws; Permits.

(a) To the extent applicable to each of the Compliance Parties in connection with the implementation of the Phase 2 Work by the Concessionaire pursuant to the terms of the Concession Agreement, each Compliance Party agrees to comply with the applicable terms and conditions set forth in (i) all applicable federal and State laws, (ii) the policies and procedures promulgated by the Federal Highway Administration (the "FHWA") and (iii) the Project Oversight Agreement. In addition to the TIFIA Phase 2 Loan, it is expected that other sources of State and federal funds will be provided for the U.S. 36 Phase 2 Project.

(b) Each Compliance Party represents and warrants that all State or federal permits necessary to commence construction of the Phase 2 Work have been received (or will be received by the Commencement Date) and approved by the appropriate Governmental Authorities. In the event that a permit is required after the date hereof in connection with the implementation of the Phase 2 Work by the Concessionaire, the Compliance Parties shall exercise oversight over the Concessionaire in connection with its acquisition of such permit pursuant to the terms of the Concession Agreement. Pursuant to 23 U.S.C. § 116(a), CDOT has a duty to maintain or cause the U.S. 36 Phase 2 Project to be maintained, in connection with the satisfaction of such obligation, CDOT agrees to exercise oversight of the Concessionaire's performance of the obligations described in this Section 3(b).

**Section 4.**     Compliance with Agreements.

(a) Each Compliance Party agrees to comply with its respective obligations set forth in the Compliance Party Agreements and, to the extent applicable, to perform all of its Compliance Party Payment Obligations. HPTE agrees to comply with its obligations in respect of the HPTE-CDOT IGA and the HPTE-CDOT-RDT IGA, including any Compliance Party Payment Obligations thereunder, as described in Section 4.5 of the HPTE Direct Agreement.

(b) Within five (5) Business Days after such Compliance Party learns of the occurrence thereof, such Compliance Party shall give the TIFIA Lender notice of the filing of

any actual litigation, suit or action, or the delivery to such Compliance Party of any written claim which could reasonably be expected to materially and adversely affect any appropriation or transfer of funds as required to comply with such Compliance Party's Compliance Party Payment Obligations.

(c) Pursuant to the TIFIA Phase 2 Loan Agreement and subject to all terms and conditions thereof, the TIFIA Lender agrees to make the TIFIA Phase 2 Loan in an amount up to \$60,000,000 to fund a portion of the Eligible Project Costs as set forth therein.

**Section 5. Conditions Precedent.** Notwithstanding anything in this Compliance Agreement to the contrary, this Compliance Agreement shall not become effective until the following conditions precedent shall have been satisfied:

(a) CDOT shall have certified as to debarment or suspension of each of the third party contractors that have been retained by it or HPTE at any tier in connection with the Phase 2 Work (excluding, for the avoidance of doubt, the Concessionaire or any of the Sub-Contractors), in accordance with the provisions of Executive Orders No. 12549 and 12689, "Debarment and Suspension", 31 U.S.C. 6101, and applicable regulations on Debarment and Suspension at 49 C.F.R. Part 29.

(b) Each Compliance Party shall have delivered its initial Compliance Party Authorized Representative certificate pursuant to Section 11 hereof.

(c) Each Compliance Party shall cause its counsel to deliver an opinion as to the due execution, validity and enforceability of the Compliance Party Agreements to which it is a party, except for the Project Oversight Agreement, in form and substance satisfactory to the TIFIA Lender.

(d) The representations and warranties of each Compliance Party set forth in Section 6 of this Compliance Agreement shall be true and correct in all material respects.

(e) The Compliance Parties shall deliver to the TIFIA Lender evidence satisfactory to the TIFIA Lender of the availability and, if not currently available, a description in reasonable detail of the procedure for obtaining, all funding required to be provided to pay all amounts payable to the Concessionaire under the terms of the Concession Agreement.

(f) Each Compliance Party shall have delivered such other agreements, documents, instruments, opinions and other items reasonably required by, and in each case in form and substance satisfactory to, the TIFIA Lender.

**Section 6. Representations and Warranties of the Compliance Parties.** Each Compliance Party hereby represents and warrants that as of the date of the execution of this Compliance Agreement:

(a) Each Compliance Party is duly organized under the laws of the State of Colorado, has full legal right, power and authority to enter into the Compliance Party Agreements to which it is a party and to carry out and consummate all transactions contemplated

by such Compliance Party Agreements and has duly authorized the execution, delivery and performance of such Compliance Party Agreements.

(b) Each Compliance Party Agreement to which such Compliance Party is a party (i) has been duly authorized, executed and delivered by such Compliance Party, and (ii) is in full force and effect as of the effective date of this Compliance Agreement.

(c) Upon execution and delivery of this Compliance Agreement, no Compliance Party is in default of any of the terms of or its obligations under any of the Compliance Party Agreements.

(d) Each Compliance Party is an agency (or division of an agency, as the case may be) of the State of Colorado and is authorized to execute, deliver and perform its obligations under each Compliance Party Agreement to which it is a party.

(e) The execution and delivery by each Compliance Party of the Compliance Party Agreements to which such Compliance Party is a party, the consummation of the transactions herein described and the fulfillment of or compliance with the terms and conditions of the Compliance Party Agreements will not, in any material respect, conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) by such Compliance Party under any agreement or instrument by which it is bound which is material to the performance of its obligations under such Compliance Party Agreements, or any provision of applicable law or administrative rule or regulation, any applicable court or administrative decree or order, or any contract to which such Compliance Party is a party or by which it or its properties are bound, any of which is material to the performance of its obligations under such Compliance Party Agreements.

(f) Each Compliance Party has obtained, maintains in full force and effect, and has complied in all material respects with, all necessary governmental authorizations and consents and approvals of any other Person that are required for such Compliance Party to execute, deliver and perform its obligations under the Compliance Party Agreements to which such Compliance Party is a party and no Compliance Party has any reason to believe that any of the governmental authorizations so expected to be obtained by it in the ordinary course of business by the time they are necessary will not be so obtained.

(g) Consistent with the legal opinions rendered by the Office of Attorney General of the State of Colorado, each of the Compliance Party Agreements is the legal, valid and binding obligation of each Compliance Party party thereto, enforceable against such Compliance Party in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equitable principles.

(h) There is, to the knowledge of each Compliance Party after reasonable inquiry and investigation, no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending or threatened that would materially and adversely affect the performance of such Compliance Party's obligations under the Compliance Party Agreements to which it is a party. No Compliance Party is in

default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default (or the consequences thereof) would be likely to materially and adversely affect the performance of such Compliance Party's obligations under the Compliance Party Agreements to which it is a party.

(i) Each Compliance Party has complied with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. §§ 4321 et seq.) with respect to the Phase 2 Work, and true and accurate copies of the final environmental impact statement (issued pursuant to 42 U.S.C. § 4332(2)(C)) have been provided to the TIFIA Lender.

**Section 7.** Representations and Warranties of the TIFIA Lender. The TIFIA Lender represents and warrants that:

(a) The TIFIA Lender has all requisite power and authority to make the TIFIA Phase 2 Loan and to perform all transactions contemplated by the TIFIA Agreements.

(b) The TIFIA Agreements have been duly authorized, executed and delivered by the TIFIA Lender, and are legally valid and binding agreements of the TIFIA Lender, enforceable against the TIFIA Lender in accordance with their terms.

(c) The officers of the TIFIA Lender executing each of the TIFIA Agreements are duly and properly in office and fully authorized to execute the same on behalf of the TIFIA Lender.

(d) The execution and delivery by the TIFIA Lender of the TIFIA Agreements and performance by the TIFIA Lender of its obligations thereunder does not conflict with any applicable laws, governmental authorizations, consents or approvals applicable to the TIFIA Lender as of the effective date of this Compliance Agreement.

**Section 8.** Accounting and Audit Procedures; Reports and Records.

(a) Each Compliance Party shall (i) establish fiscal controls and accounting procedures for the Phase 2 Work as required for federal-aid projects and in accordance with the Project Oversight Agreement, so that audits may be performed to ensure compliance with and enforcement of this Compliance Agreement and (ii) use generally accepted accounting principles for state and local governments as prescribed by the Governmental Accounting Standards Board.

(b) The TIFIA Lender shall have the right to conduct from time to time independent financial and compliance audits of the Compliance Parties in accordance with the Single Audit Act of 1984, as amended, and Office of Management and Budget Circular A-133, "Audits of State and Local Governments," or as otherwise requested by the TIFIA Lender. Upon reasonable notice, each Compliance Party shall cooperate fully in conducting audits and shall, in accordance with applicable law, provide full access to any books, documents, papers or other records, which are pertinent the U.S. 36 Phase 2 Project or the TIFIA Phase 2 Loan.

(c) Each Compliance Party agrees to furnish the information required pursuant to the Concession Agreement or the Project Oversight Agreement relating to the Phase 2 Work to enable the Concessionaire to fully comply with the Financial Plan requirements set forth in the TIFIA Phase 2 Loan Agreement.

(d) Each Compliance Party shall maintain and retain all files relating to the Phase 2 Work until five years after the later of the date on which (i) all rights and duties hereunder have been fulfilled and necessary audits have been performed and (ii) any litigation relating to the U.S. 36 Phase 2 Project, the TIFIA Phase 2 Loan or this Compliance Agreement is finally resolved. Each Compliance Party shall provide the TIFIA Lender in a timely manner all records and documentation relating to the U.S. 36 Phase 2 Project that the TIFIA Lender may reasonably request from time to time.

**Section 9.** No Personal Recourse. No official, employee or agent of the TIFIA Lender, HPTE or CDOT or any person executing this Compliance Agreement shall be personally liable on this Compliance Agreement by reason of the issuance, delivery or execution hereof.

**Section 10.** No Third Party Rights. The Parties hereby agree that this Compliance Agreement creates no third party rights against the United States Government, the TIFIA Lender, USDOT, CDOT or HPTE solely by virtue of this Compliance Agreement.

**Section 11.** Compliance Party's Authorized Representative. Each Compliance Party shall at all times have appointed a Compliance Party Authorized Representative by designating such person or persons from time to time to act on such Compliance Party's behalf pursuant to a written certificate furnished to the TIFIA Lender, containing the specimen signature or signatures of such person or persons and signed by such Compliance Party.

**Section 12.** TIFIA Lender's Authorized Representative. The TIFIA Lender shall at all times have appointed a TIFIA Lender's Authorized Representative by designating such person or persons from time to time to act on FHWA's behalf pursuant to a written certificate furnished to the Compliance Parties, containing the specimen signature or signatures of such person or persons and signed by the TIFIA Lender.

Pursuant to a Delegation of Authority dated July 24, 2003, the Administrator delegated the authority to enter into contracts and sign all contractual and funding documents (with the exception of the term sheets and credit agreements) necessary to implement the Act (as defined in the TIFIA Phase 2 Loan Agreement), including entering into technical amendments to, and restatements of, term sheets and credit agreements that do not materially impair the credit quality of the revenues pledged to repay the TIFIA Lender. This authority was delegated to the Associate Administrator for Administration who in turn delegated such authority to the Director of the Office of Innovative Program Delivery on June 15, 2009. Pursuant to these delegations the above named officers, any of whom alone may act, serve as the TIFIA Lender's Authorized Representative under this Compliance Agreement, in addition to the Administrator for the purposes set forth herein.

**Section 13.** Amendments and Waivers. No amendment, modification, termination or waiver of any provision of this Compliance Agreement shall in any event be effective without the written consent of the Parties hereto.

**Section 14.** Governing Law. This Compliance Agreement shall be governed by the federal laws of the United States if and to the extent such federal laws are applicable and the internal laws of the State of Colorado if and to the extent such federal laws are not applicable.

**Section 15.** Severability. In case any provision in or obligation under this Compliance Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

**Section 16.** Successors and Assigns. This Compliance Agreement shall be binding upon the Parties hereto and their respective successors and assigns and shall inure, to the benefit of the Parties hereto and the successors and assigns of the TIFIA Lender.

**Section 17.** Remedies Not Exclusive. No remedy conferred herein or reserved to the TIFIA Lender, CDOT or HPTE is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**Section 18.** Delay or Omission Not Waiver. No waiver by the TIFIA Lender of any breach by any Compliance Party of any of its obligations, agreements or covenants hereunder shall be deemed a waiver of any subsequent breach, or a waiver of any other obligation, agreement or covenant, and no delay or omission of the TIFIA Lender to exercise any right or remedy provided hereunder upon a default of a Compliance Party (except a delay or omission pursuant to a written waiver) shall impair any such right or remedy or constitute a waiver of any such default or acquiescence therein. Every right and remedy given by this Compliance Agreement or by law to the TIFIA Lender or a Compliance Party may be exercised from time to time, and as often as may be deemed expedient by the TIFIA Lender or such Compliance Party.

**Section 19.** No Liability for TIFIA Phase 2 Loan. Nothing in this Compliance Agreement creates or shall be construed to create any liability, direct or indirect, of HPTE or CDOT under the TIFIA Phase 2 Loan Agreement or for the debt or other obligations of the Concessionaire under the TIFIA Phase 2 Loan Agreement.

**Section 20. Notices.** All notices and other communications hereunder shall be in writing (including by facsimile), shall be deemed to have been duly given when delivered by hand, or in the case of notice given by mail or facsimile, when received, and shall be addressed:

If to HPTE:

Colorado Department of Transportation  
High Performance Transportation Enterprise  
4201 East Arkansas Avenue  
Denver, Colorado 80222  
Attention: US 36 Coordinator  
Facsimile: 303-757-9656

If to CDOT:

Colorado Department of Transportation  
4201 East Arkansas Avenue  
Denver, Colorado 80222  
Attention: Donald E. Hunt, Executive Director  
Telephone: 303-757-9201  
Facsimile: 303-757-9656

If to TIFIA Lender:

TIFIA Joint Program Office (HITJ)  
Federal Highway Administration  
Room E64-302  
1200 New Jersey Avenue, SE  
Washington, DC 20590  
Attention: Director  
Telephone: 202-366-9644  
Facsimile: 202-366-2908  
Email: TIFIACredit@dot.gov

With copies to:

Federal Highway Administration, Colorado Division  
Office  
12300 W. Dakota Avenue, Suite 180  
Lakewood, Colorado 80228  
Attention: Division Administrator  
Telephone: 720-963-3000  
Facsimile: 720-963-3001  
Email: Colorado.fhwa@dot.gov

**Section 21. Miscellaneous.**

(a) Neither this Compliance Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by each of HPTE, CDOT and the TIFIA Lender.

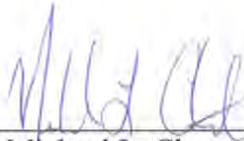
(b) Each Compliance Party shall fully cooperate with the TIFIA Lender and perform all additional acts reasonably requested by the TIFIA Lender to effect the purposes of this Compliance Agreement. The Compliance Parties agree that each of them shall take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the TIFIA Lender may reasonably request to effectuate the terms of this Compliance Agreement.

**Section 22.** Counterparts. This Compliance Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by different Parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

**Section 23.** Effectiveness. This Compliance Agreement shall be effective as of the date hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Compliance Agreement as of the date first above written.

**COLORADO HIGH PERFORMANCE  
TRANSPORTATION ENTERPRISE**

By:   
Name: Michael L. Cheroutes  
Title: Director

[Signature Page to Compliance Agreement]

**COLORADO DEPARTMENT OF  
TRANSPORTATION**

By: \_\_\_\_\_  
Name: Donald E. Hunt  
Title: Executive Director

[Signature Page to Compliance Agreement]

**UNITED STATES DEPARTMENT  
OF TRANSPORTATION**, acting by and through  
the Federal Highway Administrator

By: \_\_\_\_\_  
Name: Gregory G Nadeau  
Title: Deputy Administrator

[Signature Page to Compliance Agreement]

**Transportation Commission of Colorado  
Transportation Asset Management Committee  
Meeting Agenda  
Wednesday, February 19, 2014  
4201 East Arkansas Avenue**

**William Johnson, Branch Manager  
Transportation Performance Branch**

**Les Gruen, Chair  
District 9, Colorado Springs**

**Kathy Connell  
District 6, Steamboat Springs**

**Heather Barry  
District 4, Westminster**

**Sidny Zink  
District 8, Durango**

**Steven Hofmeister  
District 11, Haxtun**

**Scott McDaniel  
Acting Chief Engineer**

**Debra Perkins-Smith, Director  
Division of Transportation  
Development**

**All commissioners are invited to attend this Committee meeting.**

- 1. Approve January Minutes – 5 minutes ..... Page 2**
- 2. Report Out from Commissioner Gruen – 5 minutes**
- 3. Delphi Workshop and FY16 Budget Staff Recommendations, Asset Managers – 45 minutes..... Page 4**
- 4. RB AMP Check In – 5 minutes**

**THE AGENDA MAY BE ALTERED AT THE CHAIR'S DISCRETION**

# ASSET MANAGEMENT COMMITTEE

## DRAFT MINUTES

**Date:** January 16, 2014

**Committee Members Attending:** Commissioners Gruen, Barry, Connell, Hofmeister and Zink.

**Others Attending:** Commissioners Aden, Gifford, Gilliland, Peterson, Reiff, Thiebaut, Executive Director Hunt, Debra Perkins-Smith, Randy Jensen (FHWA), Vince Rogalski (for STAC), Scott Richrath, William Johnson, JoAnn Mattson, Scott McDaniel, Heidi Humpries, Tony DeVito, Ty Ortiz, Kerrie Neet, Dave Eller, Myron Hora, Maria Sobota, Michelle Scheuerman, Richard Zamora, Josh Laipply, and others.

### Minutes:

- Commissioner Gruen welcomed attendees and shared that the agenda in the packet would be replaced by general discussion among the commissioners regarding the future of the committee and the risk-based asset management plan.
- The Asset Management committee agreed that the purpose of the committee, to oversee asset management activities at CDOT, is more critical than ever. The committee will meet on a quarterly basis to be informed by staff of progress and also be a venue for discussion on asset management related topics that do not need to go to the full commission.
- The committee overall feels that the document is a good resource, however some changes are needed before it's ready to be submitted to FHWA. The committee determined that the Chair, Commissioner Gruen, can lead staff in making changes to the document, which can then be distributed back to the Asset Management Committee members for review before the February meeting. The changes recommended by the committee are:
  - Rethink the organizational chart, so that it's clear the Asset Management committee is directing asset management efforts at CDOT
  - Prepare a 2-3 page cliff notes version of the plan as a resource for commissioners
  - Rewrite the Executive Summary, so that it clearly states what the plan includes and recommends
  - Address the program distribution page that currently says "draft" (staff will update when program distribution is final)
- The Committee and Executive Director also made the following suggestions for the next version of the plan, in two years:
  - Show a better connection with the statewide plan
  - The next version of the document should evolve into more of a strategic report
- Executive Director Hunt closed with a short overview of the asset management slides used in his Listening Tours across the state, and he suggested that the next plan should:
  - Describe the process for optimal allocation of capital maintenance dollars among assets more clearly.
  - There needs to be a feedback process from the regions on project tracking.

# STATE OF COLORADO

DEPARTMENT OF TRANSPORTATION



**DATE:** February 6, 2014  
**TO:** Transportation Commission  
**FROM:** Scott McDaniel, Interim Chief Engineer  
Bill Schiebel, Materials and Geotechnical Branch Manager  
**SUBJECT:** Minor Project Change to FY14 Surface Treatment Projects

## Purpose

Per the January 27, 2014 discussion with Executive Director Hunt and Chief Financial Officer Richrath, this is an informational memorandum detailing a change to the FY14 Surface Treatment Program project list.

## Action Requested

No action requested; informational only.

## Background

The FY14 list of STP projects was finalized with input from the Transportation Commission in May 2013. During the iterative process used to ensure an effective FY14 STP list, there were minor project oversights and omissions that were subsequently determined critical to addressing existing STIP commitments across the state. Three low cost, low volume projects were identified and Director Hunt required regional directors to ensure early April advertisement. In addition, there was one regional change to the May 2013 FY14 list based on local planning partner input. That change is detailed here.

## Details

The Region 2 Director and his staff have identified an important change to the intended multi-year schedule of project delivery based on planning partner input and DL PMS recommendations. The City of Pueblo recommended CDOT defer FY14 paving work planned for SH96 through the city until FY16 to allow for completion of city drainage, traffic signal, and intersection improvements prior to CDOT paving work. In addition, Otero and Las Animas County elected officials have shared numerous complaints regarding the rough and increasingly unacceptable condition of SH350. This SH350 segment was a past FY 16 STIPed project. The SH350 project is a match with the DL PMS system recommendations.

CDOT will deliver the \$5.63M SH350 project in FY14 rather than the \$5.50M SH96 project.

# STATE OF COLORADO

DEPARTMENT OF TRANSPORTATION



**DATE:** February 7, 2014  
**TO:** Transportation Commission  
**FROM:** Debra Perkins-Smith, Division of Transportation Development  
William Johnson, Transportation Performance Branch, DTD  
**SUBJECT:** Transportation Asset Management Committee

## Purpose

This memorandum summarizes the discussion planned for the February meeting of the Colorado Transportation Commission Asset Management Committee. There is one attachment in support of this meeting:

- PowerPoint Presentation covering Delphi Workshop: Staff Recommendations for FY16 Budget for Asset Management

## Action Requested

Committee approval of the FY16 Asset Management Budget.

## Background

In September 2012 the Colorado Transportation Commission formed the Asset Management Committee to facilitate a more detailed discussion on asset management with a smaller group. The initial priorities of the group were to seek alternative surface treatment analysis, improve fleet equipment management and develop a budget tradeoff tool. Commissioners emphasized that asset management must be incorporated into the FY14 budget discussion.

## Details

### **FY16 Delphi Workshop:**

On January 30, staff met in a 7-hour workshop convened by Executive Director Hunt to review the projected performance and proposed FY2016 Asset Management funding for several assets. Committee guidance and material presented to the Committee in previous months informed the staff workshop.

Attendees included Director Hunt and other members of senior management, regional transportation directors, asset managers and staff from the Division of Transportation Development and the Office of Financial Management and Budget as well as the regions. The group reviewed information presented by each asset manager, and negotiated how much FY2016 funding each program should receive.

The group engaged in an activity – using the Wideband Delphi method – that allowed each individual to allocate FY2016 funding among assets. The Delphi method consists of a facilitator and participants working together through iterative rounds of discussion to come to consensus. The group completed three Delphi rounds for the FY16 budget of \$738 Million (based on the FY15 baseline budget, and assuming RAMP asset management funding at \$150M). It is important to note that the assumption for RAMP funding decreased from \$165M to \$150M from FY15 to FY16, and additional assets were added to the FY16 discussion, so the discussions were more challenging than in past Delphi workshops.

The resulting recommendations from staff appear in the table below.

<b>(In Millions)</b>	<b>FY15 Budget (Baseline + RAMP)</b>	<b>FY16 Amount Requested (Baseline + RAMP)</b>	<b>FY16 Delphi Results (Baseline + RAMP)</b>
Surface Treatment	\$235.2	\$240.0	\$235.9
Bridge, BE & Bridge Fixed Costs	\$168.2	\$180.0	\$164.1
MLOS	\$251.3	\$258.8	\$254.4
Road Equipment	\$20.9	\$24.0	\$18.4
ITS	\$27.6	\$35.1	\$21.4
Rockfall Mitigation	\$9.1	\$12.3	\$9.2
Buildings	\$20.8	\$15.7	\$12.9
Tunnels	\$12.4	\$7.6	\$5.2
Culverts	\$9.6	\$12.0	\$8.2
Walls	\$0.0	\$4.0	\$2.4
Traffic Signals	\$0.0	\$16.0	\$5.7
Risk Mitigation	\$0.0	\$5.0	\$0.0
<b>TOTAL</b>	<b>\$755.1</b>	<b>\$810.5</b>	<b>\$738.0</b>

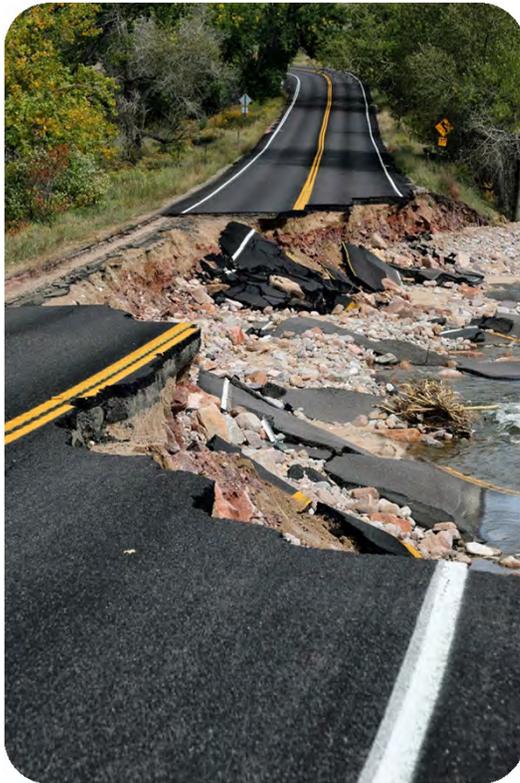
This Delphi workshop has occurred well in advance of CDOT's annual budget setting process, in order for statewide Asset Managers to better plan projects with the regions. Actual FY16 revenues available to asset management will be more firmly established through the FY16 budget process that occurs next fall through the following spring.

#### Next Steps

If the Committee recommends adoption of the FY16 Asset Management Budget to the full Transportation Commission, then staff will draft a Resolution for the March meeting for adoption by the Commission.



**COLORADO**  
Department of  
Transportation



## Transportation Asset Management Committee February 2014

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**COLORADO**  
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# Agenda

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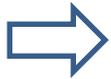
**Delphi Workshop: FY16 Staff Recommendations**

**RB AMP Check In**



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# Agenda



**Delphi Workshop: FY16 Staff Recommendations**

**RB AMP Check In**



# Eligibility Criteria

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## **FY15 Eligibility Criteria Still in Effect for FY16 Programs:**

1. Be able to **demonstrate** with a **quantified performance measure** the **benefit of additional investment**.
2. Have an **existing asset management system** that has, among other features, the ability to establish a performance target (e.g. maximize life cycle otherwise optimize performance) and at the same time minimize cost in achieving that performance target.
3. Distinguish between annual maintenance activities and capital preservation, and replacement activities, and **fund only capital preservation and replacement**.
4. Be able to **expend its RAMP funding by the December following the fiscal year of advancement**. Ex: Fiscal Year 2015 RAMP must be spent by December 2015.

## **Additional Eligibility Criteria for FY16 Programs:**

5. Demonstrate **progress in FY14 projects** through reporting percent of funds expended, both baseline and RAMP by January 15, 2014.
6. Deliver **FY15 project list by 12/31/13** to the Transportation Performance Branch Manager and Region Transportation Directors.



# Past Staff Recommendations

## FY14 and FY15 Budgets for Asset Management:

(In Millions)	FY14 Baseline Budget	FY14 RAMP (RAMP at \$160M)	FY14 Total Funding (RAMP at \$160M)	FY15 Baseline Budget	Delphi RAMP \$165M:	FY15 Total Funding (RAMP at \$165M)
Surface Treatment	\$150.6	\$88.2	\$238.8	\$149.5	\$85.7	\$235.2
Bridge, BE & Bridge Fixed Costs	\$140.6	\$33.3	\$173.9	\$139.5	\$28.7	\$168.2
MLOS	\$249.0	\$0.0	\$249.0	\$251.3	\$0.0	\$251.3
Road Equipment	\$14.1	\$6.8	\$20.9	\$14.0	\$6.9	\$20.9
ITS	\$11.2	\$10.3	\$21.5	\$14.8	\$12.8	\$27.6
Rockfall	\$5.2	\$3.8	\$9.0	\$5.1	\$4.0	\$9.1
Buildings & Buildings COPs	\$6.9	\$4.4	\$11.3	\$9.6	\$11.2	\$20.8
Tunnels	\$0.0	\$7.4	\$7.4	\$2.5	\$9.9	\$12.4
Culverts	\$5.6	\$5.9	\$11.5	\$3.6	\$6.0	\$9.6
Walls	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total</b>	<b>\$583.2</b>	<b>\$160.1</b>	<b>\$743.3</b>	<b>\$589.9</b>	<b>\$165.2</b>	<b>\$755.1</b>

Note: A risk mitigation pool, designed to proactively mitigate risk based on pre-determined criteria and a scoring system, was discussed as part of the workshop, and will be revisited at the FY16 Workshop.

Note: FY14 RAMP Dollars must be expended by December, 2014, and FY15 RAMP Dollars must be expended by December, 2015.



# FY14 Baseline and RAMP Progress

Asset Category	FY14 Approved Budget (Millions)	Encumbered (Millions)	Expenditure as of Jan. 21, 2014 (Millions)	% Expended
FY14 Surface Treatment	\$238.80	\$25.45	\$12.10	5.1%
FY14 Bridge Preventative Maintenance and Repair	\$53.55	\$7.33	\$0.68	1.3%
FY14 Bridge Enterprise, Fixed Bridge Costs and Other	\$120.35	Not Included		0.0%
FY14 Tunnels	\$7.40	\$1.42	\$0.00	0.0%
FY14 Rockfall	\$9.00	\$1.60	\$0.02	0.2%
FY14 Buildings	\$11.30	\$0.53	\$0.62	14.7%
FY14 ITS	\$21.50	\$9.26	\$2.34	11.0%
FY14 Culverts	\$11.50	\$0.23	\$0.70	6.1%
FY14 Fleet	\$20.90	\$15.44	\$6.26	29.9%
FY14 MLOS	\$249.00	\$41.15	\$132.82	53.3%
<b>Totals</b>	<b>\$743.30</b>	<b>\$102.40</b>	<b>\$155.55</b>	<b>20.9%</b>



# Proposed TC Goals in Draft Policy Directive 14

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## **Pavement:**

Achieve 80% High/Moderate Drivability Life for Interstates based on condition standards and treatments set for traffic volume categories.

Achieve 80% High/ Moderate Drivability Life for NHS, excluding Interstates, based on condition standards and treatments set for traffic volume categories.

Achieve 80% High/Moderate Drivability Life for the state highway system based on condition standards and treatments set for traffic volume categories.

## **Bridge:**

—Maintain the percent of NHS bridge total deck area that is not structurally deficient at or above 90%.

—Maintain the percent of state highway total bridge deck area that is not structurally deficient at or above 90%.

—Meet bridge goals in the Risk-Based Asset Management Plan.

## **Maintenance:**

Maintain an LOS B grade for snow and ice removal.

Maintain an overall MLOS B- grade for the state highway system.



# Overview and Ground Rules

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## Delphi Rounds:

Rounds One, Two, and Three (if needed): Each participant owns \$738 million. Total (Baseline Budget + RAMP Combined)

Tabulate average allocation. Discuss.



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# Budget Process & Overview

Maria Sobota



# Program Management Overview

## Program Management

Master schedule will contain all project schedules

Regulate and balance funding between project schedules

## Portfolio Management

Level of project management based on risk

Grouping specific projects into portfolios

## Project Management

On-time & On-Budget

Scope Schedule Budget

## Cash Management

Use known historical revenue

Changing from budget based to expenditure based budgeting



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# Asset Presentations



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# Surface Treatment

Bill Schiebel



# DL Capabilities

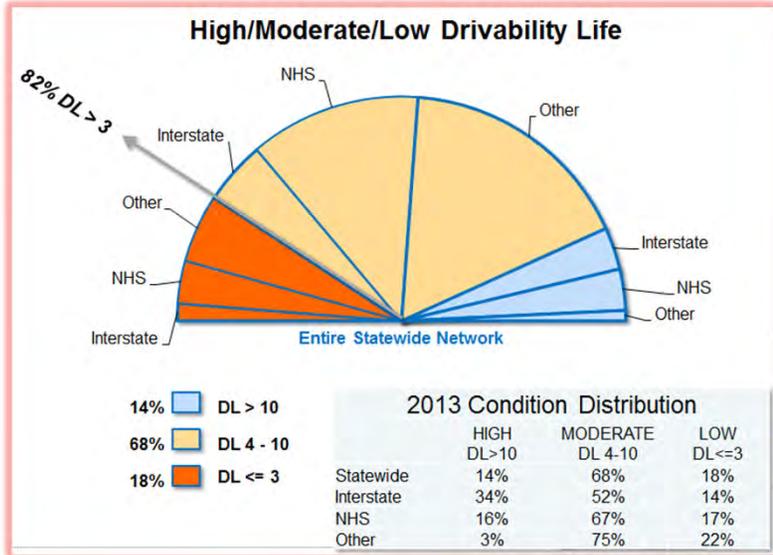
- DL method recognizes anticipated \$240M annual fiscal constraint to sustain long-term pavement condition across the entire network
- Implement Transportation Commission’s pavement asset policies from Policy Directive 14.

	Chip Seal	Ultra Thin Treatment	Preventive Maintenance	Minor Rehab	Major Rehab	Recon	Total Investment
Interstate	NA	NA	2%	9%	3%	5%	19%
High Volume	NA	NA	4%	14%	9%	15%	42%
Medium Volume	7%	9%	0%	13%	NA	NA	29%
Low Volume	5%	5%	NA	NA	NA	NA	10%

- This is a change in CDOT investment strategies on the lower volume portions of the network. It emphasizes frequent lower-cost preservation treatments and surgical repairs to stabilize condition over a larger portion of that part of the network.



# Current Condition of Pavements

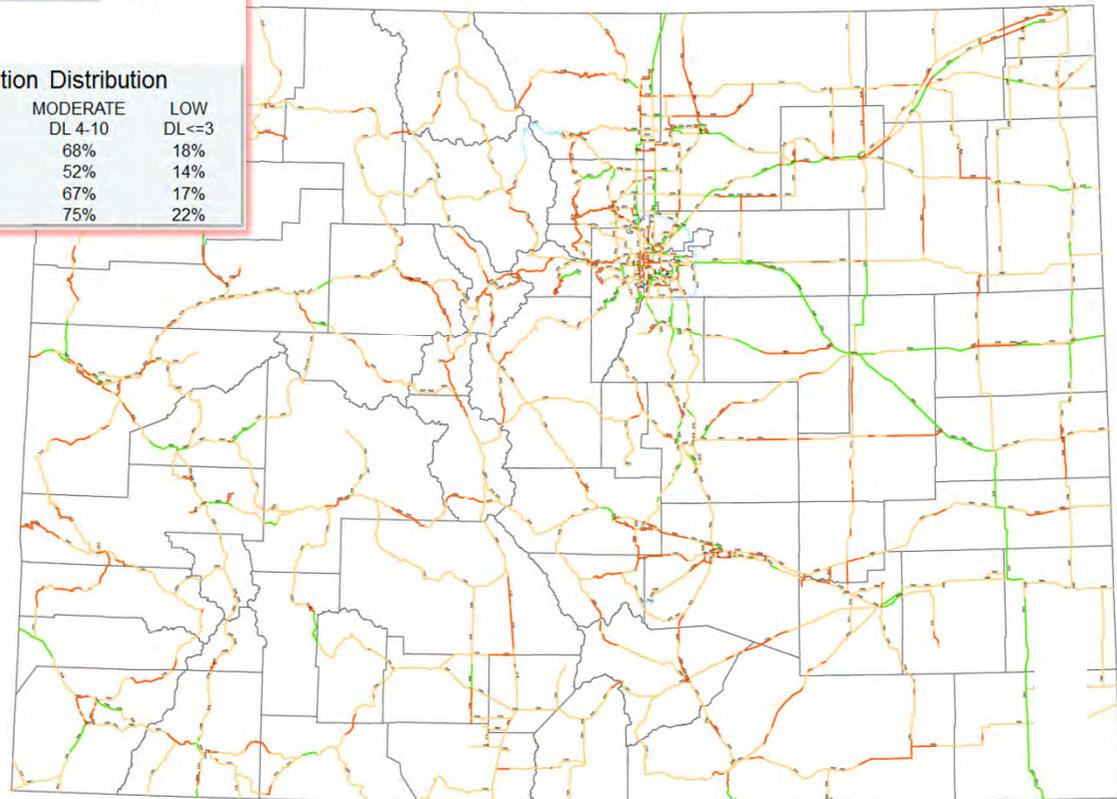


## Drivability Life

- HIGH - 14% - 1537 Miles Data Collection Miles
- MODERATE - 68% - 7467 Miles Data Collection Miles
- LOW - 18% - 1977 Miles Data Collection Miles

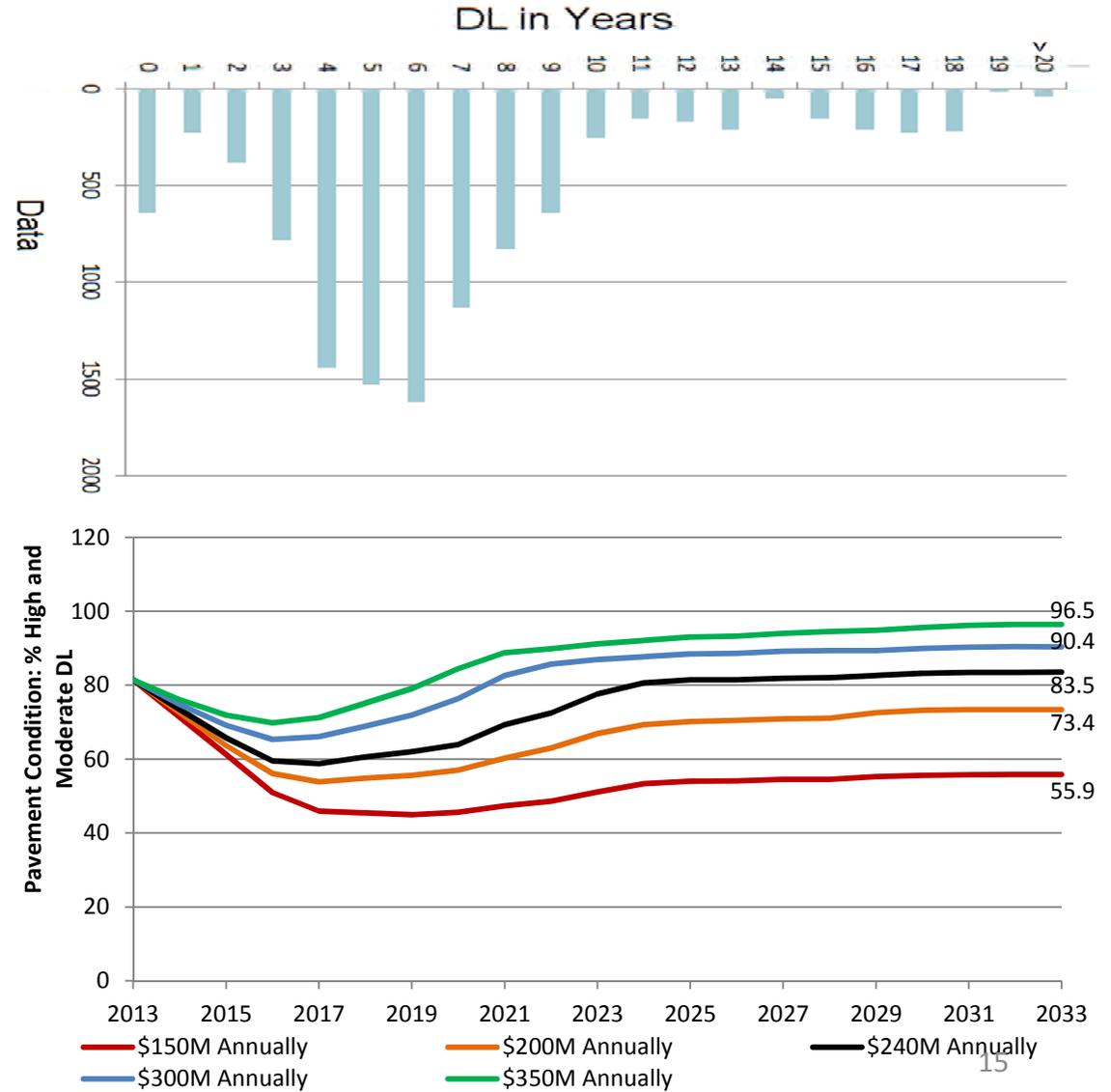
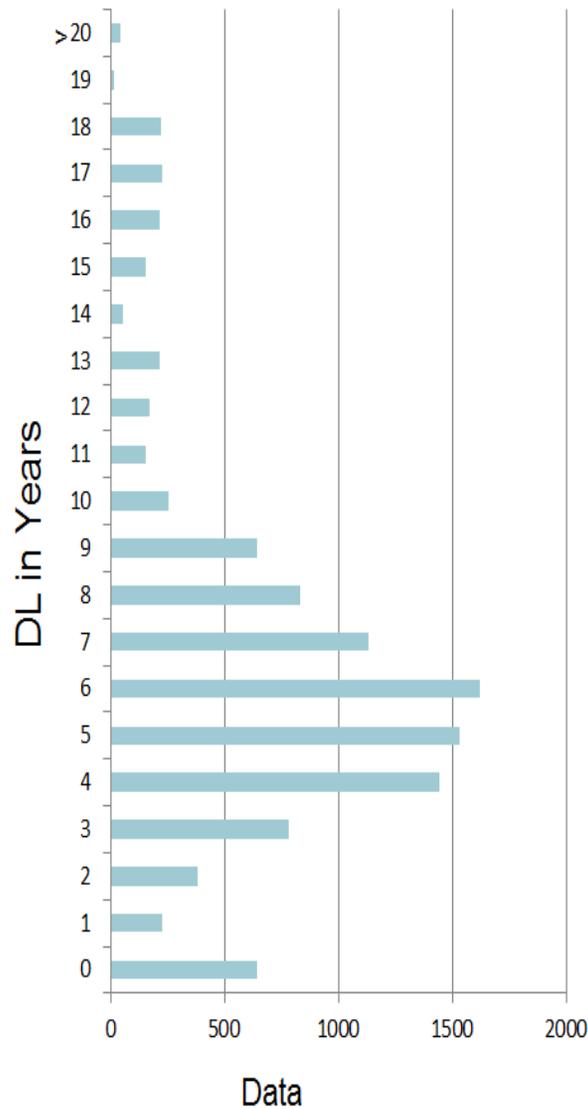
Colorado Department of Transportation  
Statewide Highway System  
Drivability Life Map  
Year 2013

Created: 9/23/2013





# Distribution Impact on Performance





# Pavement FY16 Funding Request

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**FY16 Budget Request: \$240M**

**Staff Recommendation: \$235.9M**



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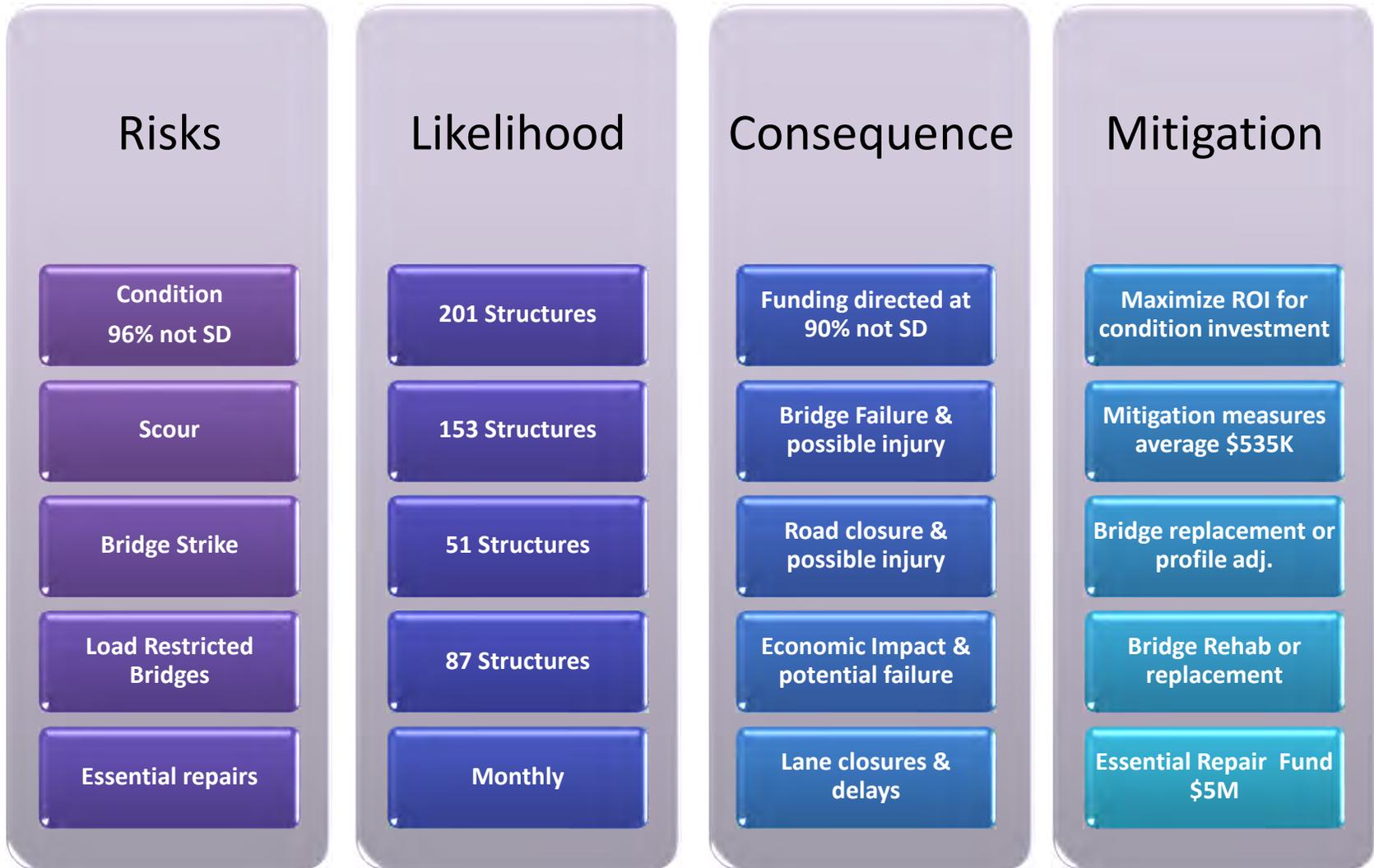
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# Bridge

Josh Laipply



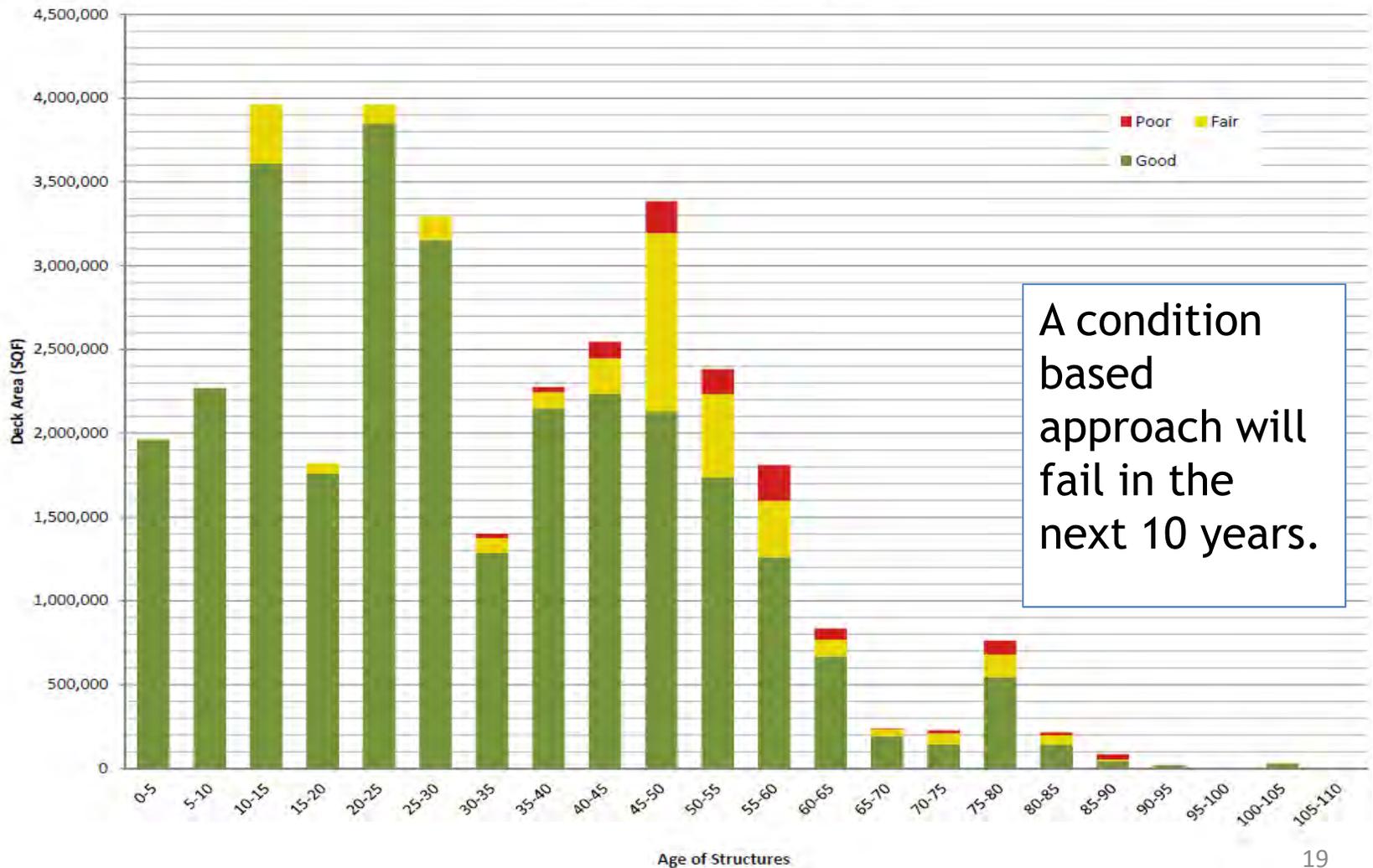
# FY16 Condition Investment Strategy Risks & Consequences





# Why Preventative Maintenance?

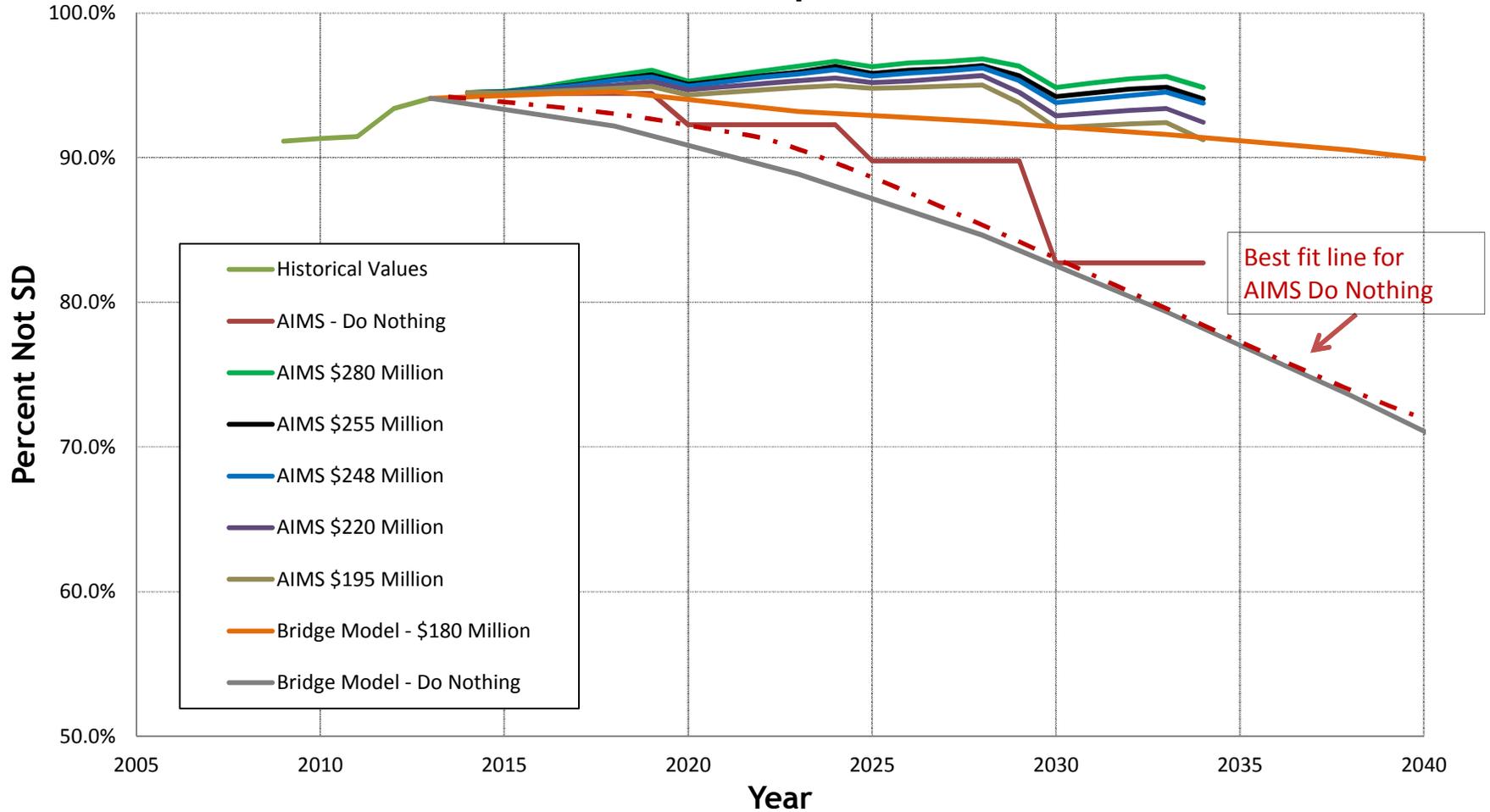
Deck Area vs Structure Age





# Bridge Deterioration Model

## Baseline Comparison





# Bridge FY16 Funding Request

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**FY16 Budget Request: \$ 180M**

**Staff Recommendation: \$164.1M**



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Department of  
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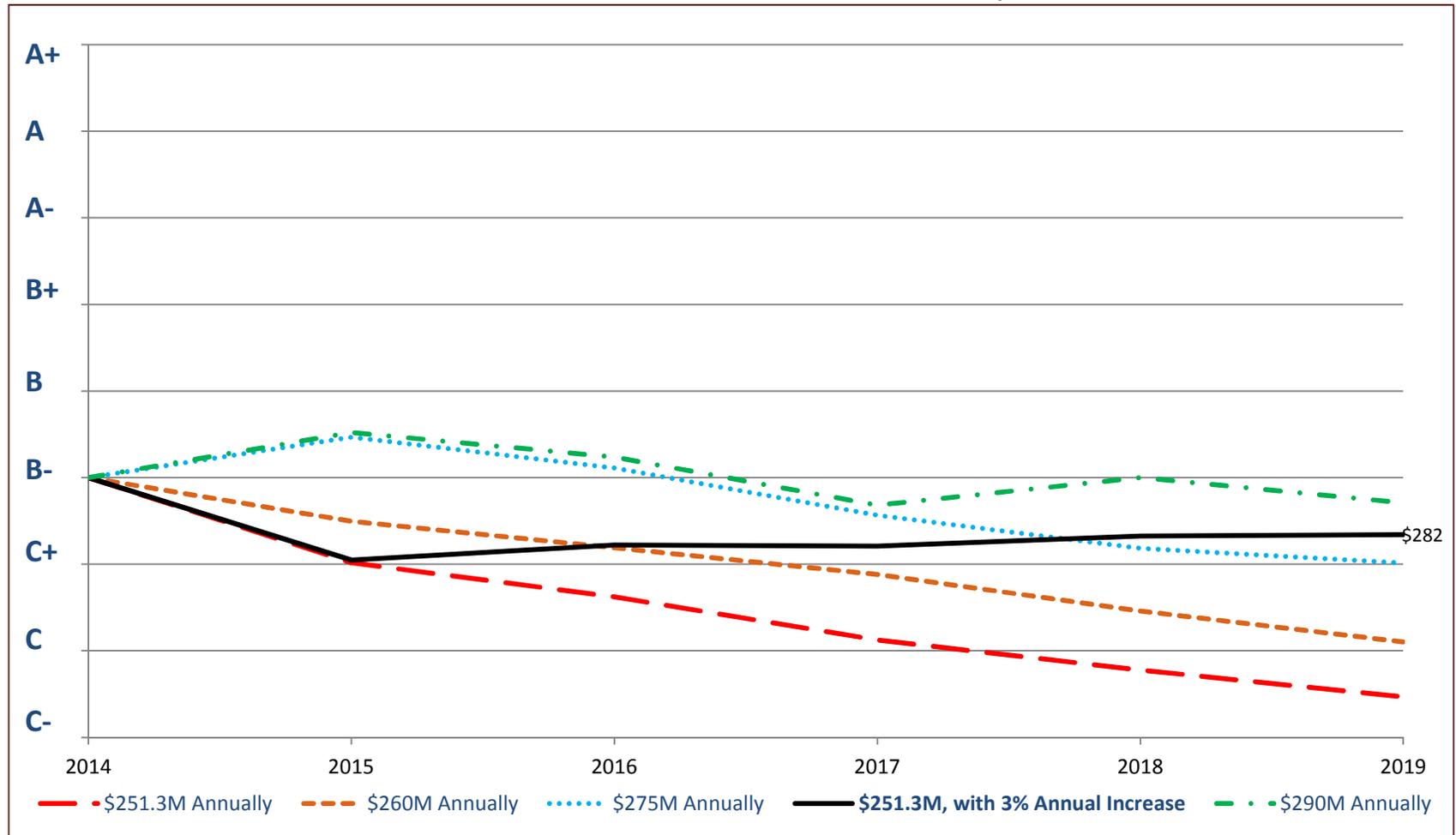
# Maintenance Levels of Service

Dave Wieder



# MLOS Overall Condition for 5 Years

- Timeframe: 5 years
- MPA's are Prioritized
- PD14 Goal: B- Overall
- PD14 Aspirational Goal: B Overall





# MLOS FY16 Funding Request

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**FY16 Request: \$ 258.8M**

**Staff Recommendation: \$254.4M**



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Transportation

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# Fleet / Road Equipment

Dave Wieder



# Road Equipment and LEAN

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## LEAN Process Takeaways:

- Equipment list will be out August 15 for the fiscal year, with Final by Sept. 30
- All specs and plans will be received and bid no later than March 1 of the following calendar year. All orders from the regions will be on SharePoint by June 1
- Any order not placed by June 1 gets 30 day grace then move on to next equipment on list.
- This will give the vendors the full 18 months to complete the build of the truck.
- Vendors will be required to give 30 day status updates on all orders.
- Goal is to move to a 14.5 month order to build vs a current that may take 25 months.



# Road Equipment and NPV

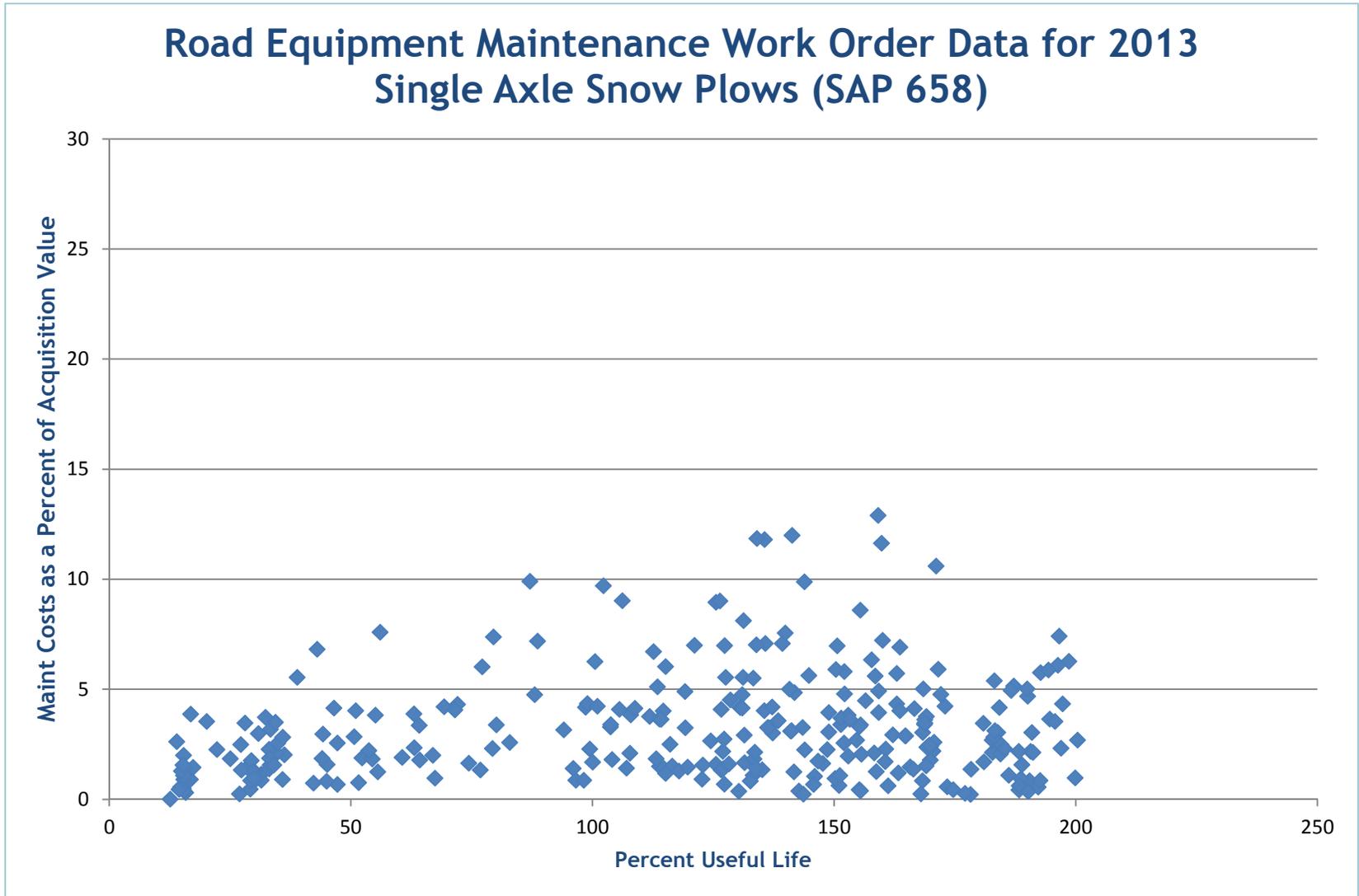
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**NPV methodology** – This is a totally new way of determining the CDOT fleet replacement. It is based on net present value costs and the equipment to be replaced is prioritized based on these rules, applied in this order:

- **Replacement Rule 1:** The vehicle is currently over 120% UL and is requiring more than 30% of its replacement cost to maintain each year.
- **Replacement Rule 2:** If a vehicle is currently between 60 and 120% UL and it is requiring more than 40% of its replacement cost to maintain.
- **Replacement Rule 3:** If a vehicle is between 0-60% UL and is requiring more than 20% of its replacement cost to maintain each year. (Lemons)
- **Replacement Rule 4:** If a vehicle is currently over 120% UL and under 30% replacement cost to maintain then it should be replaced.



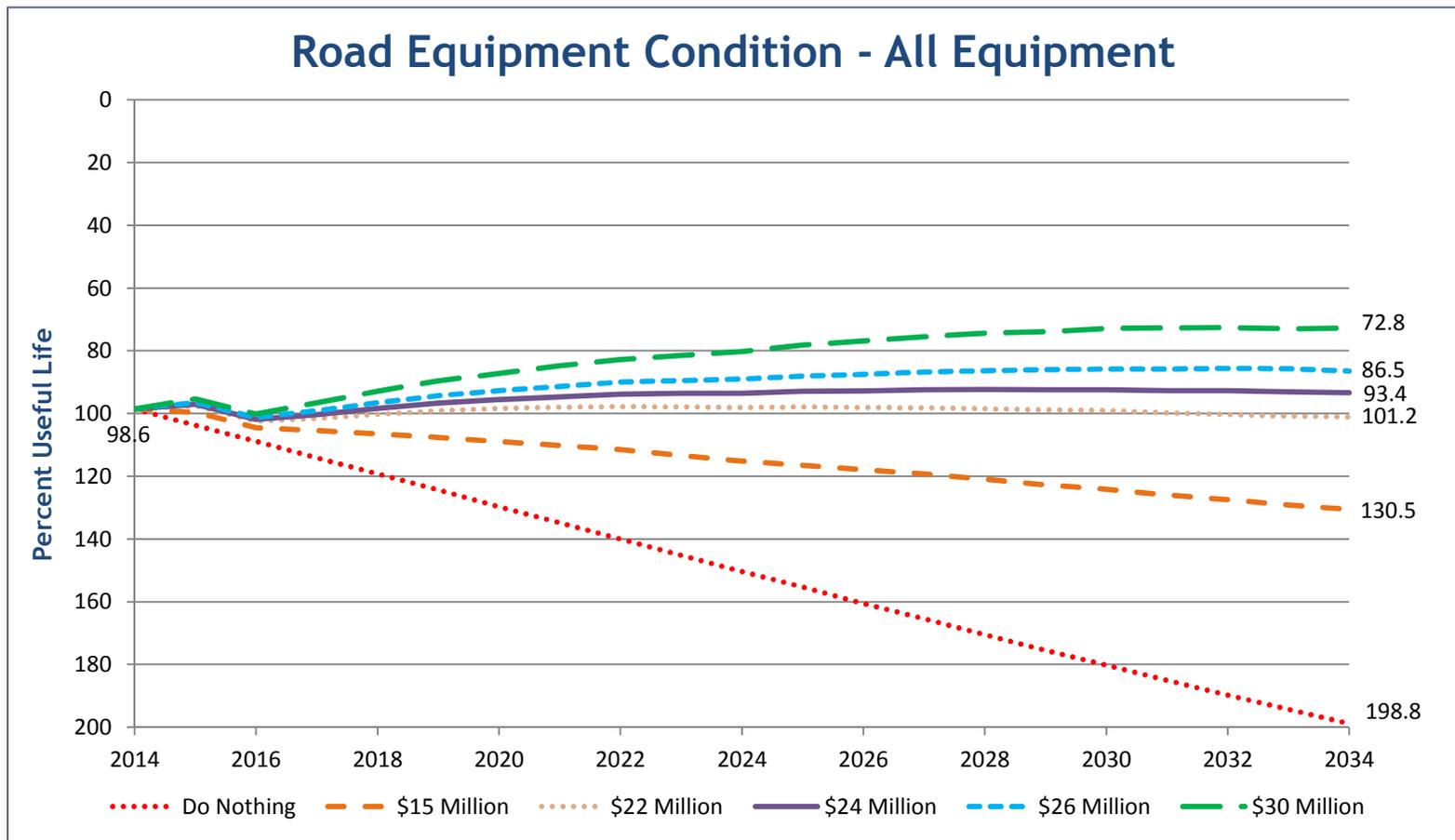
# Road Equipment





# Road Equipment

- Timeframe: 20 years
- Based on Net Present Value
- RB AMP Fiscally Constrained Goal: TBD
- RB AMP Aspirational Goal: 70% Useful Life





# Road Equipment FY16 Funding Request

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**FY16 Budget Request: \$24M**

**Staff Recommendation: \$18.4M**



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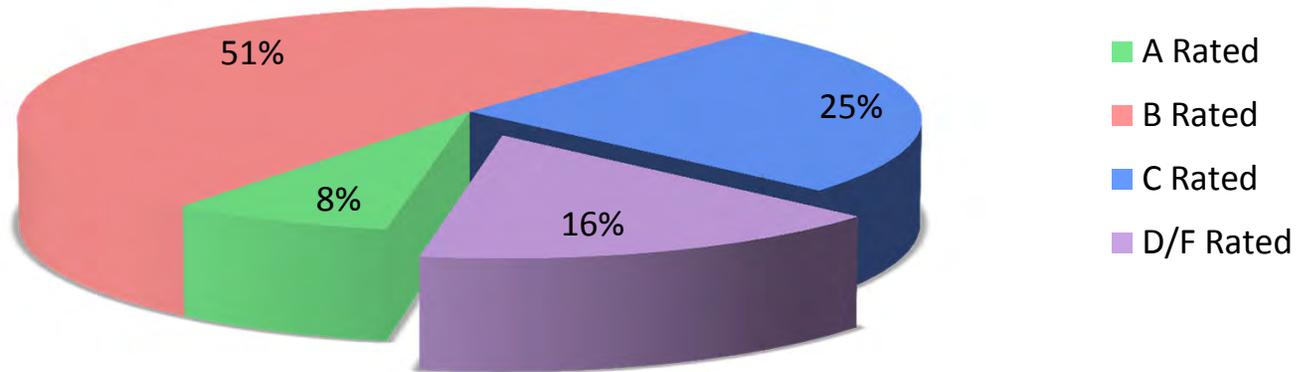
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# Property Management

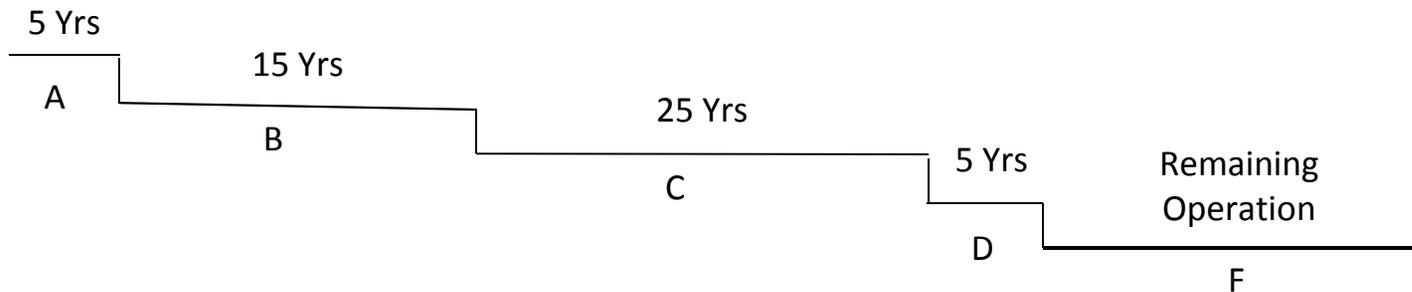
Marcella Broussard



# Existing Asset Management System



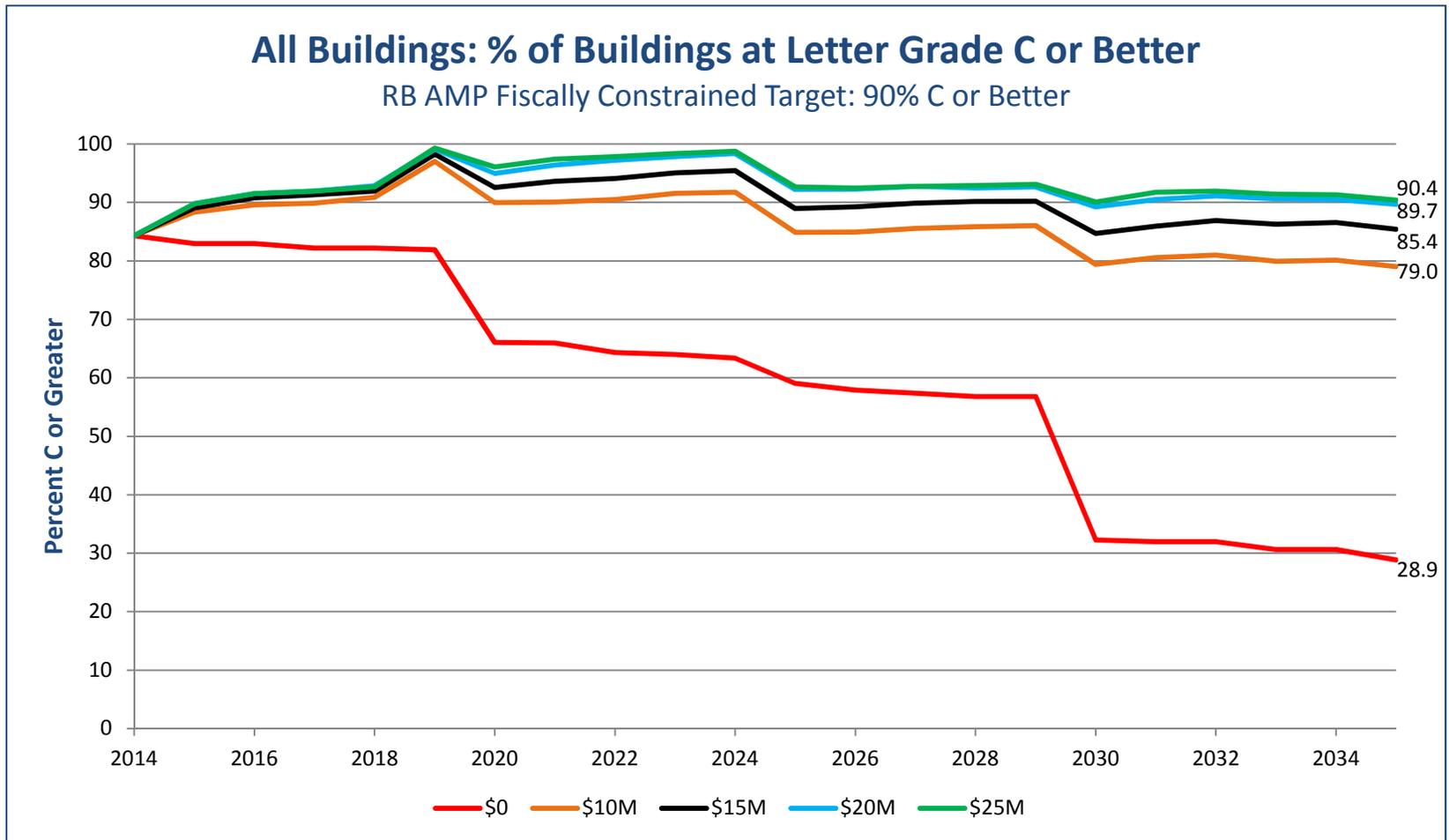
<b>Existing Building Ratings</b>	
A Rated	86
B Rated	589
C Rated	292
D/F Rated	184
<b>Total Buildings</b>	<b>1,151</b>





# Property Management

- Timeframe: 20 years; A= 90 to 100, B= 80-90, etc...
- RB AMP Fiscally Constrained Target: 90% C or better

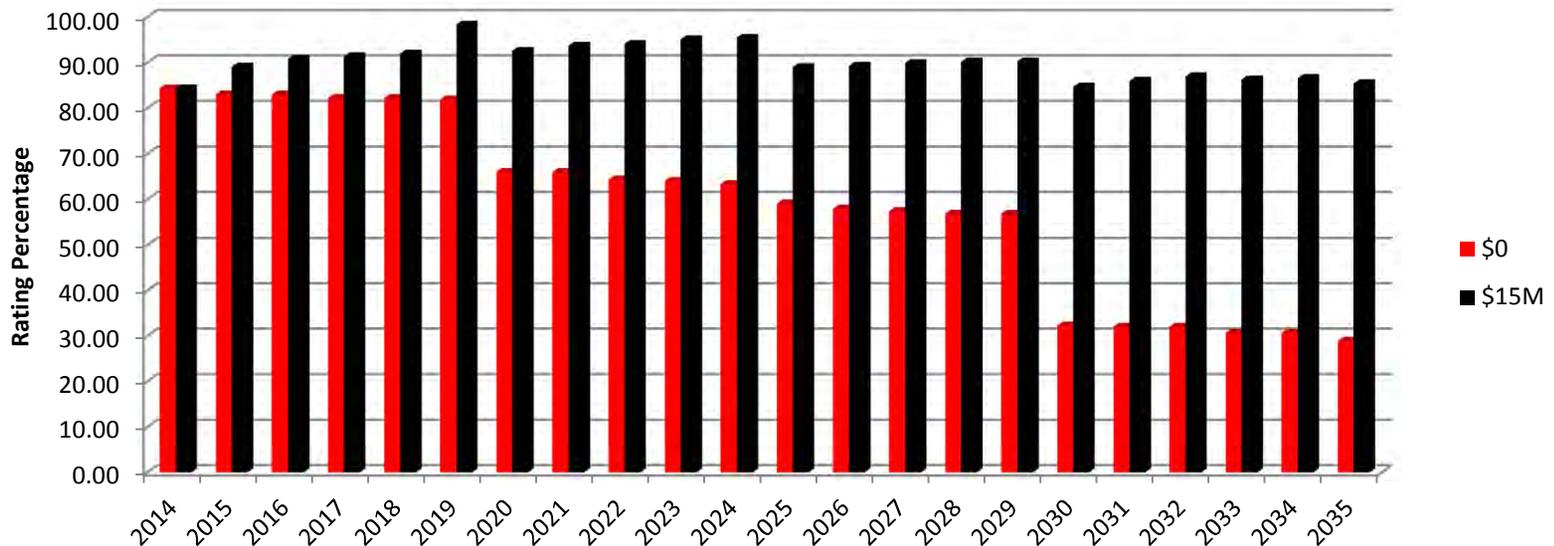




# Property Management Goals

- 90% of Buildings a “C” or better
- Decrease Risk
- Increase Building Viability
- Increase Worker Safety

**Building Rating Vs. Funding Levels**

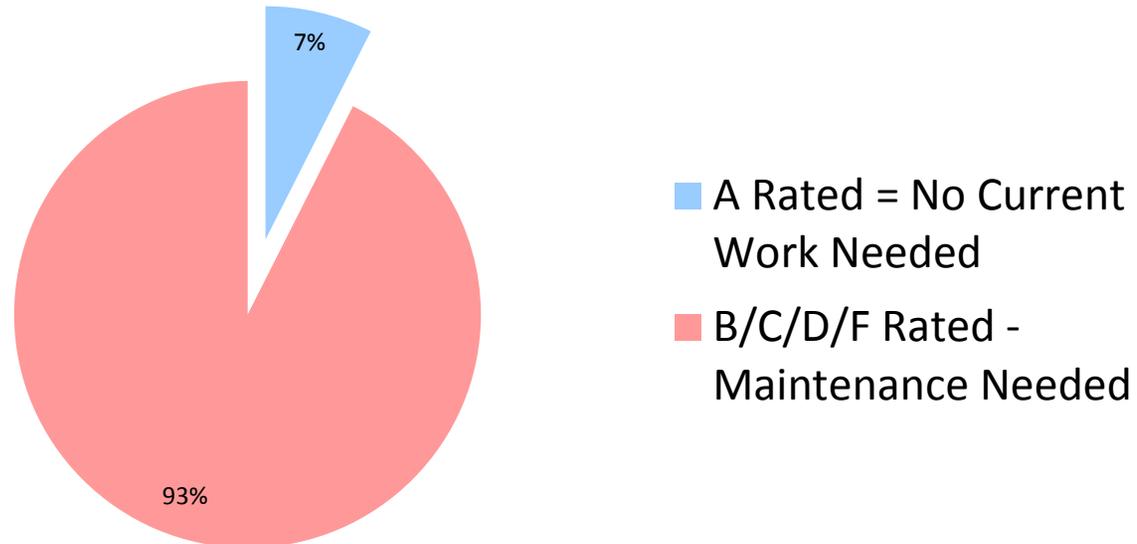




# Existing Conditions

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## Buildings in Need of Maintenance



### **Building Needs**

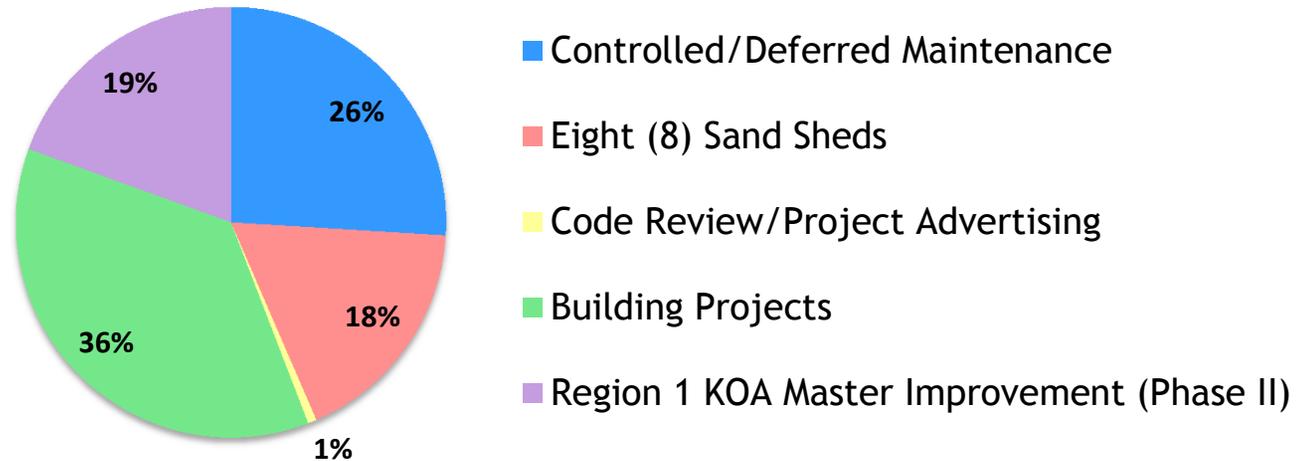
B Rated (589) = Minor Repairs

C Rated (282) = Substantial Work

D/F Rated (184) = Major Repairs & Replacement



# FY16 Property Budget Allocations



Controlled/Deferred Maintenance	\$4,000,000
Eight (8) Sand Sheds	\$2,700,000
Code Review/Project Advertising	\$100,000
Building Projects	\$5,900,000
Region 1 KOA Master Improvement (Phase II)	\$3,000,000
<b>TOTAL FY16 BUDGET</b>	<b>\$15,700,000</b>

## New projects will be identified based on RISK to CDOT

- Reduce D/F Inventory
- Prevent “C” Buildings from dropping to a “D” level
- Investments that do the most to increase life of the asset (Biggest Bang for the Buck)



# Property Management FY16 Funding Request

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**FY16 Budget Request: \$ 15.7M**

**Staff Recommendation: \$12.9M**



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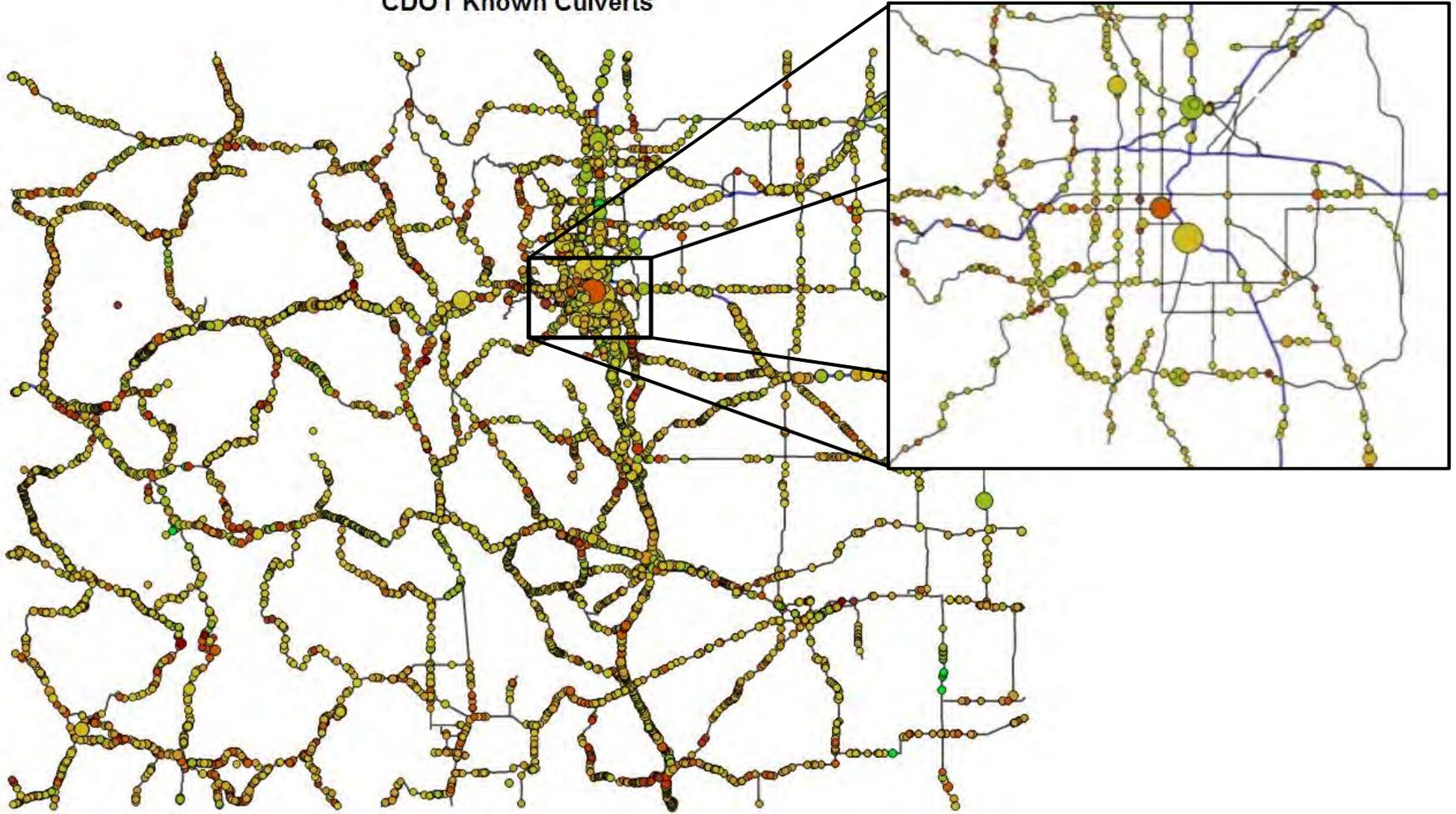
# Culverts and Tunnels

Josh Laipply



# Culverts Map

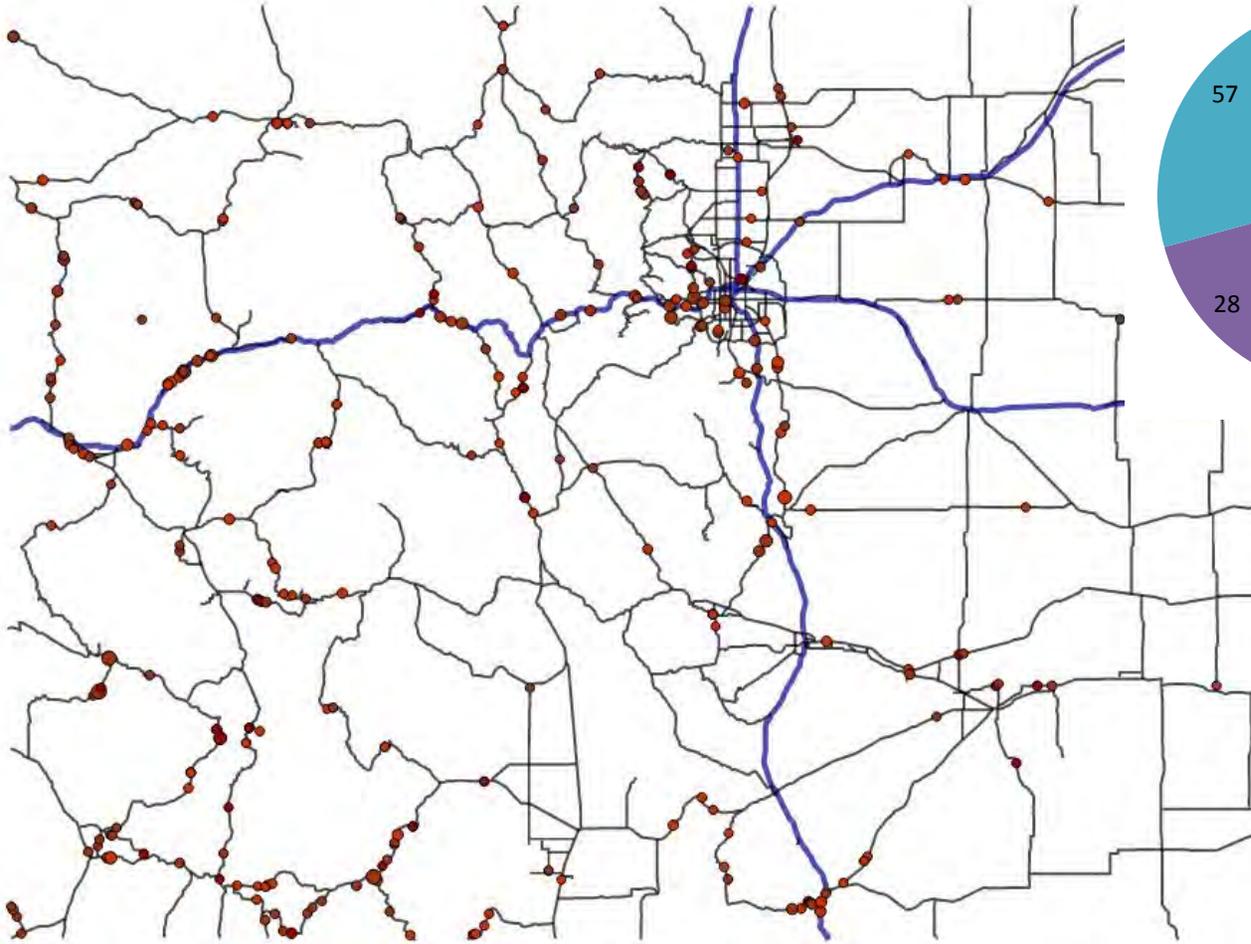
CDOT Known Culverts



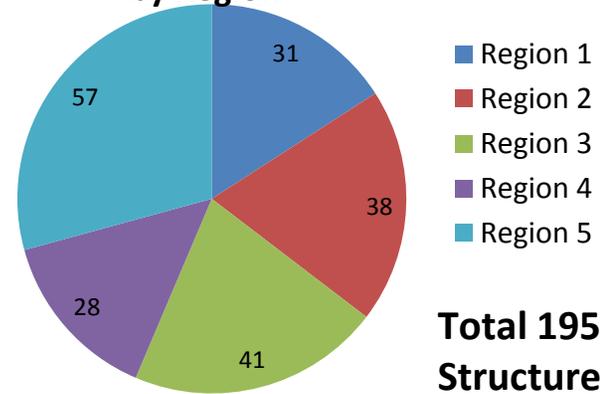


# Critical Culverts

CDOT Known Poor Culverts



Critical Culverts  
by Region



**Total 195  
Structure**



# Culverts



What are the costs of shutting down I-70?

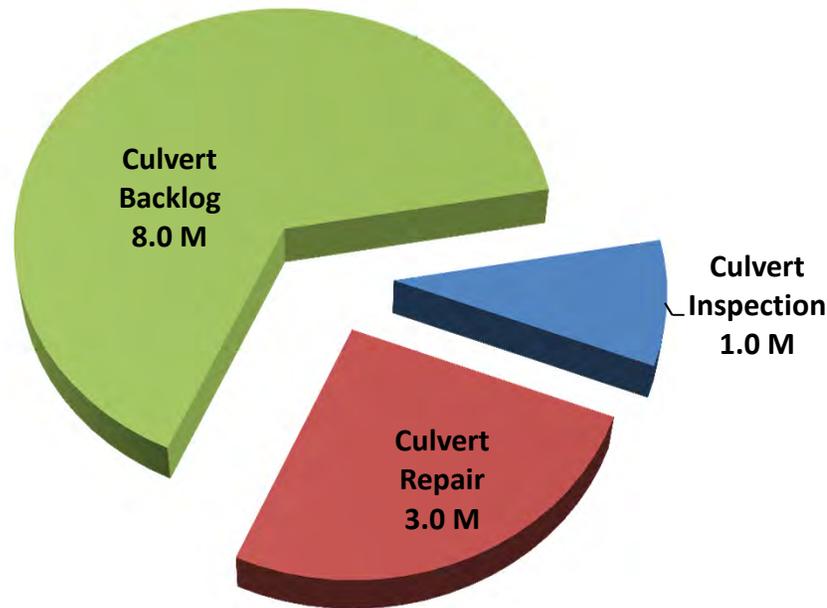
## Backlog of Culverts

- \$80-million to replace all poor culverts
  - \$6-million to replace all poor culverts on the Interstates
  - \$17-million to replace all poor culverts on the NHS (non-interstate)



# Culvert Investment Strategy

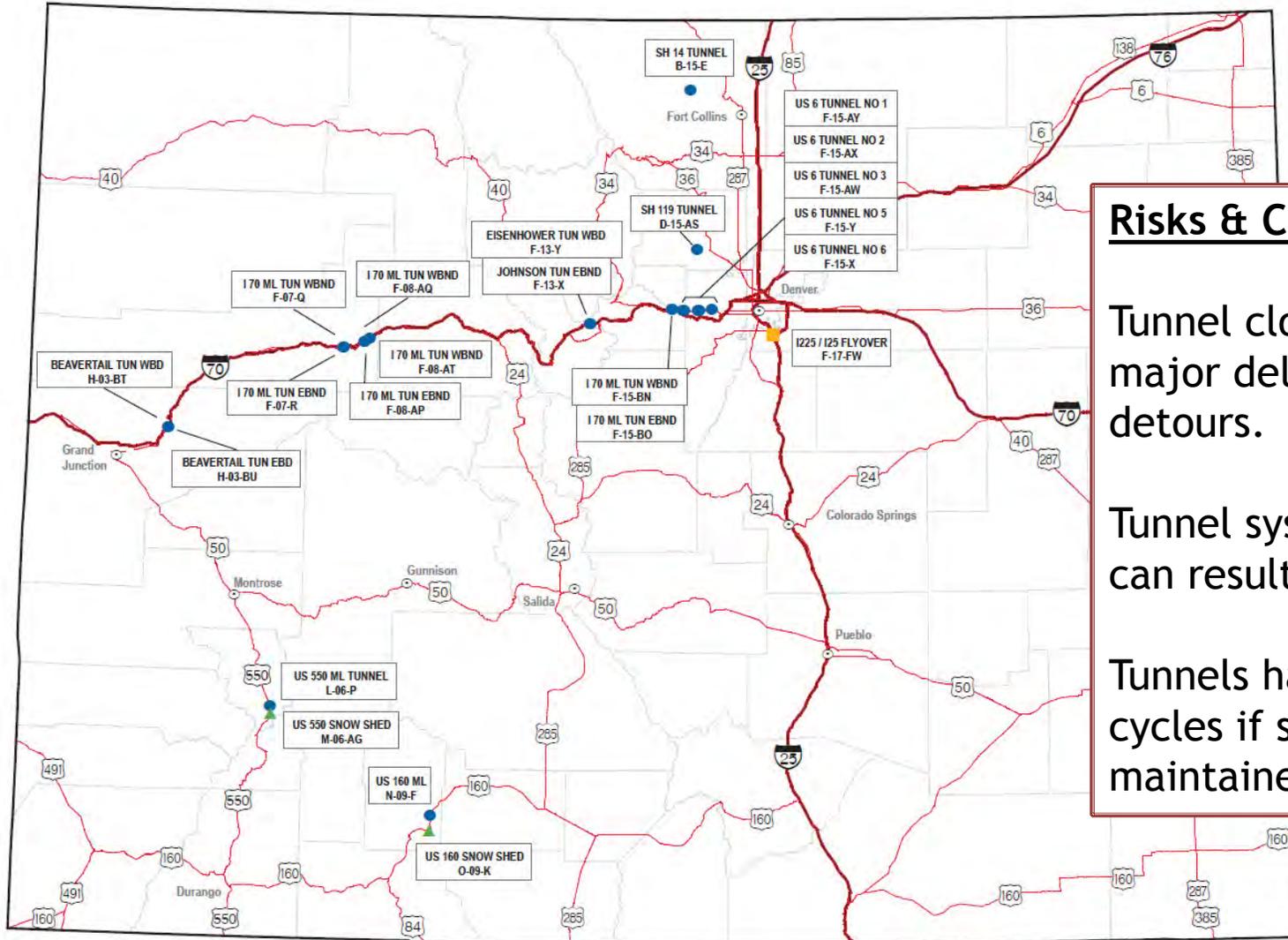
FY16 Culvert Investment = \$11.6M



<u>Culvert Revenues FY16</u>	
Culvert Inspection	1.0 M
Culvert Repair	3.0 M <i>sustain after backlog</i>
Culvert Backlog	8.0 M <i>eliminate backlog over 10 years</i>
<b>Total</b>	<b>12.0 M</b>



# Tunnels Map



**Risks & Consequences**

Tunnel closures result in major delays and detours.

Tunnel system failure can result in loss of life.

Tunnels have long life cycles if systems are maintained.



# Tunnel Work

## FY 16 Wolf Creek

Fiber optic system

- Design (10%) + indirects: \$309,135
- Fiber Installation (Const.): \$2,712,500
- Fiber Repeater (Const.): \$50,000
- Fiber Completion - splicing, telemetry, and Ethernet (Const.): \$23,000

Total for Const.: \$2,785,500



**Total = \$3.1M**



# Tunnel Work

## FY 16 Hanging Lake

- Linear Heat Detection (Fire System) ~ \$308,000
- Transformer/High Voltage Cabinet replacement ~ \$425,000
- Fire Control Panel Upgrade ~ \$62,000
- Multilin/Fan Monitoring Relays replacement ~ \$70,000
- Digital Voice Recorder replacement/upgrade ~ \$74,000
- DCS Servers/Tunnel Control Servers with applicable software upgrade ~ \$258,000
- PLC Ntron and Control Upgrade(control room interface) ~ \$142,000
- Upgrade Existing 63 Cameras to Digital Current Platform ~ \$1,614,000



**Total = \$3.0M**



# Culverts and Tunnels FY16 Funding Request

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**Culverts:**

**FY16 Budget Request: \$ 12M**

**Tunnels:**

**FY16 Budget Request: \$ 7.6M**

**Culverts Staff Recommendation: \$8.2M**

**Tunnels Staff Recommendation: \$5.2M**

Tunnels projects will include all in HLT, the Fiber Design project for Wolf Creek and funding the Tunnels Inspection program.



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# Walls

Josh Laipply



# Retaining Wall Program

## Wall Program Needs

- Inspection program  
\$1M
- Repair Program \$3M



*US40 Berthoud Pass – coping separation causing severe deterioration.*

Information based upon our current contract to develop our wall asset program.

- 1,368 walls inventoried
- 21.1% of overall roadway
- \$2.8M in repair identified



# Walls FY16 Funding Request

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**FY16 Budget Request: \$4M**

**Staff Recommendation: \$2.4M**



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**ITS**

**Ryan Rice**

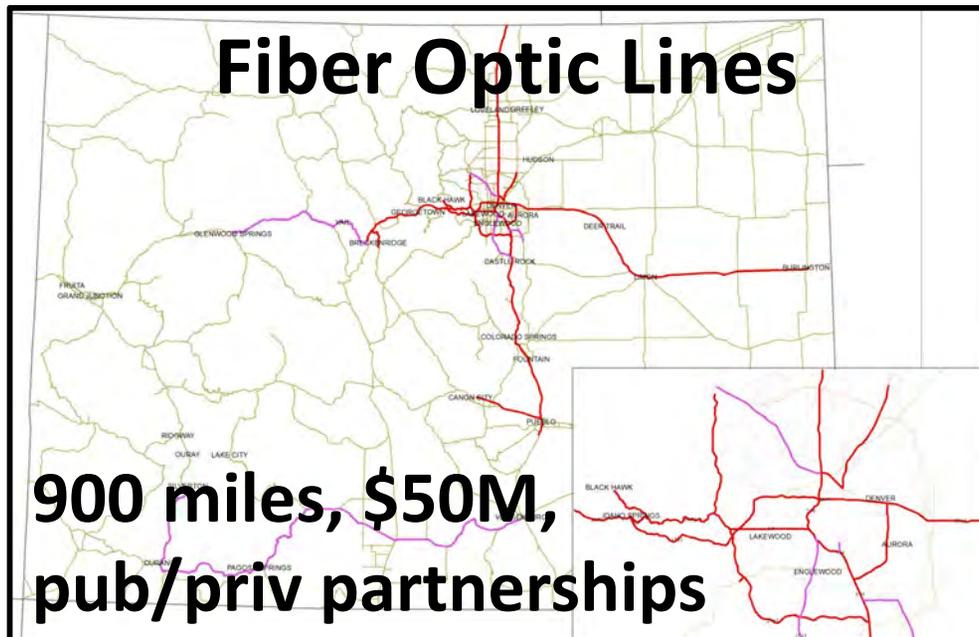


# ITS System Features

## 359 CCTV

### Other ITS Assets

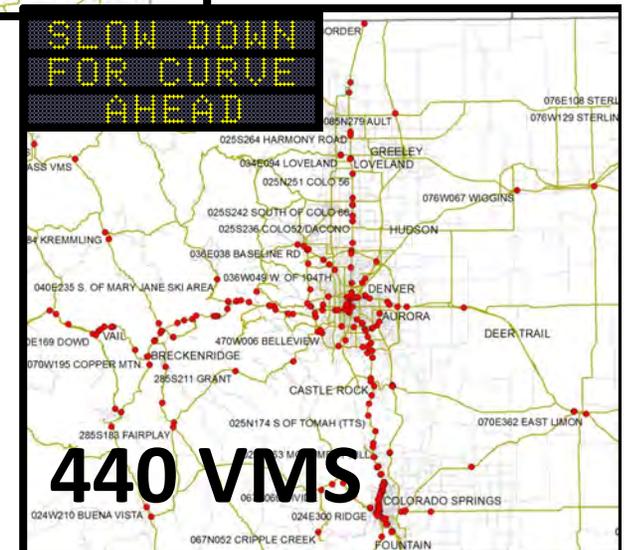
- Ramp Meters
- Weather Stations
- Travel Time Indicators



**Operation Centers**  
CTMC – EJT - HLT



**ITS System is the foundation for Active Traffic Management**





# ITS Asset Backlog

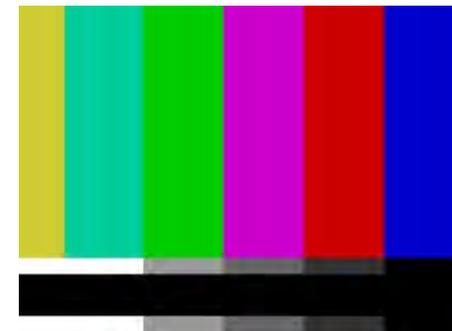
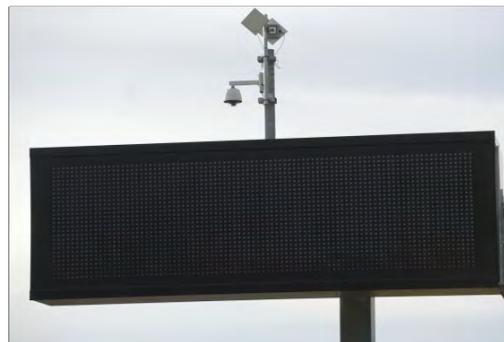
## Current backlog of assets that are >80% useful life

- \$7.1M needed annually for next five years to address backlog of devices
- Key Examples: 111 VMSs, 320 CCTVs, 134 Travel Time Indicators, Networking Equip 246, Weigh-In-Motion 14

Ongoing \$13.6M (in addition to \$7.1M for backlog) needed annually to address additional devices that exceed their 80% UL

## Risks & Consequences of Capital Replacement

- Inability to eliminate backlog can result in device failure
- Decreases safety, mobility and ability to detect and manage incidents and emergencies





# FY16 Request

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## \$20.7M Capital Replacement Request:

- Eliminate capital replacement backlog over next 5 years (\$7.1M annually for 5 years)
- Capital replacement as additional devices exceed UL and upgrades for all devices and the fiber optic/communication network system (\$13.6M annually-ongoing need)

## \$14.4M Baseline Budget Request:

Operations and Maintenance. Based on FY15 budget and addition of major new projects

**\$35.1M : Total**



# FY14 & FY15 Projects

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## FY14

- **Network System Upgrades from Obsolescence/Unsupported Systems**
  - **Analog Video Distribution System to IP Video Distribution**
  - **Fiber Optic Switches and FO Lines & Gear to HQ that are at Capacity**
- **CTMC Systems for Increased Effectiveness of Information Delivery & Distribution**
- **VMS Replacement – 24 Statewide**

## FY15

- **I-70 West Fiber Optic Upgrades – EJT to Empire at Capacity**
- **Continue CTMC Network/Server Upgrades for Efficiency and Info Distribution**
- **VMS Controller Upgrades due to Industry Obsolescence or or else No Support and Failure**
- **VMS Replacement – 22 Statewide**



# FY16 Projects

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## FY16

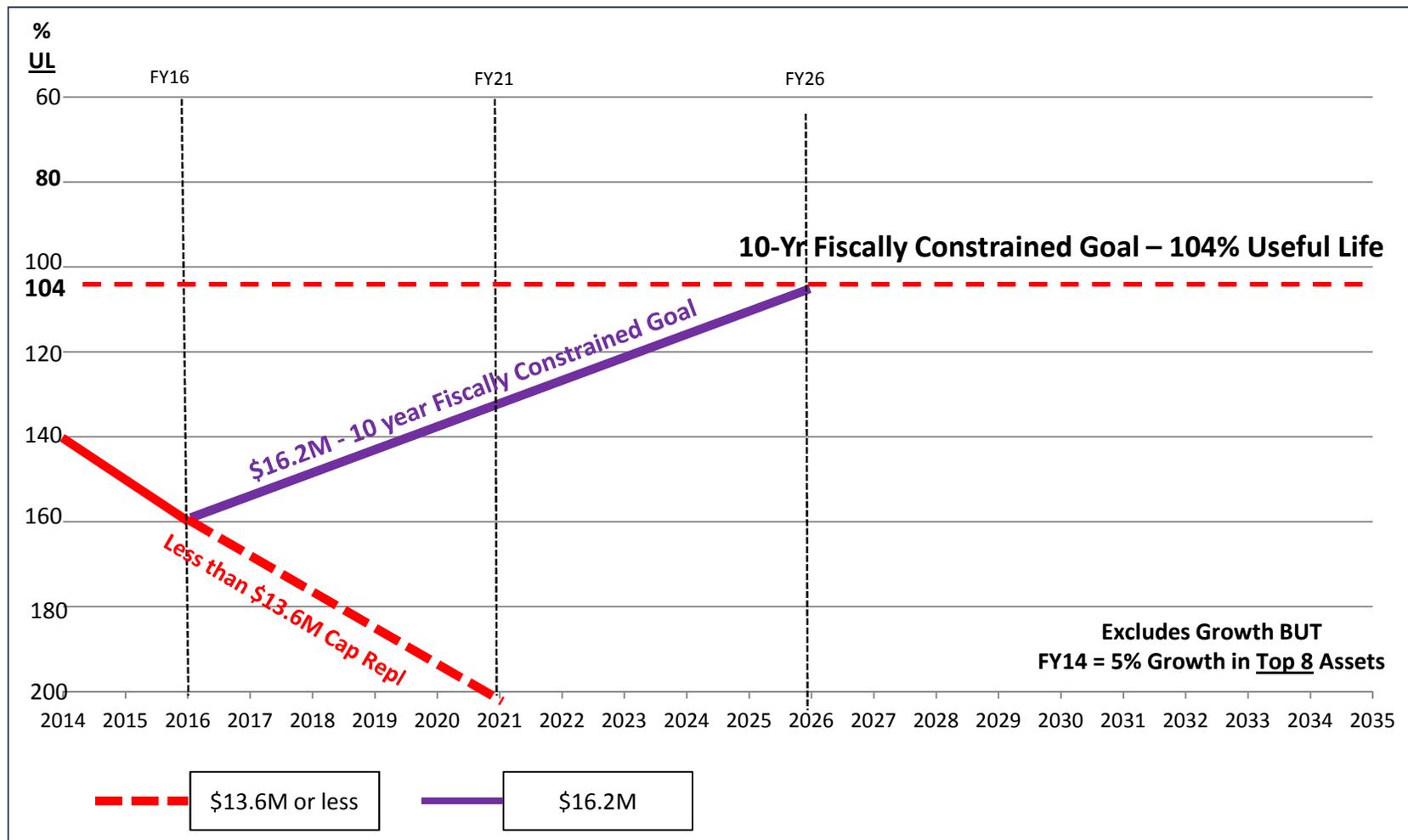
### **With Staff Recommendations Projects Would Include:**

- **Complete VMS Controller Upgrades due to Industry Obsolescence or else No Support and Failure**
- **Fiber Optic Asset Upgrades**
- **Network Electronics Upgrades**
- **VMS Replacements**
- **Video Surveillance Cameras**



# ITS Capital Replacement

- Current 10-Yr Fiscally Constrained RB AMP Goal: 104% UL
- RB AMP Aspirational Goal: 80% UL





# ITS FY16 Funding Request

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**FY16 Budget Request: \$35.1M**

**Staff Recommendation: \$21.4M**



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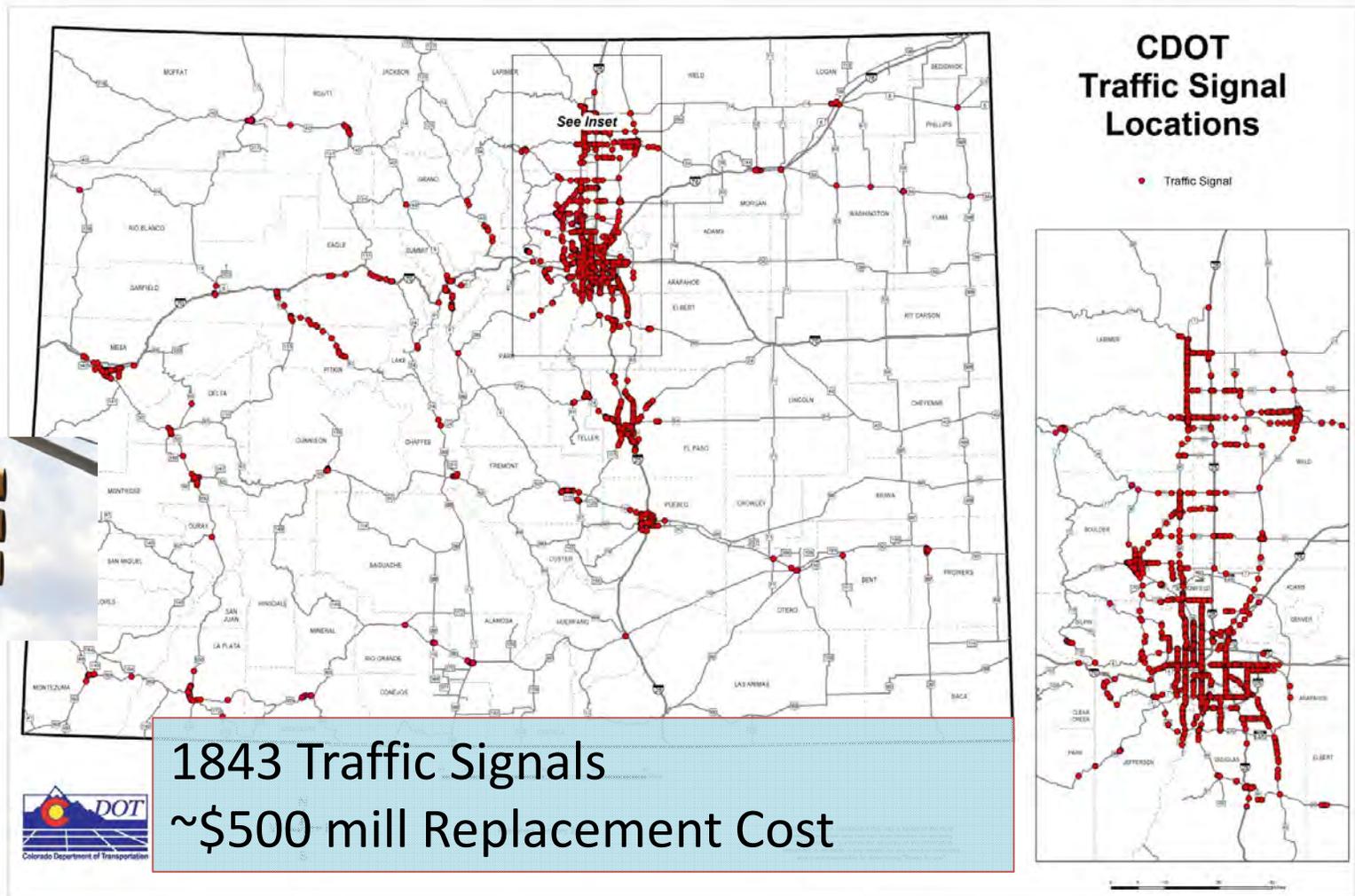
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# Traffic Signals

Ryan Rice



# Traffic Signal Asset Map

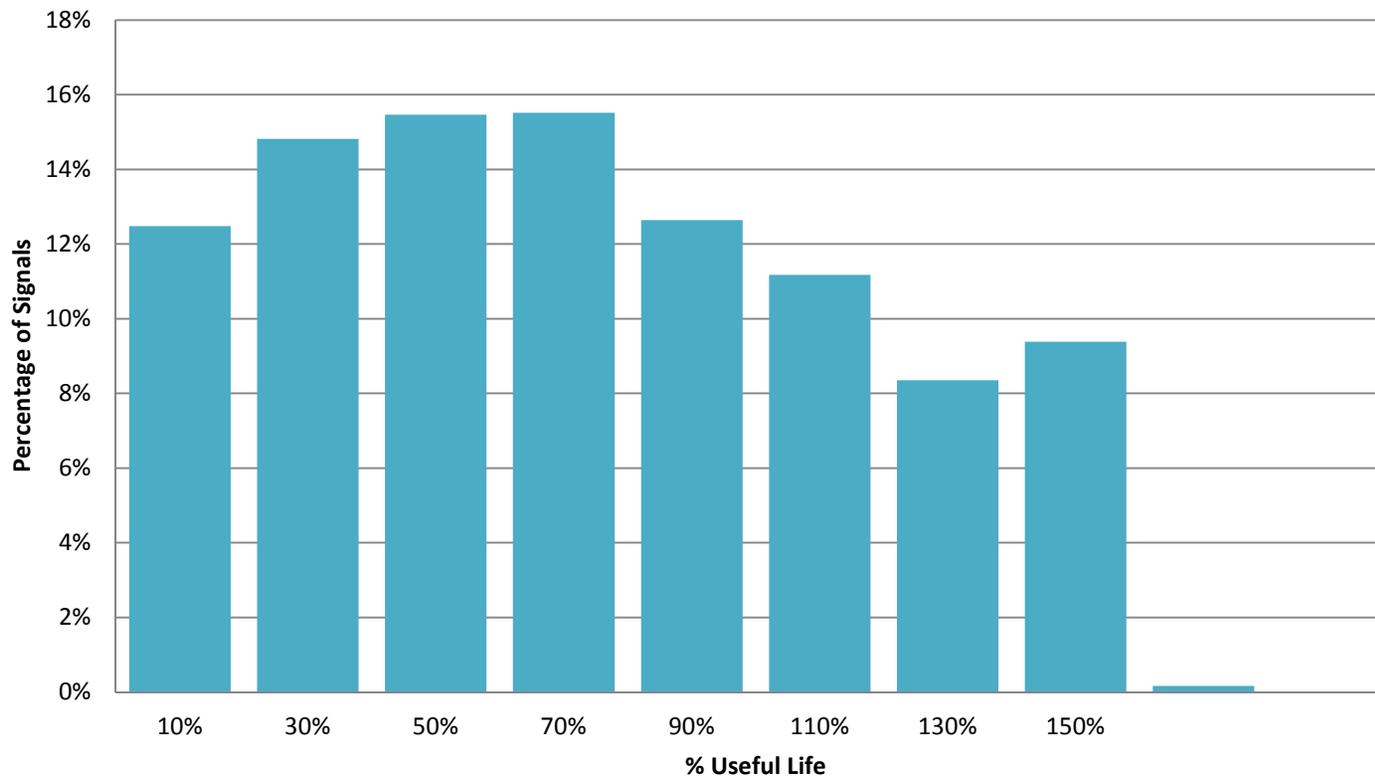




# Current Condition

- Average useful life of a traffic signal is 25 years.
- 28% of traffic signals are beyond their expected useful life.
- On average the traffic signal system is at 73% of its useful life.

**Percentage of Average Useful Life**

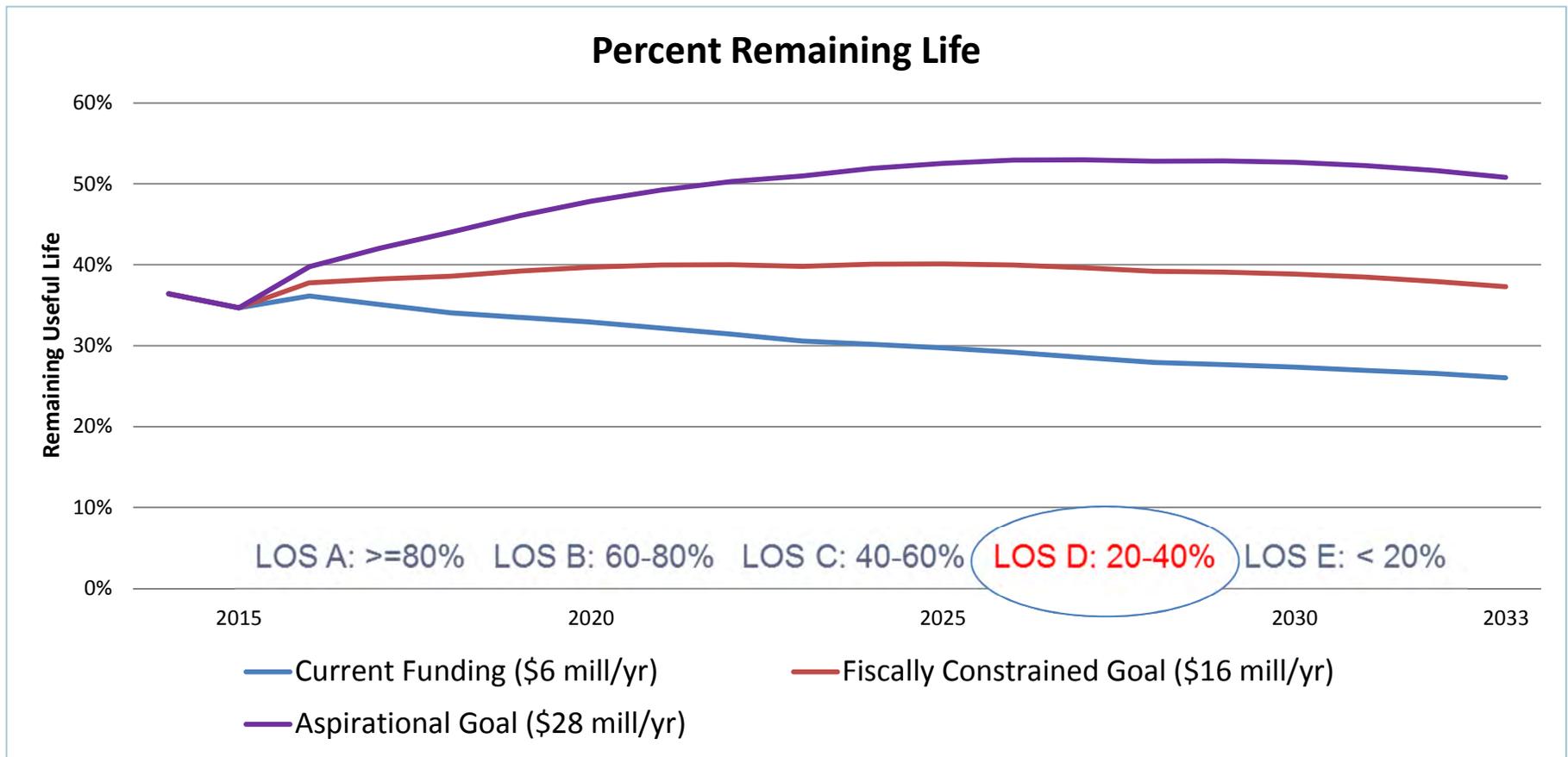


60



# Traffic Signal Management

- 20 Year Timeframe
- Fiscally Constrained Goal: \$16M per year to achieve a LOS D: 20-40% (replacing signals on average at 20 years old)





# Traffic Signals FY16 Funding Request

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**FY16 Budget Request: \$ 16M**

**Staff Recommendation: \$5.7M**



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# Rockfall Mitigation

Ty Ortiz



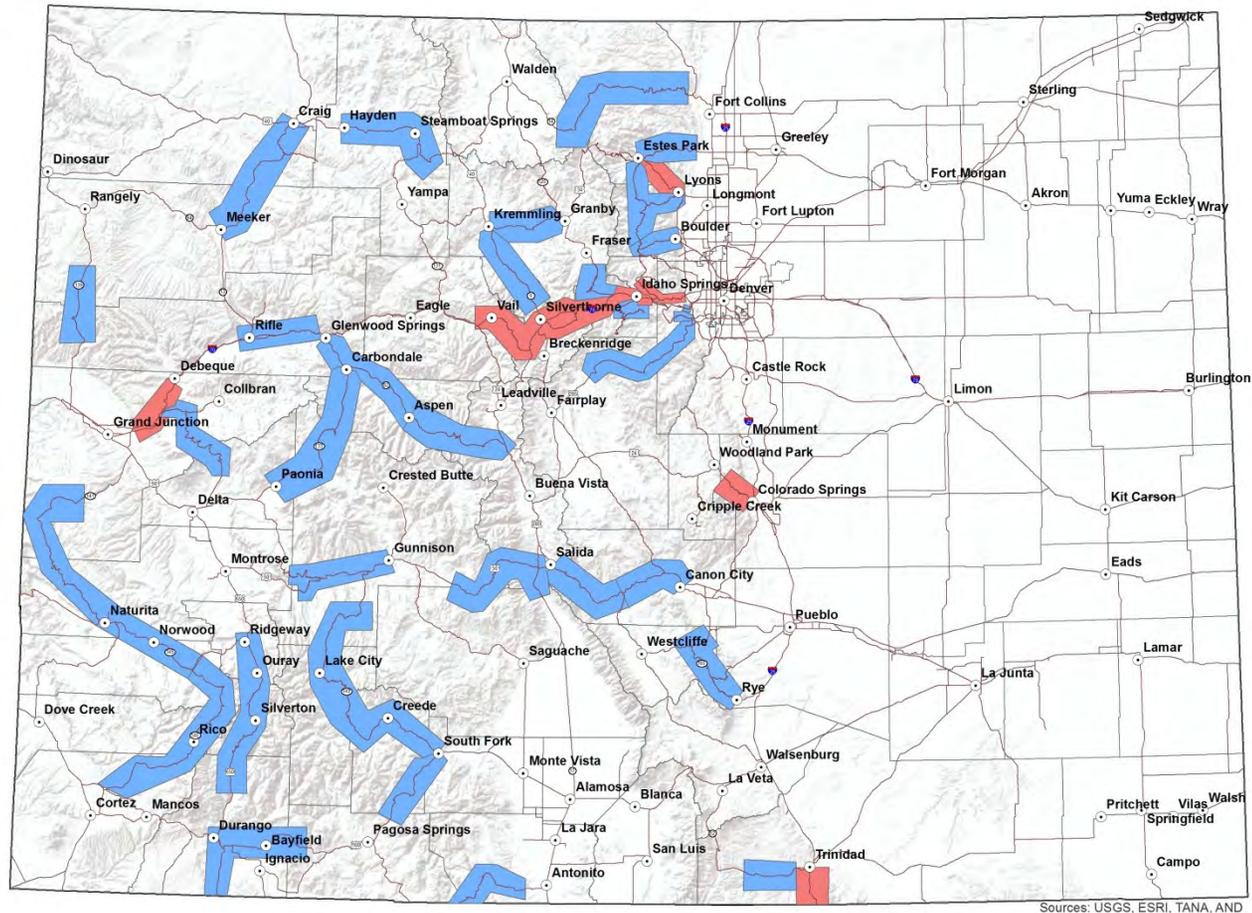
# Rockfall Mitigation

## FY16 Project List:

Project	≈ Allocation \$Million
Corridor Projects	5
High Risk Outliers	1
Monitoring and warning systems	0.5
Scaling and catchment improvements	0.25
Project clearances and design	1.5
Geohazard Asset Management Plan preparation	2
Other Maint/Preservation	0.1
Emergency Response + Ops	1.9
	<b>12.25</b>



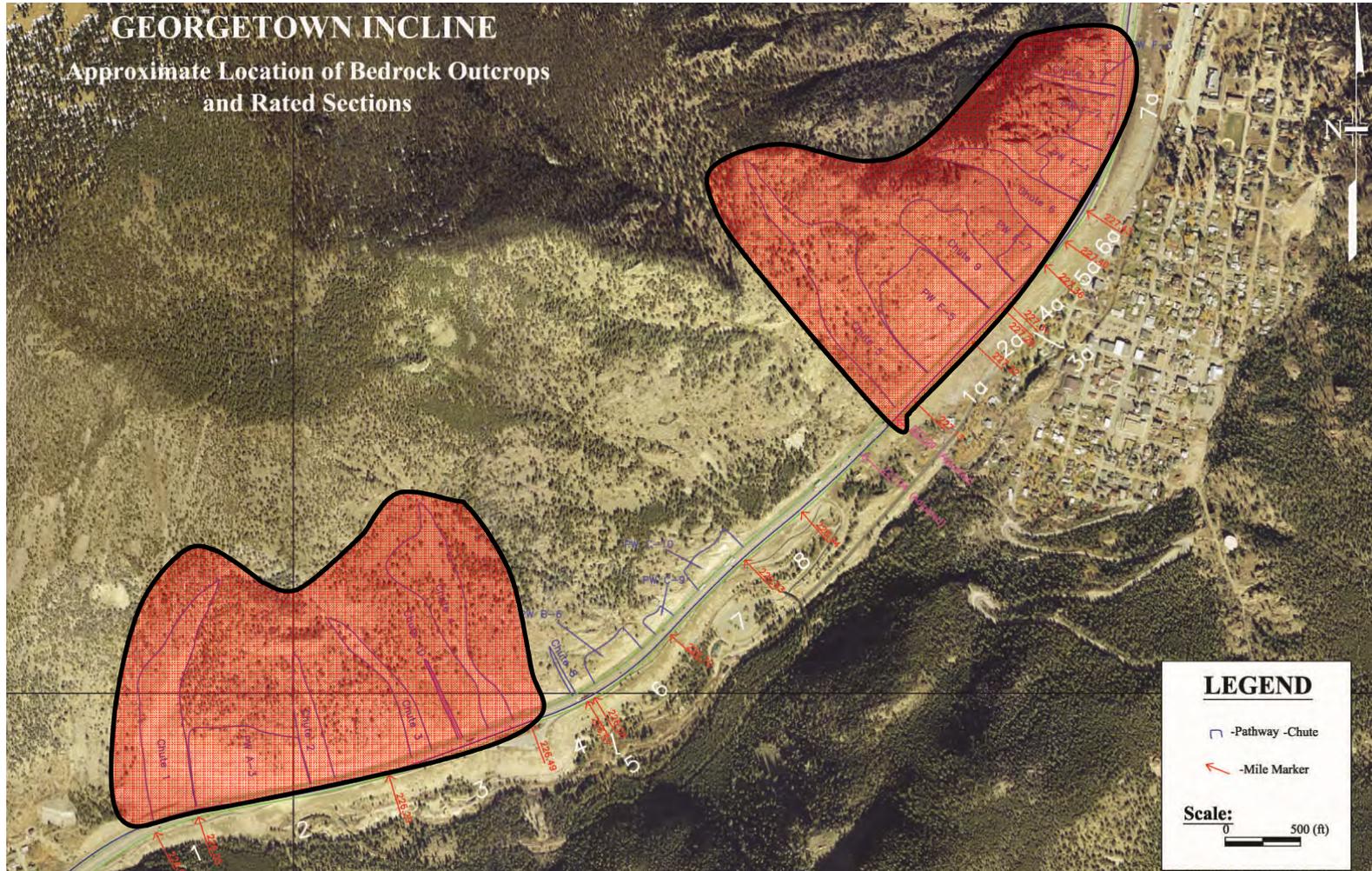
# Rockfall Corridors – Risk Reduction



(Sight Dist + Ave Vehicle Risk) \* Mitigation Reduction Factor

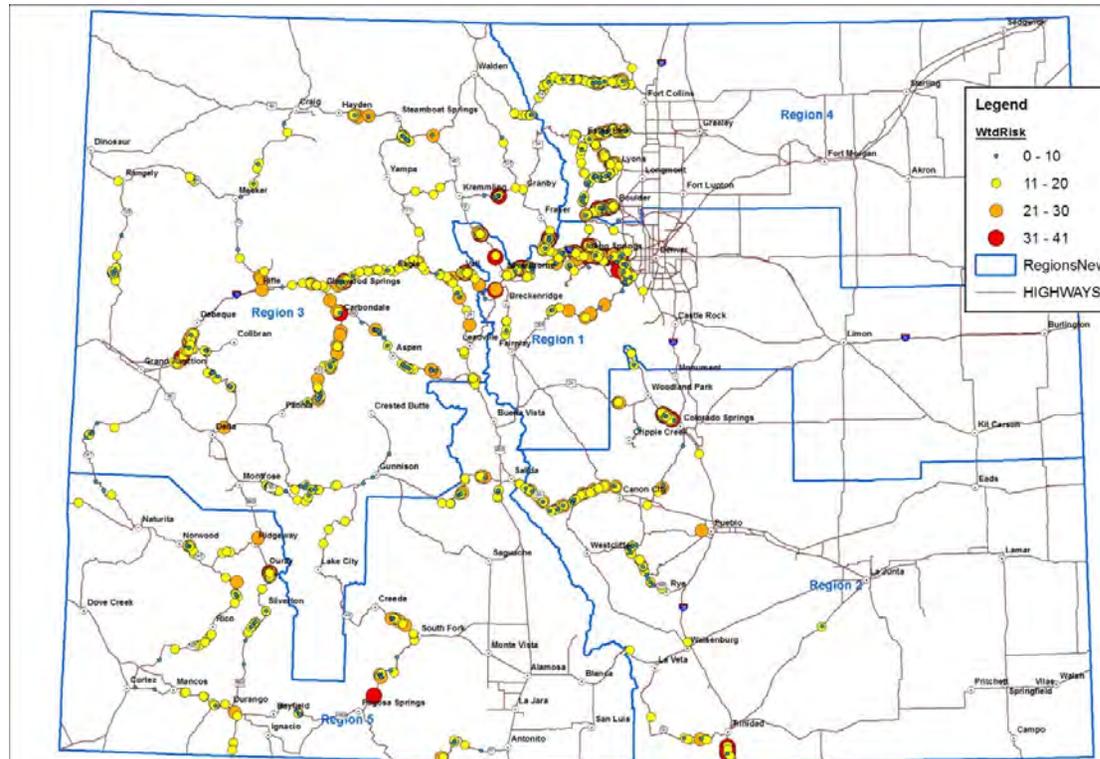


# Project Clearances





# Geohazard Risk Map



## Consequence Factors

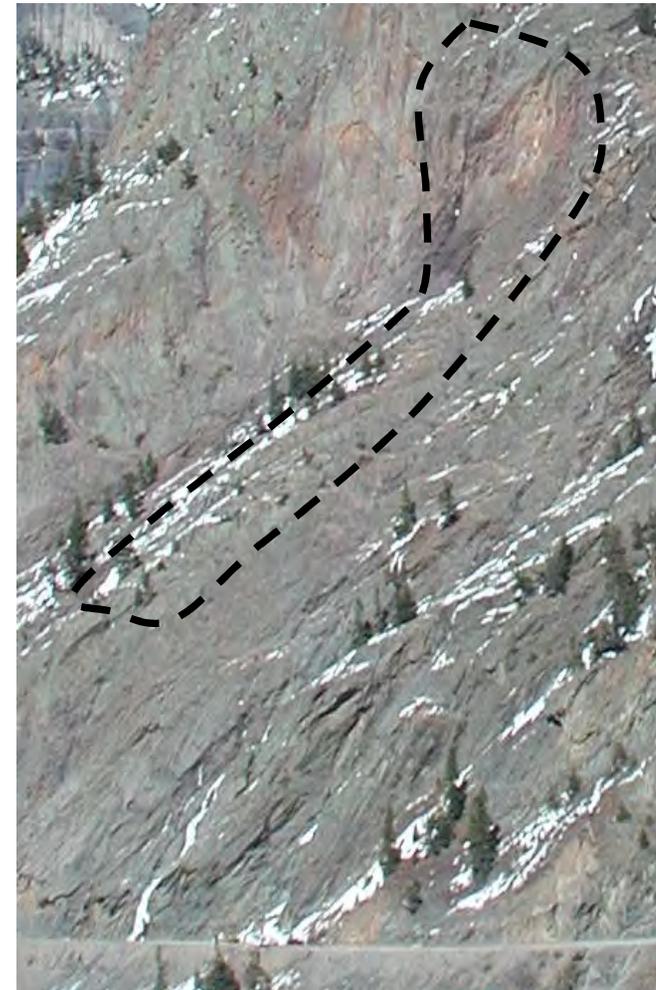
- Safety
- Mobility
- Maintenance
- Detour

## Likelihood Factors

- Condition
- Length
- Volume



# Need for Geohazard Asset Mgmt



**Not captured in Rockfall Hazard Rating System**



# Rockfall FY16 Funding Request

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**FY16 Budget Request: \$12.25M**

**Staff Recommendation: \$9.2M**



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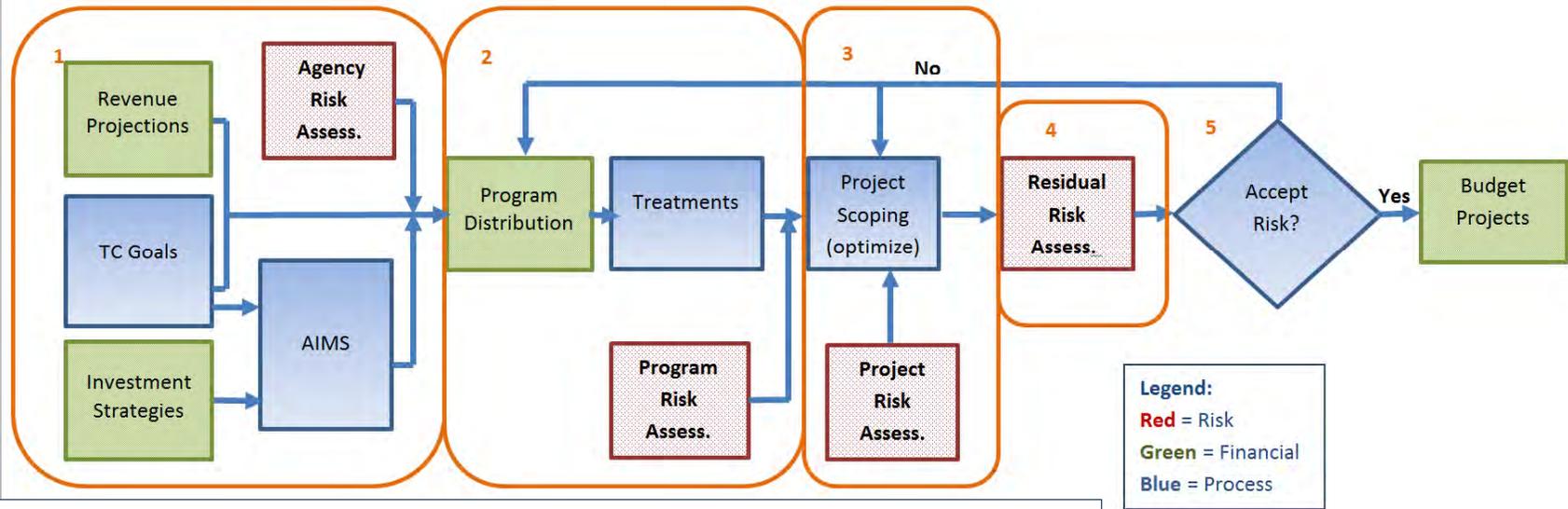
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# Risk Mitigation

John Vetterling



# Process



## Proposed Process for Incorporating Risk:

1. OFMB revenue projections, Transportation Commission goals and asset investment strategies are inputs into funding scenarios for the Asset Investment Management System (AIMS) to develop asset program distributions, which are considered along with agency level risks.
2. Asset distributions are used by the individual asset management systems to develop a list of improvement actions (also known as treatments).
3. The lists of treatments are used with asset specific risk assessments to develop projects.
4. When the program of projects is developed a corridor based residual risk analysis is performed to forecast the remaining risks to the system after these projects are completed.
5. If the residual risk is acceptable, the projects proceed to budgeting; if the residual risk is unacceptable (too many important corridors with unmitigated risk) then the risks are first fed back into project scoping to address, or to asset program distribution if funding targets need to be adjusted.



# Residual Risk

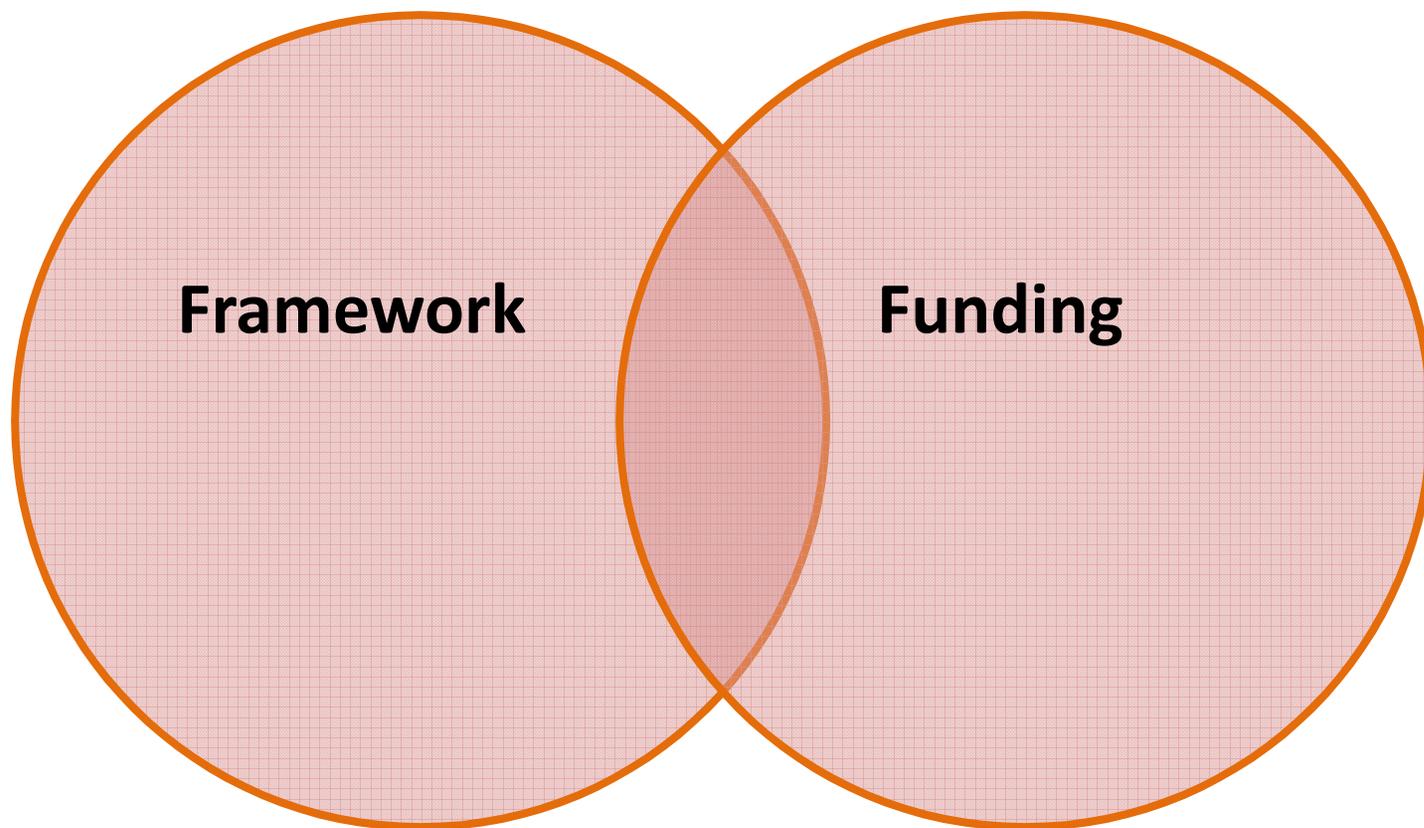
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- Underserved assets
  - Guardrail
  - Overhead signs
  - Highway lighting
- Multi-asset risks
  - Flooding
  - Debris flow
  - Wildfire
- Gaps
  - Bridge rail



# Asset Risk Management

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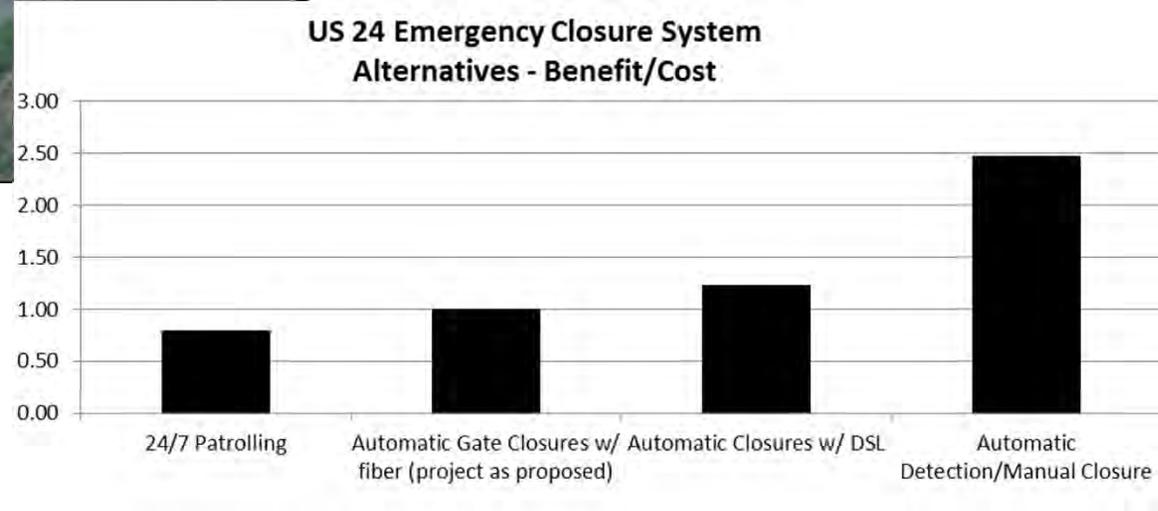
# Eligibility Criteria

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- Must either be:
  1. not be part of current asset management system, e.g. guardrail;
  2. or, risk to multiple assets not addressed by asset management system, e.g. debris flow
- Measures to either reduce likelihood the impact of event
- Cost effectiveness based on Shannon-Wilson scoring system and Investment Analysis Toolkit.



# Example – Waldo Canyon





# Risk Mitigation FY16 Funding Request

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**FY16 Budget Request: \$ 5M**

**Staff Recommendation: \$0M**



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# Staff Recommendations for FY16 Asset Management Budget



# Staff Recommendations

<b>(In Millions)</b>	<b>FY15 Budget (Baseline + RAMP)</b>	<b>FY16 Amount Requested (Baseline + RAMP)</b>	<b>FY16 Delphi Results (Baseline + RAMP)</b>
Surface Treatment	\$235.2	\$240.0	\$235.9
Bridge, BE & Bridge Fixed Costs	\$168.2	\$180.0	\$164.1
MLOS	\$251.3	\$258.8	\$254.4
Road Equipment	\$20.9	\$24.0	\$18.4
ITS	\$27.6	\$35.1	\$21.4
Rockfall Mitigation	\$9.1	\$12.3	\$9.2
Buildings	\$20.8	\$15.7	\$12.9
Tunnels	\$12.4	\$7.6	\$5.2
Culverts	\$9.6	\$12.0	\$8.2
Walls	\$0.0	\$4.0	\$2.4
Traffic Signals	\$0.0	\$16.0	\$5.7
Risk Mitigation	\$0.0	\$5.0	\$0.0
<b>TOTAL</b>	<b>\$755.1</b>	<b>\$810.5</b>	<b>\$738.0</b>

Note: RAMP Asset Management Dollars for FY16 are assumed to be \$150M.

Note: A risk mitigation pool to proactively address risk was discussed, along with potential funding options.

Staff determined that due to limited asset management funds, such a pool should seek an alternative source of funding.

Note: The FY16 Delphi Results are subject to adjustment by the Transportation Commission.

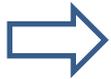


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# Agenda



**Delphi Workshop: FY16 Staff Recommendations**



**RB AMP Check In**



# RB AMP Check In

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## January Meeting Committee Guidance:

- Revise Executive Summary
- Revise Organizational Chart
- Provide Revised RB AMP to TC AM Committee members before February meeting for review
- Update Program Distribution Chart when numbers are finalized
- Develop 2-3 page cliff notes version (separate from the RB AMP)

# MEMORANDUM

**DEPARTMENT OF TRANSPORTATION**  
Division of Transportation Development  
4201 East Arkansas Avenue  
Denver, Colorado 80222  
(303) 757-9011



**DATE:** February 4, 2014

**TO:** Transportation Commission

**FROM:** Debra Perkins-Smith, Director, Division of Transportation Development  
Scott Richrath, Chief Financial Officer, Division of Accounting and Finance

**SUBJECT:** Program Distribution for the Statewide Plan (SWP) and the Statewide Transportation Improvement Program (STIP)

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Purpose: Based on input from the January Commission discussion on Program Distribution, review final Program Distribution for adoption and use in SWP and STIP development.

Action Requested: Adoption of Program Distribution for 2016-2040

Executive Summary: Based on Commission workshop discussions in November, December, and January, staff has assigned funds in Program Distribution to various programs in support of Policy Directive 14 asset management performance objectives and based on specific policy direction provided and summarized below:

***Policy Direction:***

1. Direct funds made available from Transbond debt service retirement to Asset Management.
2. Fund to estimated levels needed to meet PD 14 asset management objectives for Maintenance, Surface Treatment, and Bridge while maintaining other programs at their FY 15 baseline level.
3. In years where there is a positive variance, assign it to TC Contingency in order to provide for flexibility to meet future needs (TC contingency target level has been approximately five percent –this has been achieved by combining the programmed amount plus roll forward from previous years).
4. Focus on the first 10 years of the forecast because beyond that time there is a higher degree of uncertainty about revenues.

**Attachment A** is a spreadsheet illustrating the 2016-2040 Program Distribution assignments based on the adopted revenue projection. The years 2016-2025 are displayed year by year and the years 2026-2040 are displayed as a total.

**Attachment B** is a resolution for the adoption of the 2016-2040 Program Distribution.

### Background:

Information on state and federal requirements for the Statewide Transportation Plan was included in the December packet to Commission along with the explanation of the assumptions in the FY 15 baseline revenue scenario (SWP committee pages 1-31).

Program Distribution is a part of the Statewide Transportation Plan and outlines the assignment of projected revenues to various program areas for the time period of the Plan (FY 2016-FY 2040). Program Distribution also provides a baseline for the MPOs and Regions to use for development of the next Statewide Transportation Improvement Program (STIP), which begins with FY 2016.

Program Distribution assignments illustrate for planning partners and the public the intended emphasis areas given projected revenue expectations. Program Distribution is for planning purposes only and does not represent a budget commitment by the Commission. Final numbers for each year will be a result of updated revenue estimates and annual budget adoption.

Revenues for Program Distribution are based on the Baseline Revenue Projection for the 2040 Statewide Transportation Plan adopted by the Commission on April 18, 2013. In the Baseline, federal revenues are projected to peak in 2025 and decline each year following. SB 228 revenue is projected in years 2016-2020. Since the April 2013 adoption, gas tax revenues have trended slightly downward and motor vehicle registrations have trended slightly upward.

The Program Distribution spreadsheet reflects the year by year allocations for 2016-2025 and a total allocation for 2026-2040.

Observations for the first ten years include:

1. Funds are sufficient to fund estimated levels needed for the asset management performance objectives for Maintenance, Surface Treatment and Structures. Other asset management programs, as well as “Other TC Directed” programs, are held at FY 15 budget levels with no increases.
2. Any positive revenue variance is assigned to TC contingency. In years 2018-2024 some contingency funds would be available for assignment to program needs based on the assumption that the forecast amount plus contingency roll forward from previous years is more than sufficient to meet the five percent contingency target.
3. Allocations to “restricted programs” are based on the adopted revenue projection and the anticipated revenue level for each program.
4. RAMP asset management funds supplement Surface Treatment and Structures in FY 2016 and 2017 thereby allowing for lower Program Distribution allocations in those years.

Observations for the years 2026-2040 include:

1. Funds are no longer sufficient to meet estimated levels needed to support the asset management objectives for Maintenance, Surface Treatment and Structures.
2. Other asset management programs and ‘other TC restricted’ programs remain at FY 15 budget levels with no increases.
3. Revenues are forecast to be fairly flat in the latter years. This along with the decline in purchasing power will result in a noticeable effect on programs.

Next Steps: Adopt Program Distribution for use in the Statewide Transportation Plan. DTD and OFMB will prepare a summary of the distribution formulas for applicable programs for review in March. DTD and OFMB will develop MPO distribution tables for planning purposes per federal requirements and region distributions for formula programs to aid in TPR plan development.

## **Attachment B**

**Resolution Number TC-XXX  
FY 2016 – 2040 Program Distribution  
Transportation Commission of Colorado, February 14, 2014**

WHEREAS, the Colorado Transportation Commission (the Commission) has statutory authority pursuant to §43-1-106 C.R.S. to approve, accept, and amend various planning documents resulting from Section 135 Title 23 of the U.S.C. and §43-1-1101 through 1105 C.R.S.; and

WHEREAS, the Commission adopts Program Distribution assignment of anticipated state and federal transportation revenues for use in development of the long range Statewide Transportation Plan and the Regional Transportation Plans; and

WHEREAS, the Commission adopts Program Distribution to reflect planned levels of funding to various programs based on the limited revenue expected for the period 2016-2040; and

WHEREAS, a forecast of revenues upon which Program Distribution is based was adopted by the Commission in April 2013 (TC Resolution 3070); and

WHEREAS, the Commission recognizes that future fund receipts may vary from these estimates, and that the assignment of funds reflected in Program Distribution is for planning purposes and does not represent a future funding commitment, and that the annual CDOT budget may vary from Program Distribution; and

WHEREAS, the FY 2016 – 2040 Program Distribution (Attachment A) reflects the intent to support Policy Directive (PD) 14 asset management performance objectives by funding to estimated levels needed to achieve those objectives, while recognizing that data relating to the outcomes and future needs in various categories will be updated periodically and future funding amounts may be adjusted accordingly; and

WHEREAS, the Commission recognizes that in the latter years of the Statewide Transportation Plan horizon (2026-2040) there are insufficient funds to support the PD 14 asset management performance objectives as well as the FY 15 baseline program amounts due to declining revenues and reduced purchasing power.

NOW THEREFORE BE IT RESOLVED, that the Commission approves the FY 2016 – 2040 Program Distribution (Attachment A) for use in developing the 2016-2040 Statewide Transportation Plan, Regional Transportation Plans, and to guide the development of the 2016 STIP.

Line	Directed By	DRAFT FY 15 Budget	FY 2016-2025											FY 2026-2040	TOTAL
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025			
1	<b>Asset Management</b>	\$ 476,396,343	\$ 476,760,247	\$ 518,792,840	\$ 614,789,303	\$ 622,886,092	\$ 631,225,784	\$ 639,815,668	\$ 648,663,247	\$ 657,776,254	\$ 667,162,652	\$ 676,830,641	\$ 9,777,723,187	\$ 15,932,425,915	
2	Maintenance	\$ 251,300,000	\$ 254,400,000	\$ 262,032,000	\$ 269,892,960	\$ 277,989,749	\$ 286,329,441	\$ 294,919,325	\$ 303,766,904	\$ 312,879,911	\$ 322,266,309	\$ 331,934,298	\$ 4,979,014,469	\$ 7,895,425,366	
3	Surface Treatment	\$ 149,500,000	\$ 149,500,000	\$ 155,900,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 3,545,838,555	\$ 5,771,238,555	
4	Structures On-System	\$ 30,700,000	\$ 39,500,000	\$ 55,964,497	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 579,425,018	\$ 1,154,889,515	
5	Rockfall Mitigation	\$ 5,100,000	\$ 3,000,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 76,500,000	\$ 125,400,000	
6	Cap.Expenditure (Road Eq./Prop./Cap. Op. Eq.)	\$ 24,996,343	\$ 15,960,247	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 374,945,145	\$ 615,872,479	
7	TSM&O: ITS Maintenance	\$ 14,800,000	\$ 14,400,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 222,000,000	\$ 369,600,000	
8	Asset Management- To Be Assigned by TC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
9	<b>Other TC Directed Programs (Flexible)</b>	\$ 105,685,257	\$ 94,886,666	\$ 99,056,081	\$ 137,759,896	\$ 135,149,745	\$ 132,147,825	\$ 124,930,323	\$ 118,791,802	\$ 113,632,468	\$ 107,571,096	\$ 100,826,231	\$ 1,485,841,215	\$ 2,650,593,348	
10	Hot Spots	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 32,507,310	\$ 54,178,850	
11	Traffic Signals	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 22,092,345	\$ 36,820,575	
12	TSM&O: Performance Programs and Services	\$ 7,236,795	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 9,114,285	\$ 15,190,475	
13	TSM&O: Congestion Relief	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 60,000,000	\$ 100,000,000	
14	Regional Priority Program	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 750,000,000	\$ 1,250,000,000	
15	Capital Expenditure (ITS Investments)	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 150,000,000	\$ 250,000,000	
16	Contingency	\$ 30,808,485	\$ 26,639,070	\$ 30,808,485	\$ 69,512,300	\$ 66,902,149	\$ 63,900,229	\$ 56,682,727	\$ 50,544,206	\$ 45,384,872	\$ 39,323,500	\$ 32,578,635	\$ 462,127,275	\$ 944,403,448	
17	<b>Restricted Programs</b>	\$ 534,178,348	\$ 710,888,063	\$ 679,060,070	\$ 556,837,153	\$ 564,283,626	\$ 568,935,838	\$ 414,870,928	\$ 417,679,404	\$ 419,167,919	\$ 424,026,541	\$ 428,803,857	\$ 6,628,695,037	\$ 11,813,248,435	
18	Highway Safety Investment Program	\$ 29,812,448	\$ 30,110,121	\$ 30,411,222	\$ 30,715,336	\$ 31,022,489	\$ 31,332,713	\$ 31,318,749	\$ 31,348,813	\$ 31,377,196	\$ 31,568,007	\$ 31,759,426	\$ 430,760,712	\$ 741,724,784	
19	Railway-Highway Crossings Program	\$ 3,194,739	\$ 3,226,640	\$ 3,258,905	\$ 3,291,494	\$ 3,324,409	\$ 3,357,653	\$ 3,356,158	\$ 3,359,380	\$ 3,362,421	\$ 3,382,869	\$ 3,403,381	\$ 46,160,868	\$ 79,484,178	
20	FASTER - Safety Projects	\$ 47,900,000	\$ 58,551,555	\$ 60,863,071	\$ 63,197,347	\$ 65,541,041	\$ 67,977,777	\$ 70,455,483	\$ 73,061,072	\$ 75,694,726	\$ 78,342,565	\$ 80,902,710	\$ 1,537,439,930	\$ 2,232,027,277	
21	Safety Education	\$ 9,829,982	\$ 10,037,662	\$ 10,024,516	\$ 10,009,340	\$ 9,992,942	\$ 9,976,760	\$ 9,961,454	\$ 9,945,229	\$ 9,929,813	\$ 9,914,096	\$ 9,898,469	\$ 147,181,492	\$ 246,871,773	
22	Strategic Projects	\$ -	\$ 137,559,751	\$ 139,251,793	\$ 140,491,126	\$ 142,456,598	\$ 141,777,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 701,537,090	
23	Deliver - Program Delivery/Administration	\$ 66,054,659	\$ 73,421,091	\$ 73,552,219	\$ 73,684,656	\$ 73,818,419	\$ 73,953,519	\$ 73,947,436	\$ 73,960,529	\$ 73,972,889	\$ 74,055,987	\$ 74,139,347	\$ 1,092,218,524	\$ 1,830,724,616	
24	Aeronautics	\$ 43,100,000	\$ 46,941,462	\$ 48,168,138	\$ 49,241,136	\$ 50,287,223	\$ 51,361,260	\$ 52,456,192	\$ 53,552,298	\$ 54,640,701	\$ 55,717,011	\$ 56,797,377	\$ 1,010,122,459	\$ 1,529,285,257	
25	Transportation Alternatives	\$ 13,446,709	\$ 13,585,154	\$ 13,724,987	\$ 13,866,214	\$ 14,008,855	\$ 14,152,922	\$ 14,146,442	\$ 14,160,397	\$ 14,173,570	\$ 14,262,179	\$ 14,351,076	\$ 194,075,323	\$ 334,507,119	
26	STP-Metro	\$ 48,106,560	\$ 48,586,899	\$ 49,072,767	\$ 49,563,494	\$ 50,059,130	\$ 50,559,721	\$ 50,537,188	\$ 50,585,700	\$ 50,631,498	\$ 50,939,403	\$ 51,248,282	\$ 695,092,747	\$ 1,196,876,829	
27	Congestion Mitigation/Air Quality	\$ 45,539,598	\$ 45,994,306	\$ 46,454,250	\$ 46,918,792	\$ 47,387,978	\$ 47,861,859	\$ 47,840,530	\$ 47,886,452	\$ 47,929,806	\$ 48,221,281	\$ 48,513,680	\$ 658,002,662	\$ 1,133,011,596	
28	Metropolitan Planning	\$ 7,736,826	\$ 7,834,723	\$ 7,913,070	\$ 7,992,201	\$ 8,072,123	\$ 8,152,844	\$ 8,149,210	\$ 8,157,033	\$ 8,164,417	\$ 8,214,068	\$ 8,263,876	\$ 112,084,928	\$ 192,998,493	
29	Bridge Off-System	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 141,740,505	\$ 236,234,175	
30	Federal Transit	\$ 23,050,856	\$ 23,521,128	\$ 23,756,340	\$ 23,993,903	\$ 24,233,842	\$ 24,476,180	\$ 24,465,274	\$ 24,488,758	\$ 24,510,929	\$ 24,659,986	\$ 24,809,517	\$ 336,497,410	\$ 579,413,267	
31	Strategic Projects -Transit	\$ -	\$ 15,284,417	\$ 15,472,421	\$ 15,610,125	\$ 15,828,511	\$ 15,753,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,948,565	
32	Transit and Rail Local Grants	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 75,000,000	\$ 125,000,000	
33	Transit and Rail Statewide Grants	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 150,000,000	\$ 250,000,000	
34	Infrastructure Bank	\$ 700,000	\$ 528,812	\$ 503,215	\$ 476,430	\$ 448,915	\$ 420,805	\$ 392,077	\$ 361,224	\$ 330,586	\$ 299,722	\$ 267,349	\$ 2,317,477	\$ 6,346,612	
35	Debt Service	\$ 171,256,604	\$ 171,254,975	\$ 132,183,789	\$ 3,336,192	\$ 3,351,784	\$ 3,371,544	\$ 3,395,368	\$ 2,363,152	\$ -	\$ -	\$ -	\$ -	\$ 319,256,804	
36	<b>TOTAL</b>	\$ 1,116,259,948	\$ 1,282,534,976	\$ 1,296,908,991	\$ 1,309,386,352	\$ 1,322,319,462	\$ 1,332,309,447	\$ 1,179,616,919	\$ 1,185,134,453	\$ 1,190,576,641	\$ 1,198,760,289	\$ 1,206,460,729	\$ 17,892,259,439	\$ 30,396,267,699	
37	Revenue	\$ 1,116,259,948	\$ 1,282,534,976	\$ 1,296,908,991	\$ 1,309,386,352	\$ 1,322,319,462	\$ 1,332,309,447	\$ 1,179,616,919	\$ 1,185,134,453	\$ 1,190,576,641	\$ 1,198,760,288	\$ 1,206,460,729	\$ 17,892,259,441	\$ 30,396,267,699	
38	Variance	\$ -	\$ (0)	\$ -	\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ 1	\$ 0	
39															
40	<b>BRIDGE ENTERPRISE TOTAL</b>	\$ 114,881,900	\$ 130,170,843	\$ 132,301,946	\$ 134,584,860	\$ 136,910,929	\$ 139,349,575	\$ 141,825,144	\$ 144,487,627	\$ 147,188,183	\$ 149,920,435	\$ 152,523,307	\$ 2,574,321,735	\$ 3,983,584,584	
41	Revenue	\$ 114,881,900	\$ 130,170,843	\$ 132,301,946	\$ 134,584,860	\$ 136,910,929	\$ 139,349,575	\$ 141,825,144	\$ 144,487,627	\$ 147,188,183	\$ 149,920,435	\$ 152,523,307	\$ 2,574,321,735	\$ 3,983,584,584	
42	Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
43	<b>HPTE TOTAL</b>	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 20,625,000	\$ 34,375,000	
44	Revenue	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 20,625,000	\$ 34,375,000	
45	Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Assumptions/Notes

- 1) Allocations to Revenue based programs are based on projected revenues from the 2040 Revenue Projection adopted by the TC in April 2013.
- 2) Maintenance is increased 3% annually over the FY 16 base for years 2017-2025, and then remains flat until 2040.
- 3) RAMP funds supplement Asset Management in FY 16 and FY 17.
- 4) Surface Treatment at \$240 M for as long as possible (through 2035). Program Distribution allocations in FY 16 and FY 17 are less than \$240 M due to supplemental funding from RAMP.
- 5) Structures at \$60 M for as long as possible (through 2025). Program Distribution allocations in FY 16 and FY 17 are less than \$60 M due to supplemental funding from RAMP.
- 6) TC Contingency decreased in FY 16 by variance remaining after funding 2), 3), and 4) and increased in FY 2018 - 2025.

# STATE OF COLORADO

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DEPARTMENT OF TRANSPORTATION  
Division of Transportation Development  
4201 East Arkansas Avenue  
Denver, Colorado 80222  
(303) 757-9525



**DATE:** February 6, 2014

**TO:** Transportation Commission

**FROM:** Debra Perkins-Smith, Director, Division of Transportation Development

**SUBJECT:** Regional Priority Program(RPP) Formula

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## Purpose

To provide information on a potential formula for distribution of Regional Priority Program (RPP) funds to the CDOT Regions and receive TC input.

## Action Requested

TC direction on an allocation formula for RPP.

## Background

The TC was provided with presentations on potential RPP formula scenarios at the October and November TC meetings. The presentations addressed various RPP formula recommendations from STAC. These included alternatives considered by the STAC Subcommittee on Program Distribution (50% Population / 50% Lane Miles, and 60% VMT / 40% Lane Miles) and the recommendation from the STAC as a whole (45% VMT / 40% Lane Miles / 15% Truck VMT). Some STAC members, however, expressed the desire to alter this formula should the RPP budget increase beyond the annual \$10 million proposed at that time. Therefore, the STAC recommendation will be revisited at the February meeting. Commissioners also expressed concern with the scenarios presented and requested additional consideration by staff of potential factors and formulas. The TC also requested that they be provided with data on a variety of additional factors so that Commissioners could consider their own alternative formula scenarios.

## Details

A working group of Senior Management Team (SMT) members met several times after the November TC meeting to consider the RPP and different formulas. The working group considered the purpose and goal of RPP and program assumptions before considering different formulas. Information was provided to Commissioners for their own analysis of options.

## *Purpose of RPP*

Staff analyzed information on the use of RPP in previous years. The results of this analysis demonstrated that while RPP has been used for a wide variety of purposes including traffic/operations, new capacity, design/environmental, maintenance/safety, bridge, and drainage

projects, the majority (61%) have been used on system performance improvements. The analysis also demonstrated that RPP has been used fairly equally as a standalone funding source for projects and also as a supplement to projects funded primarily by other sources of funds. The working group expressed support for a program purpose or goal that maintains the use of RPP as a flexible funding source for regionally important projects and priorities.

*Program Assumptions*

Prior to discussion of formula scenarios, the working group considered and concurred with several assumptions regarding the RPP:

- \$50 million annual funding level
- Regional allocation by formula
- Region project selection in coordination with MPOs and TPRs
- Consistent approach to project selection, tracking and reporting among Regions

The working group will address the development of guidance regarding project selection and tracking/reporting at future meetings.

*Formula Scenarios*

The working group considered the program purpose and assumptions in developing different formulas. The group sought a formula that is simple, transparent, reproducible, and related to the program purpose. A number of different formula alternatives were considered based on multiple factors.

The recommended RPP formula balances population with lane miles and truck VMT, with population weighted 50%, lane miles 35%, and truck VMT 15%. This takes into account the entire state highway system, the importance of freight corridors, and the synergy between population and travel demand. The table below outlines the Region allocations based on this formula. As a basis for comparison, allocations based on the 45%/40%/15% formula initially recommended by STAC is also shown.

<b>Formula Factors and Weighting*</b>		
	<b>Staff Recommendation</b>	<b>STAC Recommendation</b>
	<b>Pop. / Lane Miles / Truck VMT</b>	<b>VMT / Lane Miles / Truck VMT</b>
<b>VMT</b>	0.0%	45.0%
<b>Lane Miles</b>	35.0%	40.0%
<b>Truck VMT</b>	15.0%	15.0%
<b>Population</b>	50.0%	0.0%
<b>Formula %s</b>		
<b>Region 1</b>	35.5%	31.8%
<b>Region 2</b>	19.9%	18.4%
<b>Region 3</b>	14.3%	17.0%
<b>Region 4</b>	23.2%	23.9%
<b>Region 5</b>	7.1%	8.8%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

**Attachment A** provides context for the RPP allocation within the estimated program distributions for allocated programs. This information is for illustrative purposes only and actual program distribution may be different.

Next Steps

The working group will address TC feedback and refine formula scenarios in advance of March TC adoption.

**Estimated Program Distribution for Allocated Programs  
(does not include statewide programs)  
2/6/2014**

Formula %s*							
	STP-Metro	CMAQ	TAP**	Metro- PL	RPP***	FASTER Safety	TOTAL (excluding FASTER Safety)
	%	%	%	%	%	%	%
Region 1	74.2%	82.8%	40.8%	67.4%	35.5%	0.0%	60.9%
DRCOG MPO	74.2%	82.8%	39.3%	67.4%	34.0%	0.0%	60.3%
Region	0.0%	0.0%	1.5%	0.0%	1.5%	0.0%	0.6%
Region 2	17.5%	3.1%	18.7%	18.7%	19.9%	0.0%	15.0%
PPACG MPO	17.5%	2.5%	8.8%	14.2%	8.0%	0.0%	10.0%
PACOG MPO	0.0%	0.0%	2.1%	4.5%	1.9%	0.0%	1.0%
Region	0.0%	0.5%	7.9%	0.0%	9.9%	0.0%	3.9%
Region 3	0.0%	1.1%	13.0%	4.3%	14.3%	0.0%	6.1%
GV MPO	0.0%	0.0%	1.9%	4.3%	1.9%	0.0%	1.0%
Region	0.0%	1.1%	11.1%	0.0%	12.4%	0.0%	5.1%
Region 4	8.3%	12.0%	21.5%	9.7%	23.2%	0.0%	15.1%
DRCOG MPO	0.0%	0.0%	5.6%	0.0%	5.1%	0.0%	2.1%
NFR MPO	8.3%	10.3%	6.5%	9.7%	6.0%	0.0%	8.0%
Region	0.0%	1.7%	9.4%	0.0%	12.1%	0.0%	5.0%
Region 5	0.0%	1.1%	5.9%	0.0%	7.1%	0.0%	3.0%
TBD	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	100.0%
<b>DRCOG TOTAL****</b>	74.2%	82.8%	44.9%	67.4%	39.1%	0.0%	62.3%

\*Does not include Hot Spots, Traffic Signals, or Congestion Relief. Currently 20% of Hot Spots and Traffic Signals are allocated to each Region. Congestion Relief is currently allocated entirely to Region 1.

\*\*TAP funds- DRCOG, NFRMPO, and PPACG receive a TAP suballocation. GVMPO and PACOG do not receive a suballocation. MPO allocations for TAP include the suballocation (for DRCOG, NFRMPO, and PPACG) plus an assumption of the MPO share of the Region allocation.

\*\*\*RPP funds are not suballocated to MPOs. MPO allocations are based on an assumption of the MPO share of the Region allocation.

\*\*\*\*MPO allocations are based on MPO boundaries. TAP and RPP allocation %s for DRCOG, GV MPO, and PACOG MPO would increase if based on TPR boundaries rather than MPO boundaries. In the case of DRCOG, TAP would be 46.4%, and RPP 40.6% , for a total of 63.0%.

**Transportation Commission of Colorado  
Disadvantaged Business Enterprises (DBE) Committee  
Agenda**

**Thursday, February 20, 2014  
4201 East Arkansas Avenue; Auditorium  
Denver, Colorado**

**HEATHER BARRY, Chairwoman  
District 4**

**GILBERT ORTIZ, SR.  
District 10**

**KATHY CONNELL  
District 6**

**LES GRUEN  
District 9**

**ED PETERSON  
District 2**

**HERMAN STOCKINGER  
Policy and Government  
Relations Director/Secretary**

**The Chairwoman may change the item sequence or timing**

- 1. Call to order**
- 2. Approval of Minutes from November 21, 2013 ..... Page 3**
- 3. DBE Participation Report & Program Update ..... Page 4**
- 4. CRLMS Implementation Update**
- 5. ADA Program Presentation**
- 6. Training and Events**
- 7. Public Input/Comments**
- 8. Adjournment**

**Civil Rights and Business Resource Center**  
4201 E. Arkansas Ave., Room 150  
Denver, Colorado 80222



**TO: Transportation Commission DBE Committee**

**FROM: Heidi Humphreys, Director of Human Resources and Administration**

**RE: DBE Committee February 20, 2014**

**DATE: February 6, 2014**

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**DBE Participation Report:**

The report for federal aid construction contracts for the first quarter of Federal Fiscal Year 2014 shows DBE participation of 17.6% which currently exceeds CDOT's overall goal of 10.25%.

**US6 Job Fair:**

Last year, the Civil Rights and Business Resource Center (CRBRC) drafted new provisions for the US 6 Bridge Replacement Project which mandated that the contractor host a job fair within the community. On January 22, 2014, approximately 300 people attended the job fair hosted by Edward Kraemer & Sons with public outreach efforts led by Romero and Wilson and CIG.

**ADA Curb Ramp Inventory:**

Under the guidance of CDOT's new ADA Coordinator, Michael Nusen, CDOT is currently in the process of inventorying all curb ramps on state highways to ensure access for individuals with disabilities. To date, over 4500 curb ramps have been evaluated and entered into the customized inventory software. Michael will provide a short presentation of the curb ramp inventory process and how it impacts CDOT.

**Event and Training Update:**

**New Standard Special Provision:** CDOT released the new DBE Standard Special Provision in January and held three webinars and one live training session to educate contractors on the new requirements.

**Contractor Compliance Training:** Between February and May, the CRBRC will host three civil rights compliance trainings for contractors in Denver, Grand Junction and Alamosa.

**Connect2DOT:** The following centers have been rolled out with a kiosk and training: Denver, Grand Junction, Fort Morgan, Alamosa, Durango, Pueblo, Centennial, Fort Collins, Montrose, Colorado Springs and Brighton.

DBE Committee Minutes  
Thursday November 21, 2013

*Call to Order:* Meeting was called to order by Commissioner Gruen (Acting Chair) after 9:00 am

*Attendees:*

Commissioner Bill Thiebaut  
Commissioner Kathy Connell  
Commissioner Shannon Gifford  
Commissioner Doug Aden  
Heidi Humphries, Division of Human Resources and Administration  
Greg Diehl, Civil Rights and Business Resource Center

*Minutes Approval:* Motion for approval of August 15, 2013 DBE Committee Meeting Minutes

Motioned by Commissioner Gruen  
Seconded by Commissioner Thiebaut

*DBE Participation Report:* Greg Diehl summarized the current DBE participation report:

- The DBE participation on construction contracts from October 1, 2012 to September 30, 2013 was 12.6% which exceeds the overall goal of 10.25%.
- DBE participation on consultant contracts from October 1, 2012 to September 30, 2013 was 28.4%.
- Commissioner Thiebaut had a question, “What is Race Conscious and Race-Neutral?”
  - o Race Conscious DBE Participation: Any participation achieved using contract goals. We use contract goals to achieve the DBE participation not occurring through race-neutral means. We only set goals on projects with federal funds. Primes are required to meet goal or show good faith effort. CDOT monitors progress throughout the project.
  - o Race Neutral DBE Participation: Federal regulations require maximum feasible portion of overall DBE goal be met by using race and gender-neutral means. Race-neutral participation includes:
    - DBE prime contracts
    - DBE participation above project goals
    - DBE participation on contracts without goals

The Emerging Small Business (ESB) Program helps all small businesses and therefore is considered a race-neutral means to meeting DBE goals.

*Connect2DOT Update:* Greg Diehl provided an update on CDOT’s DBE Supportive Services Program.

- We use funding from FHWA to provide supportive services. Our supportive services are provided through Connect2DOT which is a partnership with the SBDC across the state and the Denver Metro area.
- Connect2DOT is currently being rolled out statewide. The website is [www.connect2dot.org](http://www.connect2dot.org)

*CRL Implementation Update:* Greg Diehl provided an update on the implementation of CRL.

- Implementing new software module that ties in with AASHTOWare. It covers all civil rights programs (DBE, OJT, Contractor Compliance, and Labor) and will be used for consistency, tracking and reporting.

Meeting Adjourned

**DBE MONTHLY REPORT FOR CONSTRUCTION CONTRACTS**

Federal Fiscal Year 2014 to Date (10/1/2013 - 12/31/2013)

Federal Dollars Only

	A	B	C	D	E	F	G	H	I
<b>AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD</b> (total contracts and subcontracts awarded or committed during this reporting period)	Total Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs* (number)	Total to DBEs /Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
1. Prime contracts awarded this period	\$28,672,529	8	\$1,149,031	1	\$0	0	\$1,149,031	1	4.0%
2. Subcontracts awarded/committed this period	\$22,764,578	106	\$3,895,992	29	\$2,122,964	16	\$1,773,028	13	17.1%
<b>3. TOTAL</b>			\$5,045,023	30	\$2,122,964	16	\$2,922,058	14	17.6%

	A	B	C	D	E	F	G
<b>DBE AWARDS/COMMITMENTS THIS REPORTING PERIOD-BREAKDOWN BY ETHNICITY &amp; GENDER</b>	Black American	Hispanic American	Native American	Asian American	Non-Minority Women	Other (i.e. not of any other group listed here)	TOTALS (for this reporting period only)
4. Total Number of Contracts (Prime and Sub)	3	6	2	0	19	0	30
5. Total Dollar Value	\$51,056	\$1,606,194	\$231,152	\$0	\$3,156,621	\$0	\$5,045,023

	A	B	C	D	E
<b>ACTUAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD</b>	Number of Prime Contracts Completed	Total Dollar Value of Prime Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percentage of Total DBE Participation
6. Race Conscious	10	\$54,489,154	\$5,644,215	\$7,718,030	14.2%
7. Race Neutral	2	\$1,215,763		\$24,109	2.0%
8. Totals	12	\$55,704,917		\$7,742,140	13.9%

\* The 30 prime and subcontracts shown in this column went to 24 individual DBE firms.

DBE Subcontracts Approved on CDOT Highway Construction Projects 10/1/2013 - 12/31/2013

Subcontract Work Type	Percent of Subcontracts
Guard Rail	30.49%
Concrete Pavement	24.36%
Traffic Control	22.88%
Trucking, Hauling	8.19%
Signing	5.20%
Seeding, Topsoil, Erosion Control	3.73%
Miscellaneous	3.39%
Pavement Marking	0.82%
Drilling Holes	0.60%
Curb & Gutter, Sidewalk, Inlets	0.28%
Construction Surveying	0.03%

# TRANSPORTATION COMMISSION of COLORADO AUDIT REVIEW COMMITTEE

Commissioners Gary Reiff, Les Gruen, Ed Peterson, Bill Thiebaut, Sidny Zink

Meeting Location: CDOT Headquarters Building, Denver, Colorado

All commissioners are welcome to attend.

## MEETING AGENDA: February 20, 2014

1. **Call to Order:** (Roll will be noted by the Secretary to the ARC)
2. **Approval of the Minutes of the Last ARC Meeting** Page 2
3. **Status Updates**
  - a. Action Items from October 17, 2013 meeting Verbal
  - b. Outstanding Audit Recommendations Page 6
  - c. FY14 Audit Plan
    - i. Audit Assignments Page 7
    - ii. Audit Work in Progress
      1. Review of CDOT Indirect Cost Rate Page 7
      2. Consultant Indirect Cost Rates Page 8
      3. \*Flood Recovery Page 8
      4. Disputes and Claims Page 8
      5. Cognizant Audits Page 8
    - iii. Completed Audit Work Summaries
      1. Sanborn Page 8
      2. DRCOG Page 8
    - iv. \*Next Quarter Audit Schedule Verbal
  - d. \*Hotline Incident Statistics Page 10
  - e. \*Audit Metrics Page 11
4. **\*ARC Questions, Requests, Discussion Items**
  - a. Audit Plan Discussion
    - i. Review of PY14 Page 12
    - ii. Proposed Audit Plan for 2015 Page 13
    - iii. Risk Assessment Questions Page 14
    - iv. Audit Definitions Page 15
  - b. Comments/Feedback on ARC Documents and Packet Verbal

**This Agenda May Be Altered at the Chair's Discretion**

\* Those items marked with an asterisk will be presented to the committee.

**Colorado Transportation Commission**  
**Audit Review Committee**  
**MEETING MINUTES**  
**October 17, 2013**  
**9:10 A.M. – 10:00 A.M.**  
**CDOT Headquarters Auditorium**

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**COMMISSIONERS PRESENT:** Gary Reiff, ARC Chairman, Les Gruen, Ed Peterson, Doug Aden, William Thiebaut, Sidney Zink, Kathleen Gilliland, and Heather Barry.

**ALSO PRESENT:** Heidi Bimmerle, DoHRA Director; Barbara Gold, Audit Director; Scott Richrath, Chief Financial Officer; Gregg Miller, BPA; Samuel K. Nnuro, Auditor; Naomi Smith, Audit Manager; Gary Vansuch, Director of Process Improvement; Johnny Olson, RTD R4

**AND:** Other staff members, organization representatives, and the public.

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**1. Call to Order**

ARC Chairman Gruen called the meeting to order on October 17, 2013, at 9:10 A.M. The meeting was held in the Auditorium at the Headquarters of the Colorado Department of Transportation. Roll was noted by the Secretary to the ARC.

**2. Election of Chairman and New Members**

The presiding Commissioner Les Gruen made a motion to appoint Commissioner Gary Reiff as the Chairman of the Audit Review Committee (ARC). Commissioner Ed Peterson seconded the motion, which was unanimously approved. The newly elected chairman introduced the new members of the ARC.

**3. Approval of Minutes of the Last ARC Meeting**

ARC Chairman Reiff asked for approval of the meeting minutes for July 18, 2013. Approval of the minutes was moved by Commissioner Aden, and seconded by Commissioner Thiebaut. The minutes were adopted as published in the agenda.

**4. Action Item from July 18, 2013 Meeting**

Audit Director Barbara Gold provided an update on the action item listed on page 10 of the ARC packet when the Commissioner's convened on July 18, 2013. Currently, the Division is tracking the number of employees' training hours and other traditional metrics measures such as the number of assignments completed. This will enable the Division to build and maintain the right team and develop the right skillsets. Throughout the metrics analysis we will be able to access skill levels and implement additional training to increase auditors' expertise. It will also help the Division to prioritize spending on

training to maximize return on investment and ensure staff is supported in their development of key skills needed to perform their jobs.

## **1. Audit Report Presentations**

### ***A. Outstanding Audit Recommendation***

Audit Director Barbara Gold presented the Outstanding Audit Recommendations report. She stated that the Outstanding Audit Recommendations have been moving forward successfully. It involved many individuals from the Senior Management Team (SMT). The charts in the report summarize the outstanding recommendations data. The first graph on page five is the audit recommendations by area within the organization and the status of each recommendation. Commissioner Thiebaut commented on the two outstanding recommendations regarding Federal Highway Administration historical clearance audit statuses. Director Gold explained what it means when a recommendation is noted as in progress status. It means the Audit Division has already met with the SMT member in charge of that particular area, who will be responsible for the implementation of that recommendation. Debra Perkins-Smith, Director of Transportation Development explained that the historical clearance audit was done before her time as a division head, but the audit was about non-compliance with the Programmatic Agreement between CDOT and FHWA. She stated that her division is currently working with the Audit Division to implement those recommendations. Chairman Reiff commented that Barbara and her group have been working really hard to implement all the outstanding recommendations. He asked Director Gold if there is any recommendation she would like to focus on or are all on schedule. Ms. Gold responded that all the recommendations are on schedule.

### ***B. Audit Plan Update and 3<sup>rd</sup> Quarter Audit Schedule***

The Audit Director went through the audit work plan for the Fiscal Year 2014. She stated that the Audit Division will focus more on a risk based approach to auditing. Director Gold explained that it is a requirement of the Audit Division to present its plan to the Commissioners and get an approval each quarter. We also included a list of the various types of audit work and compliance audits that regulatory guidelines require us to complete. The Division will also be conducting three external audits for our sub-consultant to make sure they are in compliance with applicable rules and regulations. She noted that external audits in transportation are not the same as external audits conducted by CPA firms, with our external audits there is no financial opinion issued. Commissioner Sidney Zink asked if CDOT has a financial statement audit performed each year. Director Gold responded that a financial statement audit is completed each year by an external CPA firm. This fiscal year we remain committed to building a strong, value added Audit team that collaborates with management to help them achieve CDOT's objectives.

### ***C. Hotline Incidents***

Audit Director Gold provided an update on the CDOT Hotline. Ms. Gold explained the reason for the Hotline to the new Commissioners. She stated that the hotline is designed to allow employees to anonymously report alleged instances of fraud or corruption, non-

compliance with policies/procedures/regulations, safety issues, misuse of CDOT assets and resources, mismanagement, neglect of duty and other areas of concern. The Hotline is operated 24/7 by a third-party vendor. The Hotline allegations are tracked, investigated, action taken and closed. Allegations involving safety have been the most prevalent this year. She mentioned that the Audit Division is working with Darrel Lingk to streamline the amount of calls. The safety calls coming to the Division add a layer of delays to the process.

***D. NHI Training Announcement.***

Director Gold stated that the Colorado Department of Transportation's Audit Division is proud to announce the hosting of NHI training relative to the AASHTO Audit Guide and FAR requirements during the week of November 4th through November 8th, 2013. She mentioned that the course is particularly suited for practitioners associated with procurement, audit, and the administration of Architectural and Engineering contracts.

***E. Flood Recovery***

Ms. Gold provided a brief update on the flood recovery. She stated that the Audit Division is working closely with Scott Richrath's group to come up with proper procedures for the flood recovery initiative. Ms. Gold mentioned that on September 23, 2013, her Division held a conference call with the Vermont Department of Transportation CFO, Audit Chief, Accounting Manager, and Grant Manager to discuss the lessons learned from their experience with Hurricane Irene. They provided insight as to Audit's role and the risks they experienced. She mentioned that the Division will be playing the role of a consultant.

***F. Review of FASTER Safety Funds.***

Barbara Gold, Audit Director, presented the FASTER Audit. Ms. Gold mentioned that a risk based approach to auditing was used to review the controls surrounding the FASTER program. She stated that the Executive Director of CDOT requested that the Audit Division review FASTER safety funds as it related to road safety projects. The overall goal of the examination was to determine whether CDOT is in compliance with the established legislation on eligibility for FASTER funding for road safety. Also, to determine if pre and post-award safety metrics were identified, reported, and provided to Executive Management. Ms. Gold noted that the above findings on page 19 were discussed with CDOT Executive Management. Changes are needed in order to report on how CDOT's FASTER safety funds have improved road safety. The Division will perform a follow-up audit on the framework necessary to establish a control structure that provides timely and useful reports about FASTER safety funds. Ms. Gold outlined the recommendations that should be implemented to remedy the situation:

CDOT Executive Management agreed, conceptually, to the following audit considerations.

- 1) The Executive Director should communicate his request for reports that show how FASTER safety funds have improved safety on Colorado roads.

- 2) The Executive Director should:
  - a. Establish the metric(s) for safety enhancements and improvements (approved by the Transportation Commission) that lead to the reduction of fatalities, injuries and loss of property; and
  - b. Require the development and implementation of a control structure that provides reports containing information on the status of attaining FASTER safety metrics. The reports should be provided to and reviewed by the Executive Director.

Commissioner Reiff commented that going forward it will be a great idea if CDOT could provide a visual dashboard on their ongoing projects and the amount associated with each project, as well as the source of funding. He noted that the report was very informative and educational. He thanks the Director and her staff for a great report.

### **Adjournment**

Chairman Reiff announced that the meeting was adjourned at approximately 10:00 a.m.

### **Action Items**

Report back on Fuel Card Audit  
Definition of Cognizant Audit  
Disputes over payments

CDOT Audit Division  
 Outstanding Audit Recommendations  
 as of December 31, 2013

Ref #	Auditor	Recommendation	Area	Planned Implementation Date	Status
1	OSA	1a. Establish written policies and procedures and train staff on this process. 1b. Ensure that regional inspectors are informed of their roles and responsibilities. 1c. Establish a standard process for enforcing federal and state laws and Department regulations when illegal signs are identified. 1d. Ensure that permit holders are in compliance. 1e. Provide training to regional field staff on program laws and regulations.	Chief Engineer	1a-1d April 2014 1e-December 2013	1a-1d Not Due 1e- In Process
2	OSA	2a. Implement a segregation of duties framework over payments. 2b. Seek clarification as to when late fees should be charged and implement rules and policies to apply fees consistently.	Chief Engineer	2a-August 2013 2b-April 2014	2a-Closed 2b-Not Due
3	OSA	3a. Create and use a dedicated roadside advertising fund, or seek statutory change to remove the requirement. 3b. Review the fee schedule for outdoor advertising permit applications and renewals.	Chief Engineer	3a-January 2014 3b-April 2014	3a-Not Due 3b-Not Due
4	OSA	Establish an effective monitoring process for the TODS and LOGO Sign Programs contract.	Chief Engineer	4-Apr-14	Not Due
5	FHWA	Provide training on CDOT's Section 106 procedures at the next Transportation Environmental Workshop.	Chief Engineer	In Progress	In Process
6	CDOT	Update Record Management Procedural Directives for proper record retention.	DTD	Lean Project	In Process
7	CDOT	Scan the web application regularly for SQL injection and XSS threats.	DOHRA-OIT	2014	In Process
8	CDOT	Work with OIT and the Business Process Architect to create policy and procedures for reviewing SAP log data and highlight suspicious transactions or data patterns.	DOHRA-OIT	Jan-14	Not Due
9	CDOT	Work with OIT and review the domain administrator accounts assignment for appropriateness and set up domain subgroup and reassign domain administrators accordingly.	DOHRA-OIT	Jan-14	Not Due
10	CDOT	Work with OIT to ensure segregation of the creation and maintenance of authorization profiles.	DOHRA-OIT	Jan-14	Not Due
11	OSA	Ensure that the disaster recovery plan includes all components required by State Cyber Security Policies.	DOHRA-OIT	2014	Not Due

**TRANSPORTATION COMMISSION of COLORADO  
AUDIT REVIEW COMMITTEE**

**Audit Plan Year 2014 Update**

**Audit Assignments**

The table below notes the work currently in progress, completed for the period October through December, and completed year-to-date. The table consists of two sections – Internal Audit Work and External Audit Work. Internal and external audit work and the categories listed for each are defined in the Audit Definitions document on page 15.

CDOT Audit Audit Assignments As of December 31, 2013			
<b>Internal Audit Work</b>	In Progress December 31, 2013	Completed October - December	Completed Year-to-Date
Special Requests	2	0	1
Consultations	1	0	1
Audits	4	0	0
Hotline Incidents	30	1	15
Total	37	1	17
<b>External Audit Work</b>			
Disputes and Claims	3	0	1
Cognizant Audits	1	1	1
A-133 Single Audit Reviews	40	190	190
Consultant Selection Reviews	18	18	72
Master Pricing Agreement Reviews	2	4	30
Indirect Cost Rate Reviews	7	1	15
Sole Source Reviews	1	0	3
Total	72	214	312

**Additional Information on Selected Audit Assignments**

**Audit Work in Progress**

**Special Requests**

**Review of CDOT Indirect Cost Rate**

The Executive Director of CDOT requested the Audit Division to review the indirect costs charged to federally funded projects to determine which employees are charging to the indirect cost pool. This will include a review of policies and procedures for charging labor costs to the indirect cost code and to perform an analysis on the labor ratios of employees charging to indirect, project direct, construction engineering, and Administrative (State Fund) codes. This

# TRANSPORTATION COMMISSION of COLORADO

## AUDIT REVIEW COMMITTEE

### Audit Plan Year 2014 Update

review will be on the data from headquarters and the regions. The expected completion date is January 2014.

#### Consultant Indirect Cost Rates

The Executive Director requested a list of the top 25 consultant firms CDOT has a contract with and the indirect cost rate for each.

#### Consultations

##### Flood Recovery

See page 9 for a summary of the work completed as of December 27, 2013.

##### Disputes and Claims

A dispute from Region 2 and a dispute and a claim from Region 4 were submitted to the Audit Division and are expected to be completed in January 2014.

##### Cognizant Audit

We performed a cognizant review of the examination, and supporting work papers, of the indirect cost rate for a local architectural and engineering (A/E) firm in Colorado for the period January 1, 2012 through December 31, 2012. The cognizant review consisted of reviewing the A/E's independent CPA's work papers to support the audited Statement of Indirect Costs. The expected completion date is January 2014.

#### **Completed Audit Work**

##### Cognizant Audits

##### Sanborn

We performed a cognizant review of the examination, and supporting work papers, of the Indirect Cost Rate for The Sanborn Map Company, Inc., Mapping Division (Sanborn) for the period October 1, 2010 through December 31, 2011. We issued the cognizant letter on December 24, 2013.

##### Indirect Cost Rate Reviews

##### DRCOG

We reviewed Denver Regional Council of Governments' (DRCOG) calculation of their 2013 indirect cost allocation rate. We issued an approval letter on October 28, 2013.

# STATE OF COLORADO

DEPARTMENT OF TRANSPORTATION



**DATE:** December 27, 2013  
**TO:** Audit Review Committee Members  
**FROM:** Barb Gold, Audit Director  
**SUBJECT:** Summary of Flood Procedures

## Purpose

Our primary objective is to help CDOT maximize its federal reimbursement for eligible flood expenditures, and provide assurance to CDOT Management that the procedures established by CDOT and /or the Incident Command Center are being followed. Our initial approach to achieve this objective is in the capacity of a consulting role – providing our expertise in documenting processes, identifying areas of concern, sample and attribute testing, and reporting our results to CDOT Management.

## Action Requested

This is an initial update, no Committee action is requested.

## Executive Summary

We determined the following areas to review based on the level of risk of noncompliance and the potential for errors that could decrease our federal reimbursement.

1. General Understanding of the Project – We are conducting a gap analysis of what the reimbursement cycle should be (from the flood event to actual reimbursement) and the current processes in place.
2. Limited Invoice Review – We have begun reviewing a sample of 11 invoices for compliance with attributes necessary for federal reimbursement. This sample represents 80 percent of the first 200 invoices (totaling about \$5 million).
3. Data Management Plan – This contains procedures and requirements management has created and can provide assurance of compliance to maximize reimbursement. We will review the progress of this plan for consistency and completeness.
4. Fraud Procedures – We will follow our current procedures in place to investigate and report incidents of fraud if and when they are reported.
5. Detailed Damage Inspection Report – this document is used to request federal reimbursement. We will review the process currently in place to create these documents.

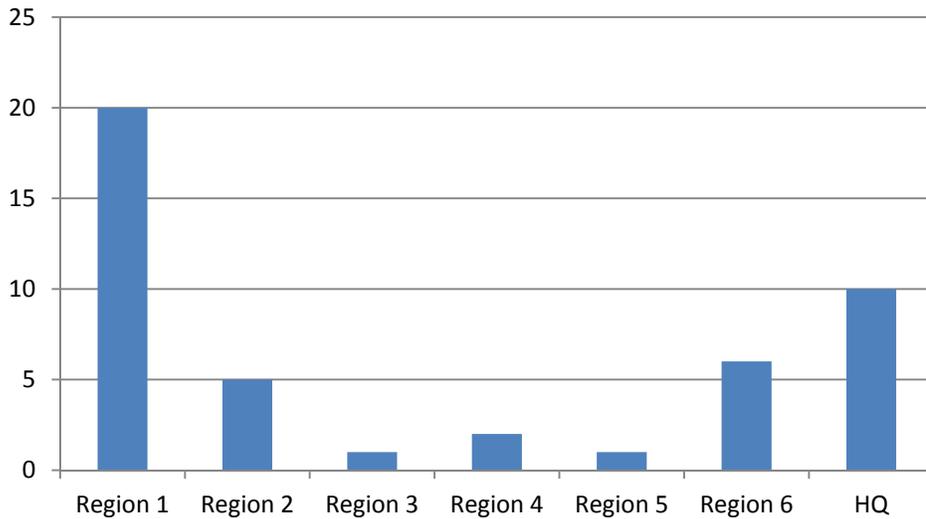
## Deliverables

For each of the five items above, we will communicate our analyses, conclusions, recommendations and next steps to CDOT Management via biweekly summary reports, status meeting or memos. We will include a quarterly summary of our procedures in our packet for the Audit Review Committee.

*“Taking Care To Get You There”*

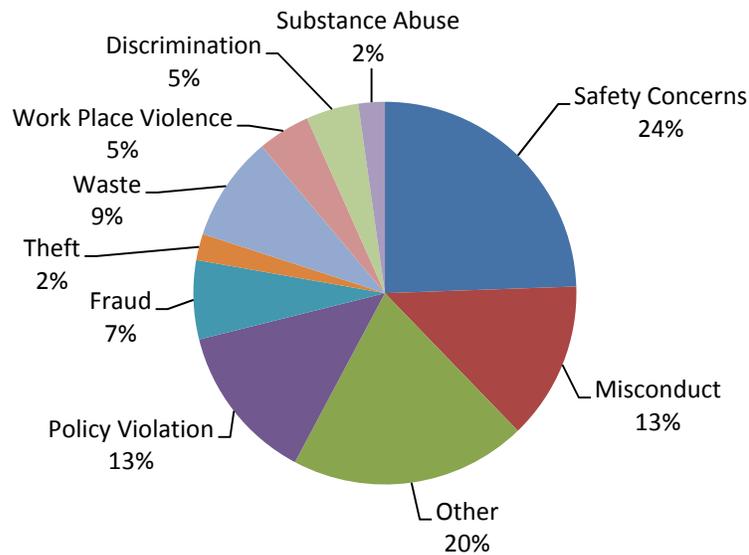
**TRANSPORTATION COMMISSION of COLORADO  
AUDIT REVIEW COMMITTEE**

**CDOT Audit Division  
Hotline Incidents as Reported by Location  
January 2013 through December 2013**



Source: Hotline Data obtained by Audit Division

**CDOT Audit Division  
Hotline Incidents by Type  
January 2013 through December 2013**



Source: Hotline Data obtained by Audit Division

**TRANSPORTATION COMMISSION of COLORADO  
AUDIT REVIEW COMMITTEE**

**Audit Division Performance Metrics  
Proposal for Audit Plan Year 2015**

**Audit Division Metrics**

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	Goal	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	YTD
Training Sessions Presented	4					
Department-Wide Communications	1					
Regional visits	6					
Audits Completed	12					
Requests for Audit Services	6					
Report Delivered When Committed	Within 2 weeks					
Add Value Rating	3					
Budget/Actual Audit Hours	75%					

**Audit Team Metrics**

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	Goal	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	YTD
Hours Available for 9 Auditors	18,720					
Audit Hours	11,500					
Training Hours	4,720					
Leave Hours	1600					
Admin Hours	900					

**TRANSPORTATION COMMISSION of COLORADO**  
**AUDIT REVIEW COMMITTEE**  
**Audit Plan**  
**As of December 31, 2013**

CDOT Audit PY 14 Audit Plan Update As of December 31, 2013			
Internal Audit Work	Phase	Scheduled Completion Date	Actual Completion Date
FASTER Dollars	Complete	August 2013	September 2013
CDOT Indirect Cost Rate	Reporting	August 2013	
Water Quality	Postponed	September 2013*	
Property Controls – Acquisitions and Relocations	Reporting	September 2013	
Property Controls – Leases and Disposals	Fieldwork	September 2013	
Consultant Indirect Cost Rates	Fieldwork	January 2014	
Fraud Policy and Program	Fieldwork	January 2014	
Fuel Cost Audit Follow up	Planning	February 2014	
Scrap Metal	Planning	March 2014	
Consultant Audit Program Revision	Planning	March 2014	
Dispute Program Revision	Not Started	March 2014	
IT Systems and Access Controls	Not Started	May 2014	
RAMP		Not Scheduled	
SAP		Not Scheduled	
Contract vs Employee Status		Not Scheduled	
Procurement		Not Scheduled	
On-boarding employees		Not Scheduled	
Lean Follow-up and Coordination		Not Scheduled	
Contract Compliance		Not Scheduled	
Outstanding Recommendations		Ongoing	Ongoing
Flood Recovery		Ongoing	Ongoing

\*This audit was postponed until approval of a new permit.

Note: Shaded items are audit work added since the plan was approved in April 2013.

**TRANSPORTATION COMMISSION of COLORADO  
AUDIT REVIEW COMMITTEE**

**Proposed Audit Plan for 2015**

CDOT Audit Proposed Audit Plan For 2015	
<b>Internal Audit Work</b>	<b>Audit Type</b>
Water Quality	Performance
RAMP	Performance
Contract vs Employee Status	Performance
Procurement Process	Performance
On-Boarding and Off-Boarding of Employees	Performance
Lean Follow-up and Coordination	Performance
Contract Compliance	Performance
Outstanding Recommendations	Performance
Flood Recovery	Performance
<b>External Audit Work</b>	<b>Estimated Number of Assignments</b>
Disputes and Claims	5
Cognizant Audits	1
A-133 Single Audit Reviews	230
Consultant Pre-qualifications	200
Indirect Cost Rate Reviews	30
Sole Source Reviews	5

# **TRANSPORTATION COMMISSION of COLORADO AUDIT REVIEW COMMITTEE**

## **Risk Assessment Questions**

We are changing the way we do things in the Audit Division. One of the areas we are changing is the way we develop our audit plan. We are moving away from a static audit plan that is approved once a year by our Audit Review Committee and reflects the risks we see at a point in time to an audit plan that is assessed and completed quarterly. The new audit plan will reflect the current risks that both the Audit Division and management have identified for that period.

To accomplish this, we will meet with members of the CDOT Senior Management team and FHWA periodically to obtain a better understanding of their business unit. We will obtain an understanding of their concerns, the risks they face, and their control environment. We will also discuss how the Audit Division can add value to their business unit.

It is also critical to solicit feedback from our Audit Review Committee. We have developed some questions we would like you to think about so that we can discuss your areas of concern and audits you would like us to conduct in the coming year.

- 1) What threatens CDOT's ability to be successful?
- 2) What is important to you?
- 3) Are there any programs within CDOT that concern you or that you would like more information on?
- 4) What can the Audit Division provide to help you and CDOT be successful in meeting objectives?
- 5) If you could make one improvement to CDOT what would it be?

# TRANSPORTATION COMMISSION of COLORADO

## AUDIT REVIEW COMMITTEE

### Audit Definitions

#### Internal Audit Work

Audit work performed on CDOT operations.

#### Special Requests

- Audit Division performs a review or provides information to management at their request.
- Added Value: Provides CDOT Management with information they may need to assist them in being successful in meeting their business objectives.

#### Consultations

- Audit Division provides advice on a process, program, system, operation, or any other matter at the request of management.
- Added Value: Provides CDOT Management with advice and assistance in the evaluation of their management control structure. Our recommendations will assist them in being successful in meeting their business objectives.

#### Audits

- Audit Division provides an assessment of a process, program, system, operation, or any other matter as determined by the Audit Division.
- Includes follow up on outstanding recommendations to determine the disposition of audit recommendations.
- Added Value: Provides CDOT Management with assurances that their controls are working as intended based on high risk areas and updates management on the disposition of recommendations they agreed to implement which are important to attaining their objectives.

#### Hotline Incidents

- The Audit Division manages the hotline through an application that allows us to maintain a centralized database for documenting the steps taken by the organization to investigate allegations reported via the hotline. The allegations are reviewed and the information is disseminated to the appropriate party such as the supervisor, Human Resources, and the Audit Committee.
- Added Value: Provides the framework and ability for an effective anonymous reporting program. This function provides a proactive approach and engages CDOT employees to promote an ethical workplace and organization and thereby limit liability and loss due to fraud and misconduct in the workplace.

#### External Audit Work

Audit work performed on entities contracting with CDOT.

#### Sole Source Reviews

- Requests from CDOT purchasing agents to review sole source procurements greater than \$100,000 for fair and reasonable pricing.
- Added Value: Sole Source requests contain an inherently higher risk. Audit's review of these requests mitigates this risk by providing independent assurance to the

# TRANSPORTATION COMMISSION of COLORADO

## AUDIT REVIEW COMMITTEE

### Audit Definitions

CDOT's Procurement Office that the request pricing is fair and reasonable prior to approval.

#### Disputes and Claims

- Audit Division reviews disputes between CDOT and the contracted vendor including terms of contract, work performed, and allowable/unallowable costs.
- Dispute and claim details will be provided upon settlement.
- Added Value: Provide CDOT Management with additional support for the quantum of the dispute or claim.

#### Cognizant Audits

- The Audit Division's objective is to determine that the indirect cost rate of an engineering firm is fair and reasonable and in compliance with federal regulations.
- This audit can be performed by the home state (the State in which the firm's accounting records are kept), a non-home state (a DOT with an interest in the engineering firm), a federal audit agency, or a CPA firm.
- The rate is approved by:
  - The home state conducting an audit of the rate or hiring a CPA firm to audit the rate under their direction.
  - The home state issuing a cognizant letter of concurrence subsequent to a review of the work papers of a CPA firm whom the engineering firm hired to audit the rate.
  - The non-home state issuing a cognizant letter of concurrence subsequent to a review of the work papers of a CPA firm whom the engineering firm hired to audit the rate and the home state accepts the letter.
- Added Value: Provide assurance that the rates submitted are fair and reasonable per Federal Acquisition Regulations. If the rates are not reasonable, Audit provides our determination of recommended reasonable rates.

#### A-133 Single Audit Reviews

- Entities that receive federal grant monies from CDOT are required to submit, annually, an Audit Compliance Certification Form. The Audit Division reviews the report and form for exceptions on programs impacting CDOT.
- Added Value: Assists CDOT Management in its responsibilities with the provisions of OMB A-133 requirements relative to audit compliance. We also document and follow-up, with the sub-recipient, on any exceptions noted in the audit report which impact CDOT programs.

#### Consultant New Selection Reviews

- The Audit Division's objective is to determine that the direct labor rates, overhead rates, billing rates, or in the alternative, Fee Schedule Billing Rates are fair and reasonable.
- Added Value: Provide CDOT's Contracts and Agreements Section with assurance that the rates submitted are fair and reasonable per Federal Acquisition Regulations.

# **TRANSPORTATION COMMISSION of COLORADO AUDIT REVIEW COMMITTEE**

## **Audit Definitions**

If the rates are not reasonable, Audit provides our determination of recommended reasonable rates.

### Master Pricing Agreement Reviews

- The Audit Division's objective is to determine that the direct labor rates, overhead rates, billing rates, or in the alternative, Fee Schedule Billing Rates are fair and reasonable.
- Added Value: Provide CDOT's Contracts and Agreements Section with assurance that the rates submitted are fair and reasonable per Federal Acquisition Regulations. If the rates are not reasonable, Audit provides our determination of recommended reasonable rates.

### Indirect Cost Rate Reviews

- The Audit Division's objective is to determine that the indirect cost rate and fringe rate, as applicable, are fair and reasonable and in compliance with federal regulations for local agencies and non-profit organizations.
- Includes Council of Governments (COGs), Metropolitan Planning Organization (MPOs), local agencies, and non-profit agencies.
- Our reviews have been limited to those requested by the agencies; however, in the upcoming year we will be developing a risk based audit program so that we are proactive at reviewing the rates of these agencies.
- Added Value: Provide assurance that the rates submitted are fair and reasonable per the Code of Federal Regulations. If the rates are not reasonable, Audit provides our determination of recommended reasonable rates.

# STATE OF COLORADO

DEPARTMENT OF TRANSPORTATION



**DATE:** February 20, 2014  
**TO:** Transportation Commission  
**FROM:** Scott Richrath, Chief Financial Officer  
Scott McDaniel, Acting Chief Engineer  
**SUBJECT:** RAMP Partnership and Operations Projects

## Purpose

This workshop and memorandum provide an update to the Commission on the scope, schedule, budget and local partner commitment required by resolution TC-3106 adopted at the October 2013 commission meeting and requests Commission approval to budget RAMP funds to the projects that have met these requirements.

## Action Requested

The Commission is requested to pass a resolution approving the budgeting of RAMP funding outlined below for approved projects.

## Background

Resolution Number TC-3106 which was passed at the October 2013 Commission meeting approved four public-private (P3) projects, forty public-public partnership projects, and thirty-one operations projects. The resolution also required that scope, schedule and budget estimates be prepared by CDOT and the local partners involved to recommit to the projects by January 6, 2014. Local partners in flood affected areas were able to request an extension to April 7, 2014. Finally, the resolution authorized the Chief Financial Officer to budget up to five percent of the project cost so that the requirements of this resolution and the accelerated timetables of the RAMP program could both be met.

CDOT staff has reviewed the scope, schedule, and budget estimates as well as the local partner's commitment and makes the recommendations noted in this memorandum.

## Details

1. There are a total of seventy-five (75) RAMP projects approved by Commission action. This includes the Westbound Twin Tunnel Widening project approved by Commission action in January. As reported in January, two small public-public devolution projects were withdrawn by Larimer County and three partners in flood-affected areas were approved for the extension to April 7, 2014. This leaves seventy (70) projects for discussion in this workshop.

- Evidence of local partner commitment along with the supporting scope, schedule, and budget was reviewed for each RAMP Partnership and Operations project. This RAMP program is broken into three (3) main categories or program types.

<b>Program Type</b>	<b>Total # of TC Approved Projects</b>	<b>Total # of Projects Reviewed</b>
RAMP HTPE / P3 Projects (public-private partnerships)	4	3
RAMP Partnership Projects (public-public partnerships)	38	36
RAMP Operations Projects	31	31
<b>Totals*</b>	<b>73</b>	<b>70</b>

*\* = A total of three (3) projects were granted deadline extensions until April 7, 2014. Two projects were withdrawn in January.*

- CDOT staff has then categorized the RAMP projects into three (3) groups of projects for discussion here. The details of the projects are shown in the attachment.

<b>Grouping for Staff Recommendations</b>		<b>Total # of Recommended Projects</b>	<b>% of Recommended Projects</b>
Group #1	Projects Recommended for Approval (no additional RAMP funds requested and no changes / non-substantive changes in scope, schedule or budget estimate noted in the comments)	57	81%
Group #2	Projects Recommended for Approval (some additional RAMP funds requested and non-substantive changes in scope, schedule or budget estimate are noted in the comments)	6	9%
Group #3	Projects Recommended for Further Development by Staff	7	10%
<b>Totals*</b>		<b>70</b>	<b>100%</b>

- After careful review, the staff recommends that staff be granted authority to budget all RAMP projects in Groups 1 and 2 shown on the attachment labeled “Partnership and Operations Projects - Staff Recommendation List 2/20/2014” without further Commission action.
- Once Staff has completed further development of projects listed in Group three, they will be presented to the Transportation Commission. Additionally, there will be a presentation

of additional Operations projects at a future date as there is remaining allocation of RAMP funding in this category.

The following options has been identified for Transportation Consideration of this staff recommendation to budget the RAMP funding for these projects.

*Option A*

Pass the resolution as recommended by staff. The CFO will have authorization to budget the RAMP funding on these projects without further action by the commission. The CFO will budget sufficient funds to further preconstruction and projects which have other fund sources may still be brought to the commission through the budget supplement process. Further, the CFO would have authorization to budget RAMP funds for construction after execution of an Inter-Governmental Agreement (IGA) on projects where an IGA is required.

*Option B*

Pass the resolution for a select list of projects, providing the CFO authorization described above. The Commission would provide staff direction for the remaining projects to be made consistent with the Commission's intention for the RAMP program and staff will work to that end.

*Option C*

Do not pass a resolution to budget RAMP funds as a program. Projects within the program will then be required to come forward individually through the budget supplement process, reducing the potential of the commission to act on and manage the program as a whole.

Attachments

1. List of projects including a summary of budget estimates - "Partnership and Operations Projects - Staff Recommendation List 2/20/2014".
2. PowerPoint slides

Partnership and Operations Projects - Staff Recommendation List 2/20/2014

Public-Private (HTPE) Partnership Projects

Key	
Group #1	Staff Recommends Budgeting Funds
Group #2	Staff Recommends Budgeting Funds
Group #3	Staff Recommends Further Development

Numbers are shown as a COST VARIANCE	
-\$4,800.00	Numbers shown in red with a negative represent an overage
\$6,000.00	Numbers shown in green represent an underage

	Tracking #	Project Name	TC Approved Total Project Cost	Estimated Total Project Cost	Total Project Cost Delta	TC Approved RAMP Request	RAMP Request	RAMP Request Delta	Local Contribution	In Kind Contributions	Local Delta	Other Funds	Other Funds Delta	Recommendation
Group #1	N/A	HTPE P3 Development Fund	\$200,000,000	\$200,000,000	\$0	\$40,000,000	\$40,000,000	\$0	\$0	\$0	\$0	\$160,000,000	\$0	Staff Recommends Budgeting Funds
	N/A	WB Twin Tunnels Expansion	\$55,000,000	\$55,000,000	\$0	\$48,000,000	\$48,000,000	\$0	\$0	\$0	\$0	\$7,000,000	\$0	Staff Recommends Budgeting Funds
	2	Projects Recommended for Approval (Group 1)		\$255,000,000	\$255,000,000	\$0	\$88,000,000	\$88,000,000	\$0	\$0	\$0	\$0	\$167,000,000	\$0
Group #2														None
		Projects Recommended for Approval with Minor Exceptions (Group 2)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group #3	1-2	C-470 Managed Toll Express Lanes: Kipling to I-25	\$200,000,000	\$237,000,000	-\$37,000,000	\$100,000,000	\$137,000,000	-\$37,000,000	\$10,000,000	\$5,500,000	\$0	\$84,500,000	\$0	Staff Recommends Further Development
	1	Recommended for Further Staff Discussion (Group 3)		\$200,000,000	\$237,000,000	-\$37,000,000	\$100,000,000	\$137,000,000	-\$37,000,000	\$10,000,000	\$5,500,000	\$0	\$84,500,000	\$0
3	SUB-TOTAL Public-Public Partnership Projects		\$455,000,000	\$492,000,000	-\$37,000,000	\$188,000,000	\$225,000,000	-\$37,000,000	\$10,000,000	\$5,500,000	\$0	\$251,500,000	\$0	
Percentage over Transportation Commission Approved Amount					7.52%			16.44%						
Projects with Extensions (Not included in this Analysis)														
Extension 1	4-5(a)	I-25: Tolled Express Lanes: 120th to SH 7	\$1,040,000,000	\$1,040,000,001	\$0	\$55,000,000	\$55,000,000	\$0						SSB and Evidence of Commitment Letter (EOCL) due April 7, 2014.
	4-5(b)	I-25: Tolled Express Lanes: SH 7 North	\$1,040,000,000	\$1,040,000,001	\$0	\$35,000,000	\$35,000,000	\$0						
			\$1,040,000,000	\$1,040,000,001	\$0	\$90,000,000	\$90,000,000	\$0						
4	TOTAL Public-Private Partnership: HTPE P3 Projects		\$1,495,000,000	\$1,532,000,001	-\$37,000,000	\$278,000,000	\$315,000,000	-\$37,000,000	\$10,000,000	\$5,500,000	\$0	\$251,500,000	\$0	

Partnership and Operations - Staff Recommendation List 2/20/2014  
Public-Public Partnership Projects

	Tracking #	Project Name	TC Approved Total Project Cost	Estimated Total Project Cost	Total Project Cost Delta	TC Approved RAMP Request	RAMP Request	RAMP Request Delta	Local Contribution	In Kind Contributions	Local Delta	Other Funds	Other Funds Delta	Recommendation
Group #1	1-7	Eisenhower-Johnson Memorial Tunnels (EJMT) Fire Suppression System	\$25,000,000	\$25,000,000	\$0	\$9,000,000	\$9,000,000	\$0	\$5,000,000	\$0	\$0	\$11,000,000	\$0	Staff Recommends Budgeting Funds
	1-14	SH 2 in Commerce City Widening and Devolution	\$20,800,000	\$18,610,000	\$2,190,000	\$13,600,000	\$13,600,000	\$0	\$5,100,000	\$0	\$0	\$0	\$2,190,000	Staff Recommends Budgeting Funds
	1-15	US 6 and 19th St. Intersection Grade Separation	\$25,000,000	\$25,000,000	\$0	\$20,000,000	\$20,000,000	\$0	\$5,000,000	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	1-19	Colorado Blvd. in Idaho Springs Final Phase and Devolution	\$21,900,000	\$21,900,000	\$0	\$21,900,000	\$21,900,000	\$0	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	1-46	I-25 and Arapahoe Rd. Interchange	\$74,000,000	\$74,000,000	\$0	\$50,400,000	\$50,400,000	\$0	\$16,400,000	\$0	\$0	\$7,200,000	\$0	Staff Recommends Budgeting Funds
	2-1	SH 67 in Victor Devolution (cash payment)	\$307,702	\$307,702	\$0	\$307,702	\$307,702	\$0	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	2-5	US 160 Turnouts	\$1,015,000	\$1,015,000	\$0	\$840,000	\$840,000	\$0	\$0	\$175,000	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	2-7	US 24 Business Route Devolution (cash payment)	\$2,602,475	\$2,602,475	\$0	\$2,602,475	\$2,602,475	\$0	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	2-20	US 50 / Dozier / Steinmeier Intersection / Signal Improvements (companion project 2-9)	\$1,500,000	\$1,500,000	\$0	\$1,200,000	\$1,200,000	\$0	\$300,000	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	2-23	SH 21 / Old Ranch Rd. Interchange Completion	\$9,266,000	\$10,333,779	-\$1,067,779	\$600,000	\$600,000	\$0	\$8,000,000	\$0	\$600,000	\$1,733,779	\$500,000	Staff Recommends Budgeting Funds
	2-31	I-25 Ilex to 1st St. in Pueblo (includes devolution match in RAMP request)	\$33,200,000	\$33,200,000	\$0	\$22,000,000	\$22,000,000	\$0	\$1,200,000	\$0	\$0	\$10,000,000	\$0	Staff Recommends Budgeting Funds
	2-33	US 50 / SH 45 Interchange, Willis to Purcell-Pueblo (companion project 2-10)	\$10,000,000	\$10,000,000	\$0	\$5,000,000	\$5,000,000	\$0	\$0	\$0	\$0	\$5,000,000	\$0	Staff Recommends Budgeting Funds
	3-6	SH 6/SH13 in Rifle Devolution	\$5,600,000	\$5,600,000	\$0	\$5,600,000	\$5,600,000	\$0	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	3-9	I-70 Simba Run Underpass	\$20,800,000	\$20,800,000	\$0	\$14,600,000	\$14,600,000	\$0	\$6,000,000	\$0	\$0	\$200,000	\$0	Staff Recommends Budgeting Funds
	3-14	I-70 Eagle Interchange Upgrade	\$9,887,365	\$9,887,365	\$0	\$3,500,000	\$3,500,000	\$0	\$3,437,364	\$0	\$0	\$2,950,001	\$0	Staff Recommends Budgeting Funds
	3-40	SH 9 Grand County Safety Improvement Project	\$46,000,000	\$46,000,000	\$0	\$36,222,000	\$36,222,000	\$0	\$9,722,000	\$0	\$0	\$56,000	\$0	Staff Recommends Budgeting Funds
	4-6	US 34 in Estes Park Improvements and Devolution	\$16,000,000	\$16,005,000	-\$5,000	\$4,200,000	\$4,200,000	\$0	\$0	\$0	\$0	\$11,805,000	\$5,000	Staff Recommends Budgeting Funds
	4-20	North College / US 287 Conifer to Laporte Bypass	\$36,000,000	\$36,000,000	\$0	\$17,500,000	\$17,500,000	\$0	\$4,400,000	\$0	\$0	\$14,100,000	\$0	Staff Recommends Budgeting Funds
	4-28	SH 392 & CR 47 Intersection Safety Improvements	\$3,685,180	\$3,685,180	\$0	\$1,842,590	\$1,842,590	\$0	\$1,842,590	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	4-29	US 34 & CR 49 Intersection Safety Improvements	\$2,200,000	\$2,200,000	\$0	\$1,500,000	\$1,500,000	\$0	\$700,000	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	4-30	SH 392 & CR 74 Intersection Safety Improvements	\$2,249,875	\$2,249,875	\$0	\$1,000,000	\$1,000,000	\$0	\$1,249,875	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	4-34/51/52	Turning Lanes at US 34 and County Road H / US 385 & YCR 33.6 / US 34 & YCR J	\$1,752,000	\$1,752,000	\$0	\$944,200	\$944,200	\$0	\$0	\$807,800	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	4-54	SH 119 Diagonal: 30th to Foothills Parkway Multi-modal Improvements Project	\$5,570,000	\$5,570,000	\$0	\$4,456,000	\$4,456,000	\$0	\$1,114,000	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	5-6	US 550 Sky Rocket Box Culvert Replacement	\$2,000,000	\$2,000,000	\$0	\$1,600,000	\$1,600,000	\$0	\$400,000	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	5-8	SH 172 / 151 Signalization	\$1,800,000	\$1,800,000	\$0	\$1,430,000	\$1,430,000	\$0	\$370,000	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	5-10	US 160 / Wilson Gulch Road Extension	\$6,400,000	\$6,400,000	\$0	\$4,288,000	\$4,288,000	\$0	\$2,112,000	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	5-13	SH 145 at CR P Safety Improvements	\$1,660,194	\$1,660,194	\$0	\$1,577,185	\$1,577,185	\$0	\$83,036	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	5-14	US 285 Antonito Storm Drain System Replacement	\$2,742,429	\$2,742,429	\$0	\$2,193,944	\$2,193,944	\$0	\$100,000	\$448,485	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	5-15	SH 62 Ridgway Street Improvements (pending approval of local match)	\$13,291,257	\$13,291,257	\$0	\$10,494,509	\$10,494,509	\$0	\$2,000,000	\$796,748	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	5-18	US 24 Enhancement Project in Buena Vista	\$2,497,090	\$2,497,090	\$0	\$1,997,090	\$1,997,090	\$0	\$500,000	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
30	Projects Recommended for Approval (Group 1)		\$404,726,567	\$403,609,346	\$1,117,221	\$262,395,695	\$262,395,695	\$0	\$75,030,865	\$2,228,033	\$600,000	\$64,044,780	\$2,695,000	
Group #2	1-37	Federal Blvd: 6th to Howard Reconstruction and Multimodal Improvements	\$29,203,881	\$29,181,821	\$22,060	\$23,363,105	\$23,341,821	\$21,284	\$5,840,000	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds; Project was planned for Categorical Exclusion (CatEX); Now requires an Environmental (EA) Checklist process. Construction duration could extend to April 2018, beyond the December 31st, 2017 RAMP deadline.
	2-22	I-25 Fillmore Interchange Diverging Diamond Interchange (DDI) Conversion	\$21,300,000	\$23,300,000	-\$2,000,000	\$11,000,000	\$11,700,000	-\$700,000	\$7,000,000	\$0	\$1,300,000	\$4,600,000	\$0	Staff Recommends Budgeting Funds; Project is requesting an additional \$700k in RAMP funding. Local Agency to provide additional \$1.3M contribution match to cover total project cost increase.
	3-12/29	SH 9 - Frisco to Breckenridge: Iron Springs Phase and Vail Pass Multi-Use Path Devolution	\$21,985,000	\$22,013,668	-\$28,668	\$17,500,000	\$17,528,668	-\$28,668	\$0	\$4,485,000	\$0	\$0	\$0	Staff Recommends Budgeting Funds; Due to estimate refinement, project is estimated slightly over budget.
	3-24	I-70 Exit 31 Horizon Drive	\$5,000,000	\$5,250,000	-\$250,000	\$4,000,000	\$4,200,000	-\$200,000	\$1,000,000	\$0	\$50,000	\$0	\$0	Staff Recommends Budgeting Funds; Due to estimate refinement, project is over budget. Project is requesting an additional \$200k in RAMP Request. Local Agency to provide an additional \$50k contribution towards the total project cost increase.
	3-31	US 40 Improvements in Fraser	\$1,950,390	\$2,145,320	-\$194,930	\$1,267,754	\$1,394,458	-\$126,704	\$682,636	\$0	\$68,226	\$68,226	\$0	Staff Recommends Budgeting Funds; Due to scope revision agreed upon by CDOT Region Staff and Local Agency this project is over budget. The Local Agency has agreed to pay their portion of this project overage.
	5	Projects Recommended for Approval with Minor Exceptions (Group 2)		\$77,488,881	\$81,890,809	-\$2,451,538	\$57,130,859	\$58,164,947	-\$1,034,088	\$14,522,636	\$4,485,000	\$1,418,226	\$4,668,226	\$0
Group #3	2-21	I-25 and Cimarron Interchange Reconstruction	\$95,000,000	\$95,000,000	\$0	\$24,000,000	\$24,000,000	\$0	\$6,000,000	\$0	\$0	-	-	Staff Recommends Further Development
	1	Projects Recommended for further staff discussion (Group 3)		\$95,000,000	\$95,000,000	\$0	\$24,000,000	\$24,000,000	\$0	\$6,000,000	\$0	\$0	\$0	\$0
36	SUB-TOTAL Public-Public Partnership Projects		\$577,215,448	\$580,500,155	-\$1,334,317	\$343,526,554	\$344,560,642	-\$1,034,088	\$95,553,501	\$6,713,033	\$2,018,226	\$68,713,006	\$2,695,000	
Percentage over Transportation Commission Approved Amount					0.23%			0.30%						
Projects with Extensions (Not included in this Analysis)														
2	4-25	SH 14 / Greenfields Ct. - Frontage Rd. Relocation	\$2,100,000			\$1,680,000								Scope, schedule and budget, and Evidence of Commitment letter (EOCL) is due April 7, 2014.
	4-58	SH 119 Boulder Canyon Trail Extension	\$5,466,350			\$4,373,080								
38	TOTAL Public-Public Partnership Projects		\$584,781,798			\$349,579,634								

## RAMP Partnership and Operations Projects - Staff Recommendation List 2/20/2014

### Operations Projects

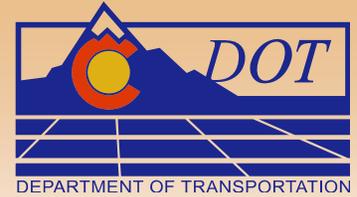
	Tracking #	Project Name	TC Approved Total Project Cost	Estimated Total Project Cost	Total Project Cost Delta	TC Approved RAMP Request	RAMP Request	RAMP Request Delta	Local Contribution	In Kind Funds	Local Delta	Other Funds	Other Funds Delta	Recommendation
Group #1	1-27	SH-74 South of El Rancho Safety Shoulders	\$57,947	\$55,000	\$2,947	\$57,947	\$55,000	\$2,947	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	1-41	State Highway Signal Upgrades: Phase I - Colfax Signals	\$2,495,000	\$3,246,557	-\$751,557	\$2,200,000	\$2,200,000	\$0	\$0	\$295,000	\$751,557	\$0	\$0	Staff Recommends Budgeting Funds
	1-42	State Highway Signal Upgrades: Phase III - Denver Slipfit Traffic Signals												
	1-44	State Highway Signal Upgrades: Phase I - Santa Fe and Evans Traffic Signal												
	1-51	Continuous Flow Metering (CFM), Weight-in-Motion (WIM), and Relocated Portal Attendant Stations at Eisenhower-Johnson Memorial Tunnel (EJMT)	\$2,575,000	\$2,529,035	\$45,965	\$2,575,000	\$2,529,035	\$45,965	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	1-63	I-70 at Grapevine Rd. (MP 256.0)	\$189,000	\$189,000	\$0	\$189,000	\$189,000	\$0	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	2-08	US 24 / Judge Orr Rd. Intersection Improvement	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	2-09	US 50 / Dozier Ave. Intersection Improvement (companion project Partnership 2-20)	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	2-10	US 50 / Purcell and US 50 / McCulloch Intersection Improvement (companion project Partnership 2-33)	\$1,200,000	\$1,200,000	\$0	\$1,200,000	\$1,200,000	\$0	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	2-17	US 50 / 32nd Ln., US 50 / Cottonwood Ave., US 50 / 34th Ln. Intersection Improvements	\$1,500,000	\$2,500,000	-\$1,000,000	\$1,500,000	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000	Staff Recommends Budgeting Funds
	3-33	I-70 Vail Chain Station Improvements	\$4,500,000	\$4,500,000	\$0	\$4,500,000	\$4,500,000	\$0	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	3-34	I-70 Glenwood Canyon Variable Speed Signing	\$2,200,000	\$1,996,800	\$203,200	\$2,200,000	\$1,996,800	\$203,200	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	4-13	Adaptive signals on US 85 Bypass in Greeley	\$750,000	\$750,000	\$0	\$600,000	\$600,000	\$0	\$0	\$150,000	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	4-41	Adaptive signals on US 34 Bypass in Greeley	\$500,000	\$500,000	\$0	\$400,000	\$400,000	\$0	\$0	\$100,000	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	4-35	Loveland I-25 and Crossroads Blvd. Anti-Icing Spray System	\$250,000	\$250,000	\$0	\$200,000	\$200,000	\$0	\$50,000	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	4-36	Loveland Road Weather Information System (RWIS) Update / Expansion	\$380,000	\$380,000	\$0	\$304,000	\$304,000	\$0	\$76,000	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	4-50	Fiber Optic Communication from I-25 to CDOT West Yard	\$1,700,000	\$1,700,000	\$0	\$1,700,000	\$1,700,000	\$0	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	4-44/4-49	Adaptive Signals on SH 119 Airport Rd. to Zlaten Dr. in Longmont / Adaptive Signals on SH 119: I-25 to WCR 3.5	\$1,850,000	\$1,850,000	\$0	\$1,680,000	\$1,680,000	\$0	\$0	\$170,000	\$0	\$0	\$0	Staff Recommends Budgeting Funds
	4-66	Adaptive Traffic Signals System along US 287 (Main St.) in Longmont	\$1,760,000	\$1,760,000	\$0	\$1,100,000	\$1,100,000	\$0	\$0	\$660,000	-\$60,000	\$0	\$60,000	Staff Recommends Budgeting Funds
	5-03	US 160 Corridor Signalized Intersection Improvements and Signal Coordination	\$3,757,844	\$3,753,865	\$3,979	\$3,757,844	\$3,753,865	\$3,979	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds
O-01	Fiber Optic Backbone - I-25(Pueblo to Walsenburg); and US 285 (C-470 to Conifer)	\$7,000,000	\$7,000,000	\$0	\$3,500,000	\$3,500,000	\$0	\$0	\$0	\$0	\$3,500,000	\$0	Staff Recommends Budgeting Funds	
O-02	I-70 Mountain Corridor Wireless Improvement	\$5,300,000	\$5,300,000	\$0	\$1,700,000	\$1,700,000	\$0	\$0	\$0	\$0	\$3,600,000	\$0	Staff Recommends Budgeting Funds	
O-03	CDOT ITS Information Kiosks- Pilot Project	\$480,000	\$480,000	\$0	\$480,000	\$480,000	\$0	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds	
O-04	Regional Satellite Solar Powered Cameras (LiveView)	\$1,750,000	\$1,750,000	\$0	\$1,750,000	\$1,750,000	\$0	\$0	\$0	\$0	\$0	\$0	Staff Recommends Budgeting Funds	
O-06	Enhanced Traffic Incident Management Software	\$7,000,000	\$3,700,000	\$3,300,000	\$3,000,000	\$3,000,000	\$0	\$0	\$0	\$0	\$700,000	\$0	Staff Recommends Budgeting Funds	
25	Projects Recommended for Approval (Group 1)		\$50,194,791	\$48,390,257	\$1,804,534	\$37,593,791	\$37,337,700	\$256,091	\$126,000	\$1,375,000	\$691,557	\$7,800,000	\$1,060,000	
Group #2	4-42	Fiber Optics and ITS Devices on I-76	\$11,000,000	\$11,003,607	-\$3,607	\$5,000,000	\$5,003,607	-\$3,607	\$0	\$0	\$0	\$6,000,000	\$0	Staff Recommends Budgeting Funds; Staff will be seeking a private partner to scale back up to the full project cost of \$11.0M
	1	Projects Recommended for Approval with Minor Exceptions (Group 2)		\$11,000,000	\$11,003,607	-\$3,607	\$5,000,000	\$5,003,607	-\$3,607	\$0	\$0	\$0	\$6,000,000	\$0
Group #3	1-09	I-70 Eastbound Peak Period Shoulder Lanes	\$34,000,000	\$44,000,000	-\$10,000,000	\$20,000,000	\$20,000,000	\$0	\$500,000	\$0	\$0	\$13,500,000	-\$10,000,000	Staff Recommends Further Development
	1-53	New Traffic Signal Controllers for Congested Corridors in the Denver Metropolitan Area	\$1,060,000	\$1,173,429	-\$113,429	\$1,060,000	\$1,173,429	-\$113,429	\$0	\$0	\$0	\$0	\$0	Staff Recommends Further Development
	1-54	I-76 at 88th Ave. Interchange Improvements (MP 10)	\$1,050,000	\$1,732,221	-\$682,221	\$1,050,000	\$1,732,221	-\$682,221	\$0	\$0	\$0	\$0	\$0	Staff Recommends Further Development
	1-56	US 285 at Mount Evans Blvd./Pine Valley Rd. (MP 229)	\$422,000	\$455,044	-\$33,044	\$422,000	\$455,044	-\$33,044	\$0	\$0	\$0	\$0	\$0	Staff Recommends Further Development
	1-59	SH 86 Intersection Improvement at Crowfoot Valley Rd. (MP 101.53)	\$516,000	\$800,265	-\$284,265	\$516,000	\$800,265	-\$284,265	\$0	\$0	\$0	\$0	\$0	Staff Recommends Further Development
5	Projects Recommended for further staff discussion (Group 3)		\$37,048,000	\$48,160,959	-\$11,112,959	\$23,048,000	\$24,160,959	-\$1,112,959	\$500,000	\$0	\$0	\$13,500,000	-\$10,000,000	
31	TOTAL Operations		\$98,242,791	\$107,554,823	-\$9,312,032	\$65,641,791	\$66,502,266	-\$860,475	\$626,000	\$1,375,000	\$691,557	\$27,300,000	-\$8,940,000	
	Percentage over/under Transportation Commission Approved Amount				9.48%			1.31%						



# RAMP Partnership & Operations

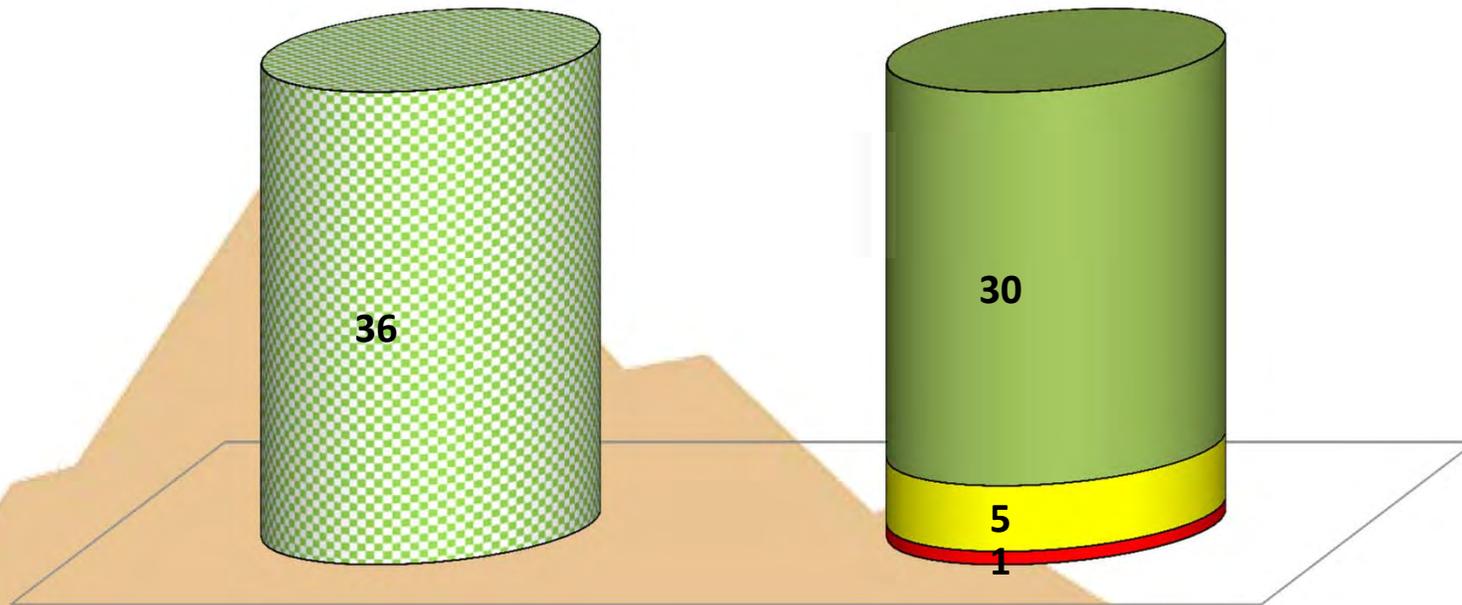
## Results of Scope, Schedule, Cost And Local Commitment Reviews

# Staff Review of January 6, 2014 RAMP Project Recommitments

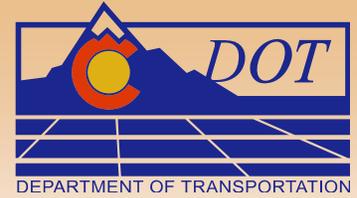


## Review of RAMP Public-Public Partnership Projects

- Projects Recommended for Further Discussion (Group 3)
- Projects Recommended for Approval (Group 2)
- Projects Recommended for Approval (Group 1)
- Total Projects Reviewed

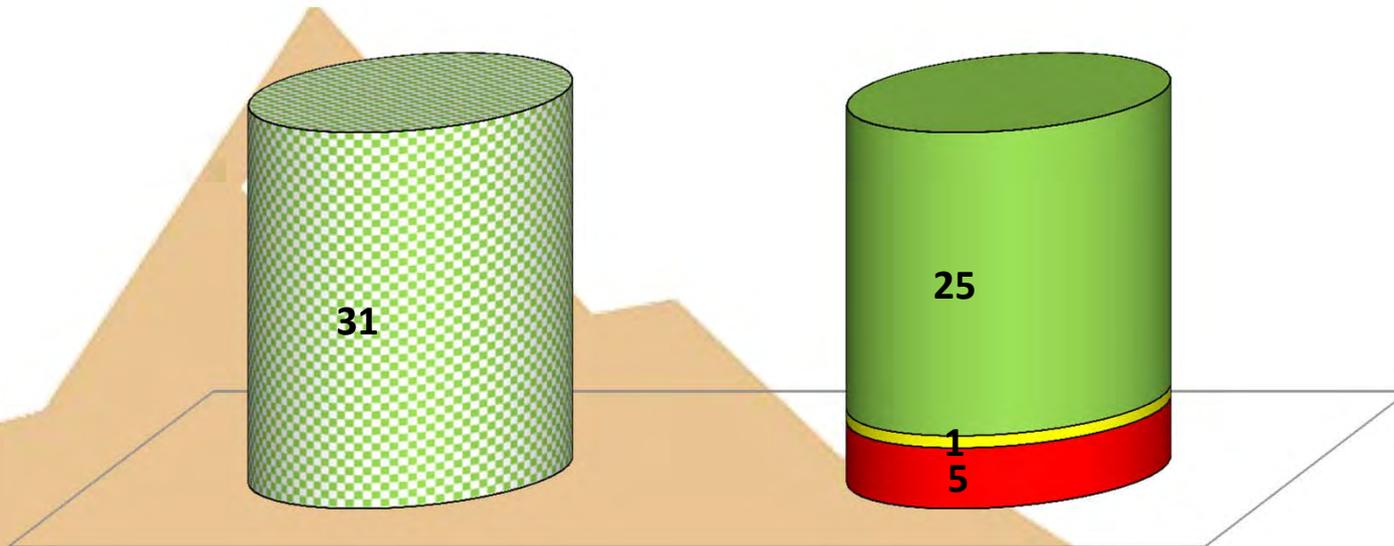


# Staff Review of January 6, 2014 RAMP Project Recommitments

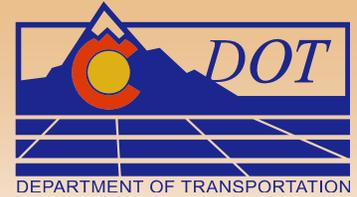


## Review of RAMP Operations Projects

- Projects Recommended for Approval (Group 1)
- Projects Recommended for Approval with Minor Exceptions (Group 2)
- Projects Recommended for further staff discussion (Group 3)
- Total Projects Reviewed

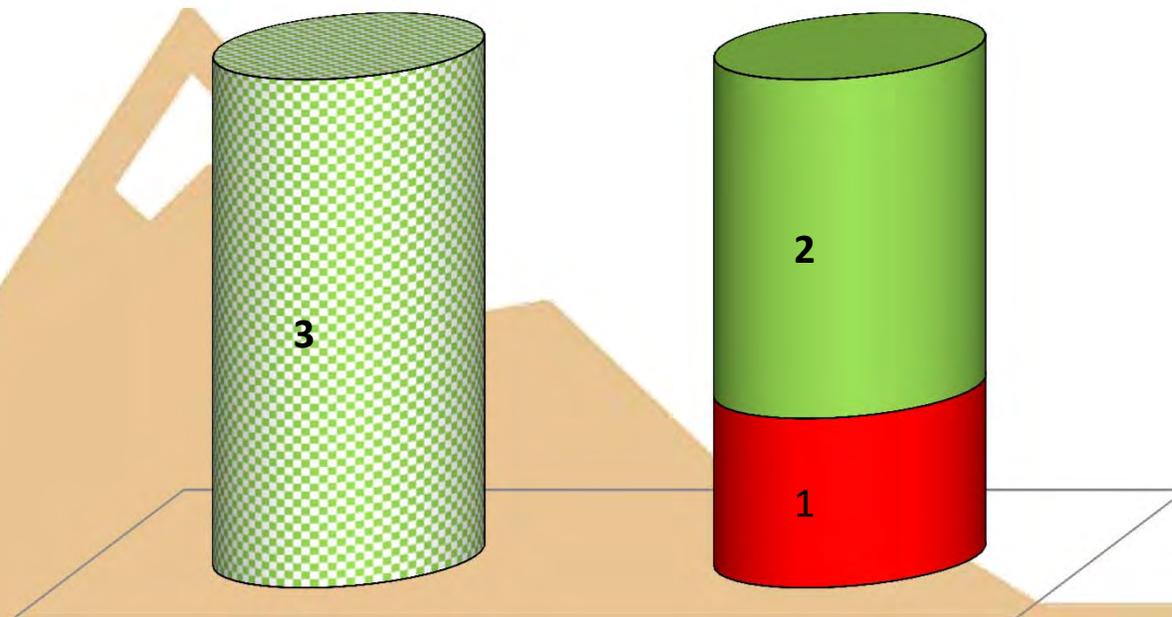


# Staff Review of January 6, 2014 RAMP Project Recommitments



## Review of RAMP Public-Private (HPTE) Partnership Projects

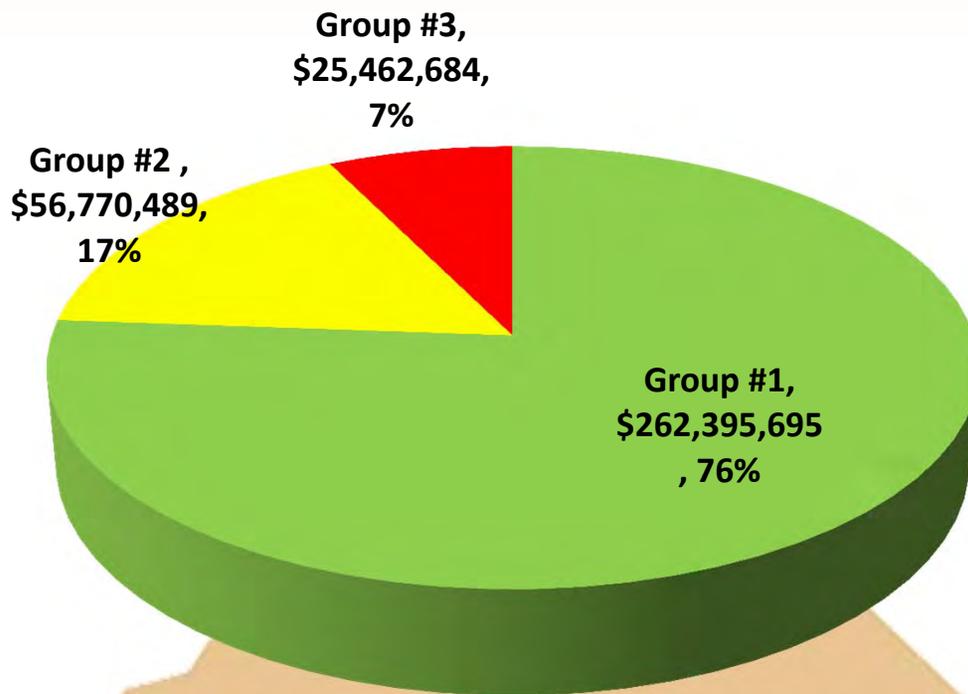
- Projects Recommended for Approval (Group 1)
- Recommended for Further Staff Discussion (Group 3)
- Total Projects Reviewed



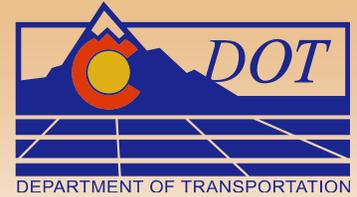


# Staff Review of January 6, 2014 RAMP Project Recommitments

## Public-Public Partnership RAMP Funding per Group

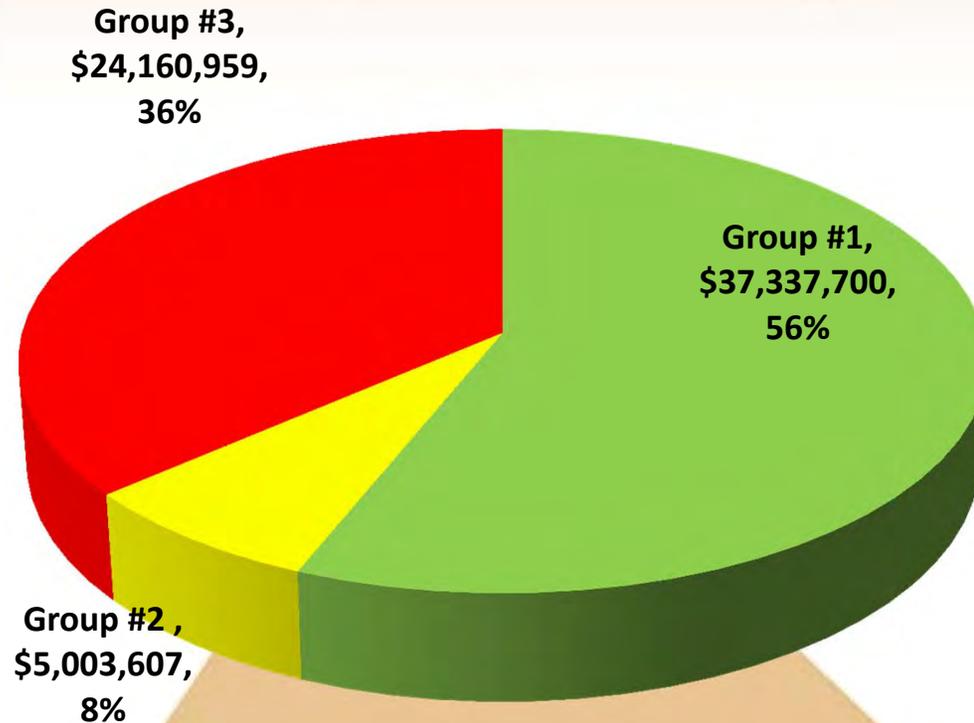


- Commission Approved RAMP Request = \$343.526 M
- RAMP Request Amount = \$344.629 M
- Total RAMP Request Change = \$1.102 M Increase (0.32%)

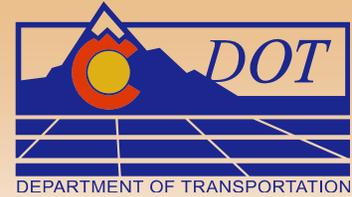


# Staff Review of January 6, 2014 RAMP Project Recommitments

## Operations RAMP Funding per Group

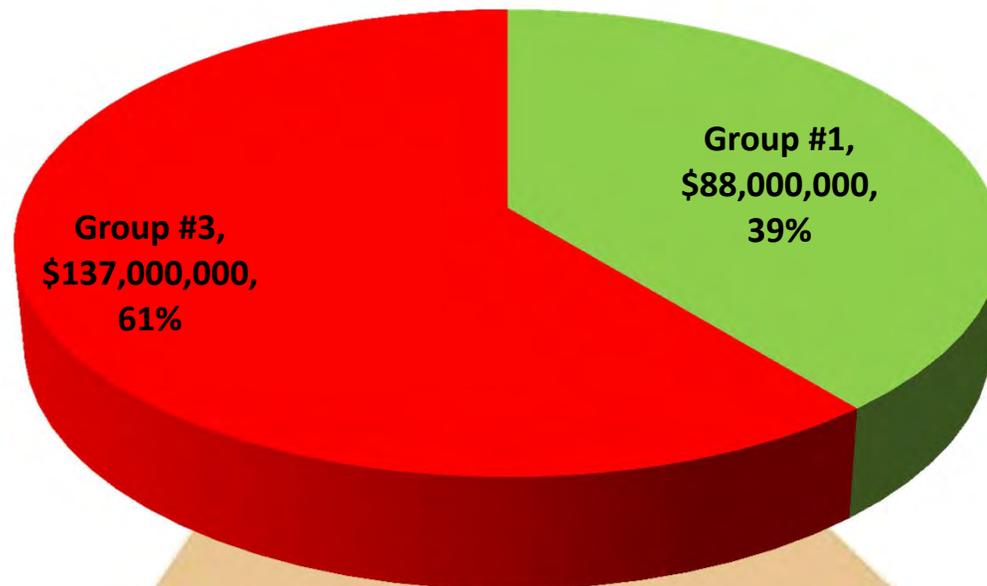


- Commission Approved RAMP Request = \$65.642 M
- RAMP Request Amount = \$66.502 M
- Total RAMP Request Change = \$0.860 M Increase (1.31%)



# Staff Review of January 6, 2014 RAMP Project Recommitments

## Public-Private (HTPE) RAMP Funding per Group



- Commission Approved RAMP Request = \$188.000 M
- RAMP Request Amount = \$225.000 M
- Total RAMP Request Change = \$37.000 M Increase (16.0%)

**Resolution # TC-XXXX**

**Resolution to authorize the Colorado Department of Transportation to budget the Responsible Acceleration of Maintenance and Partnership (RAMP) projects.**

**WHEREAS**, pursuant to § 43-1-106(8)(a), C.R.S., the Colorado Transportation Commission (“Commission”) is charged with formulating general policy with respect to the management, construction, and maintenance of public highways and other transportation systems in the state; and

**WHEREAS**, the State Highway System is an essential component of Colorado’s integrated transportation system which is focused on safely moving people and goods to enhance the economic wellbeing, quality of life, and environment of the citizens of Colorado; and

**WHEREAS**, numerous studies have documented that there are significant unmet maintenance or preservation needs and capacity or mobility needs on the State Highway System; and

**WHEREAS**, the Colorado Department of Transportation (“Department”) has implemented in SAP an Enterprise Resource Planning system which can support an expenditure based approach to project planning and budgeting; and

**WHEREAS**, and the Department is in the process of further refining its ability to fund and manage the capital construction program enabled by this change in planning and budgeting; and

**WHEREAS**, Governor John Hickenlooper and the Department’s of Transportation Executive Director Don Hunt announced on December 14, 2012, the Responsible Acceleration of Maintenance and Partnerships (RAMP) Program which is a new approach to budgeting and planning that will accelerate completion of transportation projects and create or sustain more than 10,500 jobs over five years; and

**WHEREAS**, per Resolution TC-3106 the Commission adopted the projects listed in the document titled “RAMP Partnership and Operations Projects” dated October 16, 2013); and

**WHEREAS**, per Resolution TC-3106, the Department shall advise the Commission if a project is unable to be moved forward; and

**WHEREAS**, per Resolution TC-3106, the Commission authorized the Department's Chief Financial Officer to budget, without additional Commission action, an amount not to exceed five percent of the total project cost for the project as shown on the "RAMP Partnership and Operations Projects" approved on October 16, 2013; and

**WHEREAS**, per Resolution TC-3106, the Commission required the Department to develop on or before January 6, 2014, a project scope, schedule and budget for each Public-Public Partnership in the form and to the level of detail specified by the Chief Engineer; and

**WHEREAS**, per Resolution TC-3106, the Department reviewed evidence of local partner commitments along with the supporting scope, schedule, and budget, in a form specified by the Chief Engineer, for each RAMP Partnership and Operations project; and

**WHEREAS**, the projects included in the staff recommendation list are included in the document titled "RAMP Partnership and Operations Projects" dated and approved by the Transportation Commission on October 16, 2013; and

**WHEREAS**, the Chief Engineer has extended deadlines to April 7, 2014 for projects in flood damaged areas as identified in the "RAMP Partnership and Operations Projects – Staff Recommendation List 2/20/14"; and

**WHEREAS**, the Department has provided the Commission with a list of projects with staff recommendation to begin budgeting funds for those projects that have non-substantive changes in scope, schedule or budget estimates; and

**WHEREAS**, the Department has provided the Commission with projects that require further review and discussion within the Department or with local agency partners to be reviewed and approved by the Commission at a future Transportation Committee Meeting; and

**WHEREAS**, Policy Directive 703.0 would otherwise require staff to obtain budget approval for certain individual projects such as these through the monthly Budget Supplement process; and

**WHEREAS**, the Commission has considered staff recommendation for the projects set forth in the "Partnership and Operations Projects - Staff Recommendation List 2/20/2014",

**NOW THEREFORE BE IT RESOLVED**, the Chief Financial Officer is authorized to budget funds for the projects on the “Partnership and Operations Projects – Staff Recommendation List 2/20/2014” with non-substantive changes without further Commission consideration or approval.

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**Transportation Secretary**

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**Date**

# STATE OF COLORADO

DEPARTMENT OF TRANSPORTATION



**DATE:** February 20, 2014  
**TO:** Transportation Commission  
**FROM:** Johnny Olson, Incident Commander  
Scott Richrath, Chief Financial Officer  
**SUBJECT:** Flood Response and Recovery Update

## Purpose

This workshop outlines CDOT's transition from Emergency Response to Emergency Recovery. Staff will detail next steps in recovery and begin to project financial impacts to CDOT's annual budget.

## Action Requested

The presentation is for information and discussion only.

## Background

In September 2013, Colorado experience one of the most devastating natural disasters in its history. Intense rainfall and subsequent flooding led to 27 state highway road closures. CDOT, Federal Highway Administration (FHWA), Federal Emergency Management Agency (FEMA), the National Guard, contractors and consultants, and many other state and local agencies responded and by Thanksgiving all state highways had been re-opened.

But the Emergency Response phase is only the first and smaller of two phases of restoring Colorado's transportation infrastructure. This workshop will look ahead to three or more years of permanent recovery, with a focus on impacts to the department's construction program and the finances that support it.

## Details

### **Spring Runoff Roadway Concerns**

CDOT and its partners took every step necessary to re-open all roads by the December 1, 2013 target date established by Governor Hickenlooper and Executive Director Hunt. The expeditious opening of those roads in many cases precluded the department from fully reconstructing highways and bridges. Permanent recovery will address those concerns. US 36, US 34 through the Big Thompson Canyon, US 34 east of Interstate 25, and State Highway 7 all represent potential spring thaw runoff concerns as winter snow begins to melt. CDOT will monitor those corridors closely.

### **Construction Contracts and Payment Process**

Among the sixty-nine purchase orders and contracts precipitated by the flood, 39 represent Emergency Response construction contracts. Of those, 97% have received some level of payment as justified by documentation submitted with contractors' invoices. As of early February, nearly \$40 million of more than \$50 million budgeted had been paid out to

*"Taking Care To Get You There"*

contractors and CDOT continues to make payments as adequate documentation is submitted to and approved by project engineers.

### **Transitioning to Recovery including Financial Implications**

Damage Assessment Reports including Risk and Resiliency analysis have thus far driven 29 CDOT permanent recovery projects and more than 80 local agency projects that are now moving forward through pre-construction phases. The Program of Projects (PoP) developed December 1, 2013, tallies \$450 million of total response and recovery costs among both CDOT and local agencies. While Presidential and Gubernatorial disaster declarations provided special expedient processes for response, recovery will closely resemble typical CDOT project delivery.

Emergency Response efforts will mostly be covered by Federal reimbursement at 100% of submitted eligible expenses. Emergency Recovery reimbursement rates will vary, with no match required for the Federal Land Access Program and CDOT's typical match of approximately 20% required on other state highways. Local agencies will manage their projects, with CDOT providing oversight and administration with FHWA.

FHWA recently distributed \$110 million to CDOT, adding to its prior distribution of \$30 million and more than covering the CDOT costs of response. This restores much of the Transportation Commission Contingency used to date for response efforts, as reconciled in the monthly Budget Supplement.

The March 1, 2014 scheduled draft of the PoP will allow staff to present best estimates of CDOT costs resulting from the flood, thereby allowing the Transportation Commission to begin budgeting for non-reimbursed expenses in FY2014, FY2015, and beyond.

### Next Steps

- March, 2014 – Staff presentation on Emergency Recovery progress within Program Management
- March, 2014 – Staff delivers FY2014 and FY2015 revenue and expense projections related to response and recovery
- June, 2014 – 1<sup>st</sup> FY2015 Budget Supplement to “true up” the FY2015 budget to account for recovery

# Flood Response and Recovery Update

Transportation Commission

February 20, 2014

Johnny Olson, Incident Commander

Scott Richrath, CFO



# Status of Emergency Response Projects

- All temporary roadways open to traffic
- Surpassed Governor's December 1<sup>st</sup> goal



Roadway	2013 Date Opened
US 36 East	October 1
SH119 Boulder Canyon	October 7
US 36 North St. Vrain	November 4
SH 72 Coal Creek Canyon	November 11
US 34 Big Thompson Canyon	November 21
SH7 South St. Vrain	November 26

# Summary of Presentation

- Spring Runoff Roadway Concerns
- Status of Emergency Response Construction Contracts
- Moving from Response to Recovery
- Program of Projects (PoP) Funding Estimates
- Federal Match Requirements
- Opportunities and Innovations

# Spring Runoff Roadway Concerns



US 36

US 34 Canyon

US 34 East

SH 7



SEPTEMBER 30, 2013



NOVEMBER 26, 2013

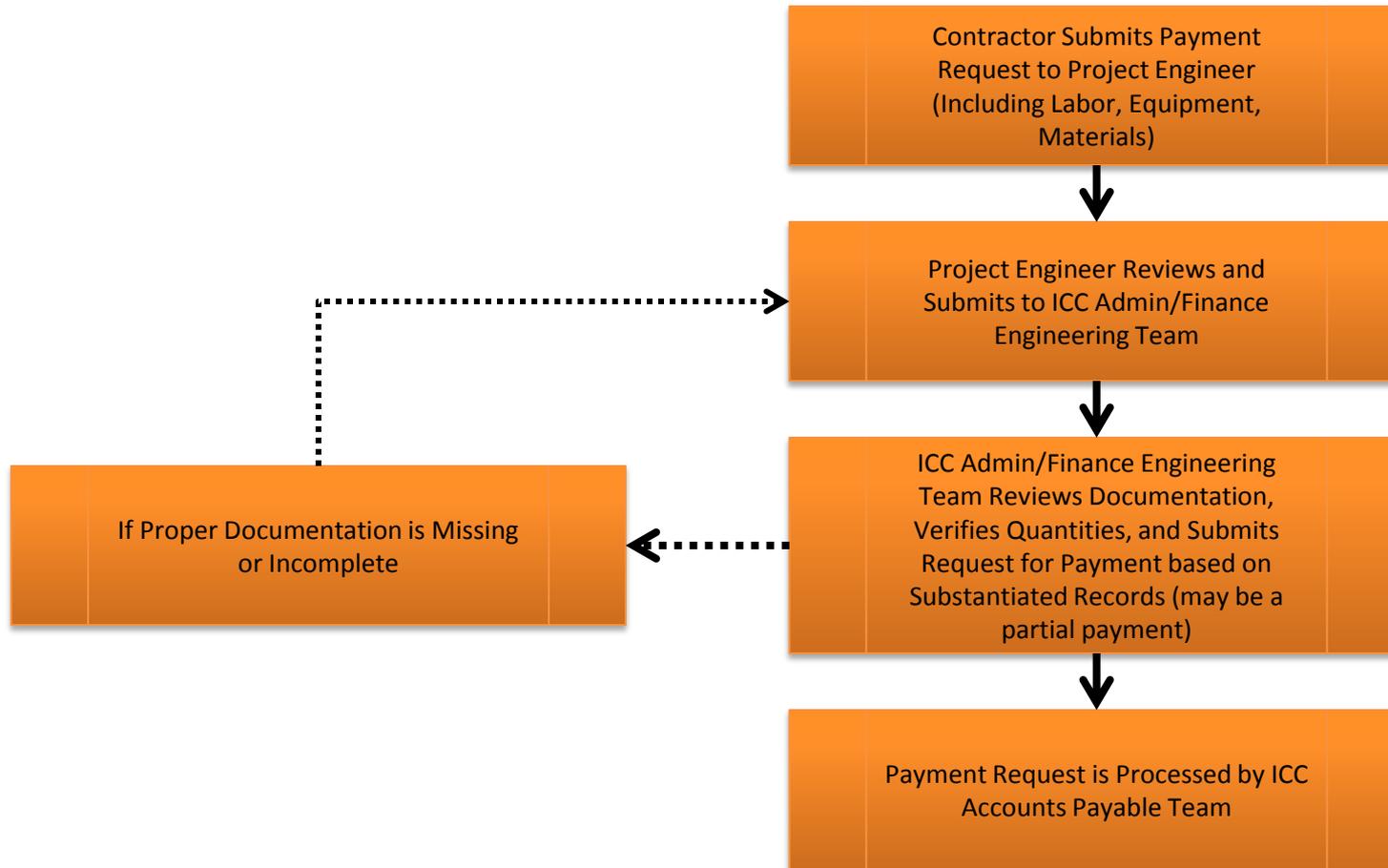
# Construction Contracts



- **39** Emergency Response Construction Contracts
- **97%** have received some level of justifiable payment
- **\$39.5 million** paid out to date
- Utilizing Force Account analysis - time intensive and difficult for contractors and CDOT staff
  - Time + materials + equipment
  - Payment usually takes 180 days
- **Goal:** All Emergency Contracts paid/closed by March 1, 2013
- Potential outstanding claims or disputes - minimal to date



## CDOT ER Contractor Payment Process



# Recovery Phase – Moving to Permanent Repairs

## Total Permanent Projects

### Identified to date

- CDOT – 29 projects
- Local Agencies– 83+ projects



# Damage Assessment Reports

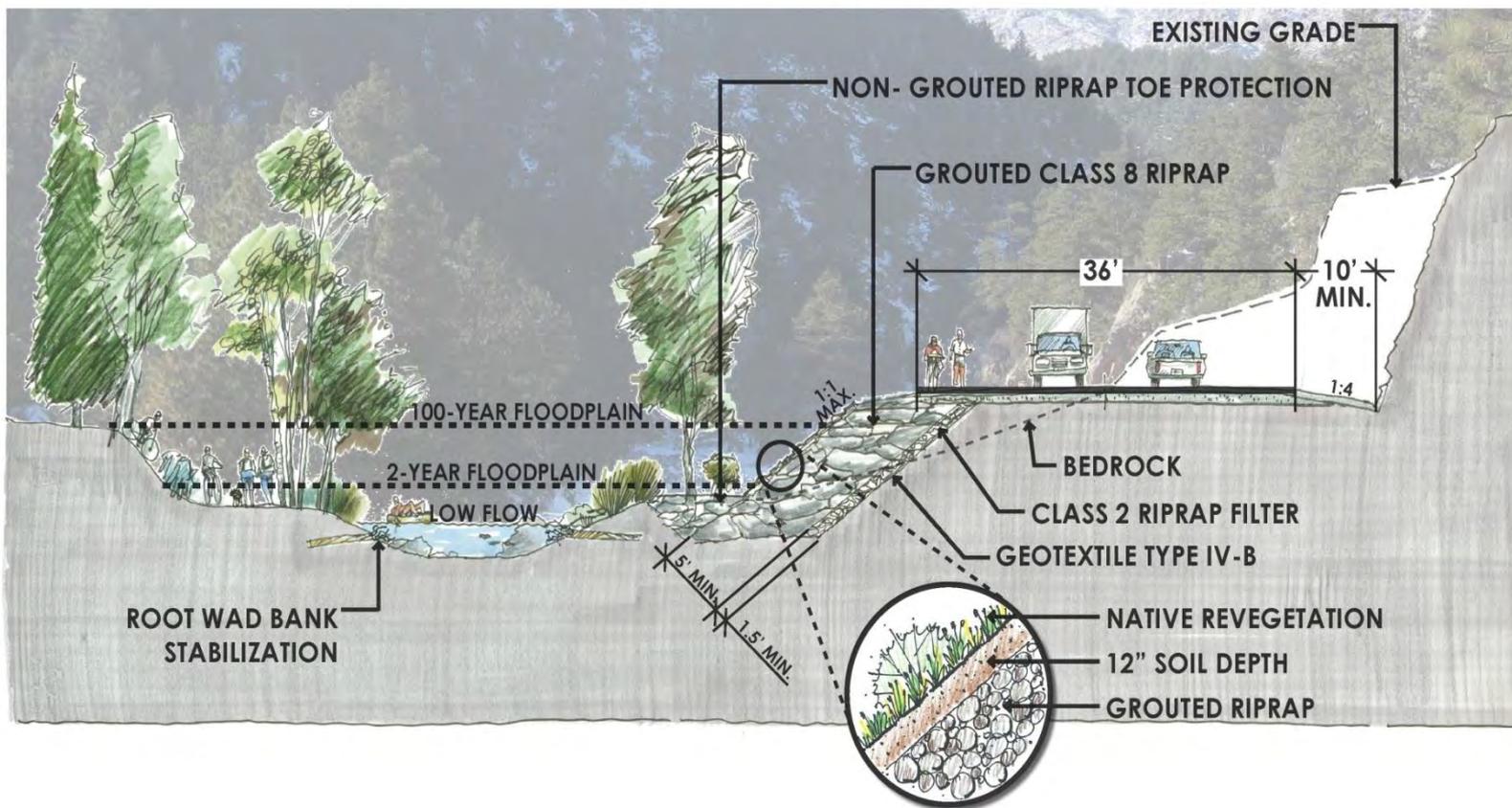
## Damage Assessment Reporting (DAR)

- Process for assessing damage and conceptually scoping repairs for FHWA approval. All recovery projects will fall into one of the following categories
  1. Repairs to restore facilities to pre-disaster conditions including upgrades to current safety standards
  2. Repair facilities to current design standards
  3. Improvements to facilities to make more resistant to future events and/or betterments
- **Risk and Resiliency analysis** (cost/benefit evaluation) only occurs with proposed resiliency improvements or betterments
- **DDIR – FHWA Form 1547** – project financial documentation for FHWA approval and expenditure of funds



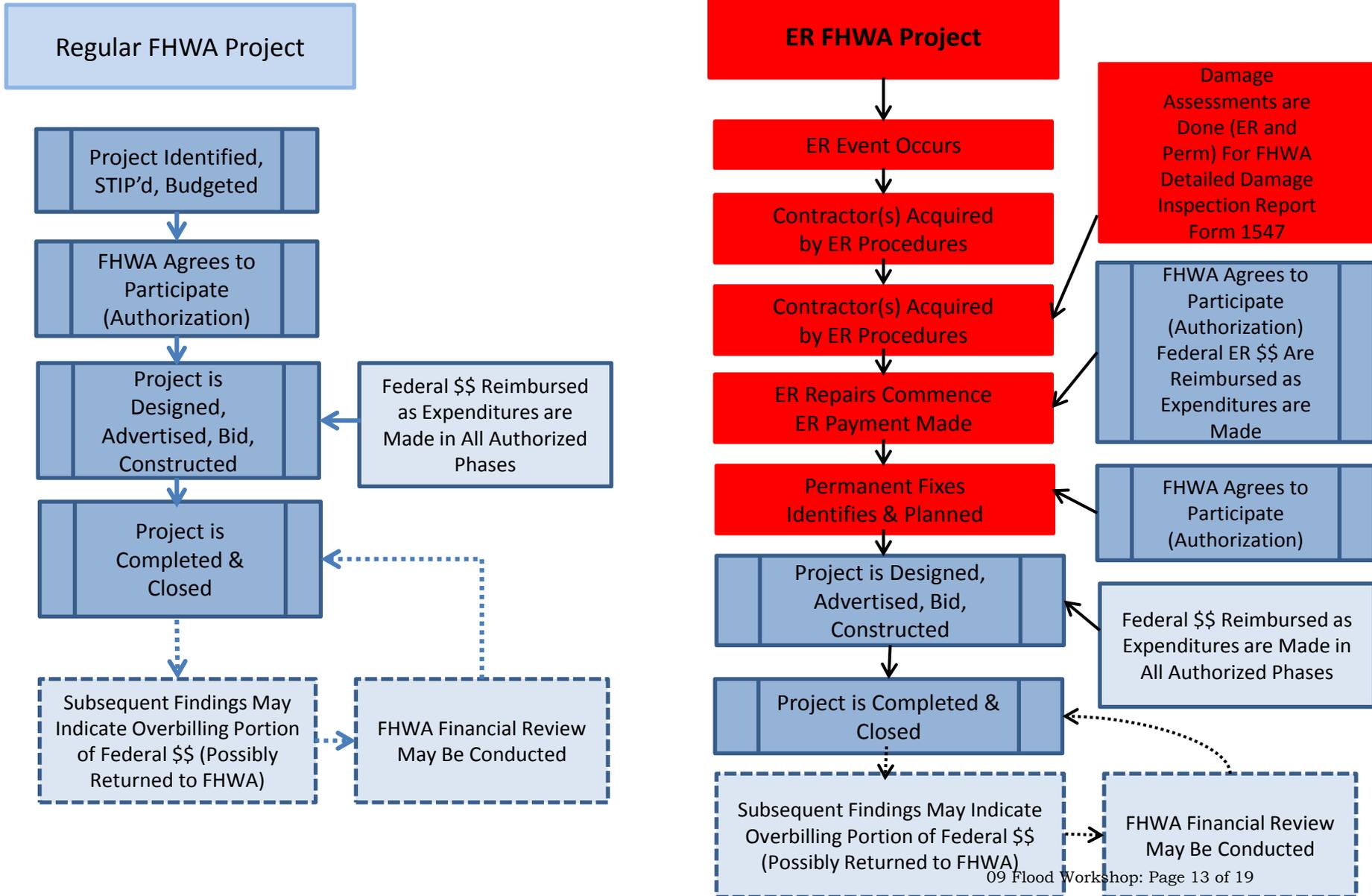
# Resiliency Example for US36

## PROPOSED REPAIR TYPICAL SECTION



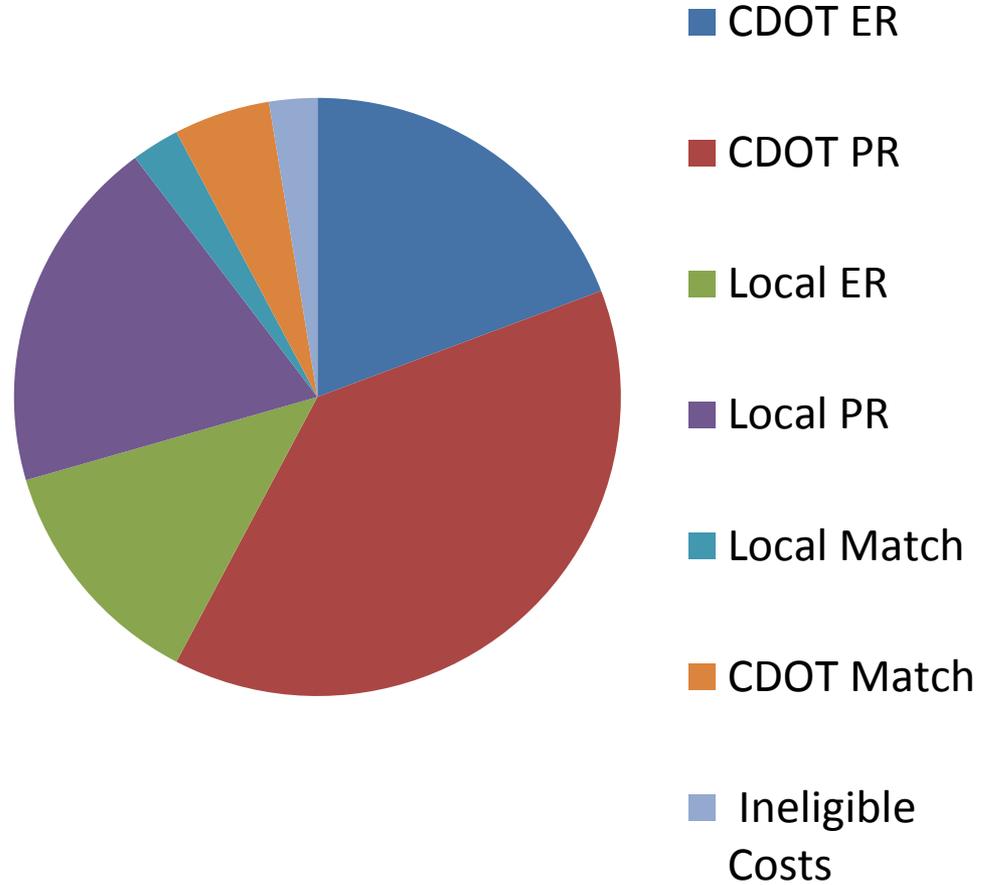
# Financial Discussion

# FHWA/CDOT Project Process



# Estimated Program Distribution

- Final POP developed by March 11, 2014 and will refine the numbers to give a more realistic total cost for flood emergency response and recovery
- Total Flood Program will include:
  - FHWA Emergency Response \$\$
  - FEMA Emergency Response \$\$
  - CDOT match
  - Local match
  - Cost Ineligible for reimbursement
- Match requirements
  - Emergency Projects (ER) at 100%
  - Permanent Projects (PR) varies -typically 80/20



# Federal Match Requirements (Permanent Projects)



- “Fluid” discussion
  
- No match required for permanent project repairs approved by the Federal Land Access Program (FLAP). Includes:
  - US 34 canyon
  - US 36 canyon
  - SH 7
  - SH119
  - SH 72 (Peak-to-Peak detour)
  - CR 43 (detour route for US 34)

# Match Requirements Cont.

- FHWA requires 80/20 match for all other state and local permanent road repairs
- SB14-121 Assistance to Local Governments after a Disaster Emergency (Lambert/Young)
  - Gubernatorial determination of the percentage that state and local governments will contribute funds to cover the non-federal share of (FEMA only).
  - Governor shall notify the JBC of the source and amount of state moneys that will be contributed to cover non-federal costs.
  - Bill introduced. Assigned to Local Governments Committee. Hearing not yet scheduled.

# Innovative Opportunities and Process Improvements

## Partnerships and Collaboration

- Central Federal Lands
- Colorado Water Conservation Board (DNR)
- Federal Highway Administration
- Office of Emergency Management
- Federal Emergency Management Agency
- Local Agencies

# More Process Improvement

- ICC GIS Platform

  - <http://54.235.124.74/map.php>

  - User Name: cdot
  - Password: cdot

- Data Management/Document Control

  - Essential for audit purposes and reimbursement from FEMA and FHWA

# Questions?

# STATE OF COLORADO

DEPARTMENT OF TRANSPORTATION



**DATE:** February 20, 2014  
**TO:** Transportation Commission  
**FROM:** Scott Richrath, Chief Financial Officer  
Scott McDaniel, Acting Chief Engineer  
**SUBJECT:** Program Management and Cash Management Update

## Purpose

This workshop and memorandum provide an update to the Commission (1) overview of our continuing implementation of program management, (2) an update on the cash management as-is report, (3) a program update for selected programs.

## Action Requested

The items presented here are for Transportation Commission information and comment.

## Executive Summary

- (1) As part of our implementation of Program Management and Cash Management, an internal staff workshop was held to educate affected staff on the important changes that will be part of this effort. This workshop with the Commission will give an overview of that program and an update on our implementation.
- (2) In December, the Commission received a copy of the As-Is report documenting organization, processes and systems used in project delivery (an as-is of program management). The As-Is report for cash management is being published this month. A summary of this 79-page report is attached to this memorandum. Staff will provide a summary here in the workshop.
- (3) A program update on selected programs will be provided. A program update for planned advertisement of RAMP Partnership and Operations is provided. A fiscal update for the 2014 Asset Management program as a whole and the 2014 surface treatment projects as a group is provided. Also included is the planned and actual advertisement status for the 2014 surface treatment projects.

## Background

CDOT has an ongoing initiative to implement portfolio, cash and program management. This effort includes two major elements. Long-term changes to the organization, processes and systems used to develop and manage projects are being identified and implemented through an ongoing effort. Short-term actions are being implemented to employ cash management and program management techniques and ensure delivery of CDOT's entire program, including the increase from our RAMP funding.

## Details

*Program Management and Cash Management Implementation Update*

*“Taking Care To Get You There”*

A staff-level workshop was held on January 28 to inform employees directly affected by the implementation of cash management about the relevance and importance of the program. There are additional efforts planned for the staff-level implementation that are outlined in the presentation.

#### *Cash Management “As-Is” Findings*

These are the summary findings of AECOM and Dye Management Group Inc. with respect to CDOT’s cash management practices, as they existed in September 2013. These are further detailed in the attached three page summary document.

CDOT’s processes for allocating and allotting funds to projects were effective in fulfilling the purpose for which they were designed: containing project expenditures such that the risk of overspending an appropriation was reduced to zero. CDOT made fiscal conservatism its paramount priority and allowed project development to be slowed by tight budget controls. CDOT’s budget process exceeds federal and state requirements at almost every step but most significantly with respect to the statewide transportation improvement program (STIP). The STIP is a programming document and the federal regulations that govern it do not impose much on the allocation or allotment of funds. CDOT, however, uses the STIP as its principal tool for allocating and allotting funds to projects.

Cash-based budgeting is fundamentally different from obligation-based budgeting (some CDOT staff call these “budget-based budgeting” and “expenditure-based budgeting”, respectively). In obligation-based budgeting, projects follow the money; in cash-based budgeting, money follows the projects. CDOT’s budgeting and programming practices will have to change substantially away from the old mission of eliminating risks and towards a new mission of managing risks.

CDOT can make these changes and still comply with existing state and federal laws. They also fall within the possibilities that the Federal Highway Administration (FHWA) will accommodate. That is not to say that there are no changes in legislation that would extend CDOT’s ability to accelerate projects. For example, Colorado is one of the few states that has not enacted a special fund for highway construction in which the appropriations are the deposits of revenues into the fund and not the disbursement of funds out of it. Other states combine such special accounts with a legislated limit on encumbrances in the special account, up to a limit of three years of revenue, to accomplish projects more quickly.

With respect to its organization and its information systems, the financial side of CDOT is ready to take on the challenges of cash management. CDOT has a staff of knowledgeable and competent financial officers who, by and large, have embraced the change in their mission that cash management entails. CDOT has struck a good balance in the organization of its financial officers, with decision-making with respect to project allocations and allotments made in the regions and the results of those decisions vetted and policed by a central budget staff. SAP is a good system for financial management and CDOT need not walk away from it as the department converts to cash-based financial management.

### *Program Management Update*

These updates are included in the attached PowerPoint presentation. This month's presentation focuses on planned advertisement of RAMP projects and also on the 2014 Surface Treatment project list. As the program management collection of planned dates continues, we will rotate focus areas to keep the Commission informed.

The 2014 Surface Treatment projects are included in February 2014 Budget Supplement presented for Transportation Commission approval in this month's meeting.

Staff proposes that substantive project changes could be discussed during a monthly Program Management workshop as this will reduce the time required for project review during the formal Budget Supplement agenda item.

### Next Steps

CDOT staff will continue to make regular Program Management updates through workshops on the Commission agenda. These workshops will be jointly presented by the Chief Financial Officer and the Chief Engineer since the agency is adopting project delivery and financing methods that integrate cash management and program management.

### Attachments

- (1) CASH Management As-Is report
- (2) Program Management Update PowerPoint

## Cash Management “As Is” Findings



This note provides a summary of the AECOM’s findings with respect to cash management business processes and systems as they were practiced in the Colorado Department of Transportation (CDOT) up to October 2013 (“as-is”), when CDOT made interim changes to those processes. This note also provides an outline of how AECOM will form its recommendations for the improvement of those processes and systems into a state better suited to the acceleration of projects (“to-be”).

We found that CDOT’s processes for allocating and allotting funds to projects were effective in fulfilling the purpose for which they were designed: containing project expenditures such that the risk of overspending an appropriation was reduced to zero. CDOT has made fiscal conservatism its paramount priority and has allowed project development to be slowed by tight budget controls. Its conservative budget processes are administered by competent financial staff and anchored in a robust SAP financial management information system. Indeed, a \$1 billion cash balance in the State Highway Fund is a symptom of their success of their mission as they understood it: to ensure that CDOT never over-spent an appropriation and always complied with federal and state programming and budgeting requirements. Other state departments of transportation have a creative tension between project managers, as they move their resources from one project to another to develop as many projects as possible, and financial managers, as they try to limit risks and uncertainties caused by those movements. In CDOT, the financial managers subjugated the project managers to the objective of eliminating over-spending risks when they implemented the SAP financial management information system.

CDOT’s budget process exceeds federal and state requirements at almost every step but most significantly with respect to the statewide transportation improvement program (STIP). The STIP is a programming document and the federal regulations that govern it do not impose much on the allocation or allotment of funds. CDOT, however, uses the STIP as its principal tool for allocating and allotting funds to projects. This combines programming with budgeting in an effort to demonstrate that the STIP is financially constrained and that planning partners are adequately consulted. In both respects, the effort is excessive. This is not to finger the integration of the STIP and the budget as a culprit; to the contrary, it was a useful feature of a conservative and obligation-based budget process.

Our specific findings in support of these conclusions are:

- a. CDOT has ceded some of its authority over programming projects to its planning partners and its authority to approve projects to the transportation commission.
- b. Annual limits on allotments to projects slow the development of projects once they are in development. With minimal risk, CDOT could ensure that total expenditures in a year do not exceed total allotments in a year without imposing annual control totals on allotments to projects in development.
- c. The budget process encourages the hoarding of allotments in projects. CDOT project managers are reluctant to give up funds that they believe they may no longer need because of three concerns, real or perceived: [1] Their projects must compete against other projects to reclaim those funds if their estimates of project costs subsequently increase. [2] They are censured for being over budget but not under budget; and [3] The time required for budget transactions. CDOT’s ability to re-allot funds, temporarily or

## Cash Management “As Is” Findings



permanently, rests on its ability to know when on the current allotments to projects are no longer needed, temporarily or permanently, by those projects. To the extent that CDOT staff cannot find and un-encumber the unused funds that comprise the current cash balance, they will not be able to maintain even an incremental encumbrance budget.

These processes will have to change if CDOT is to meet its project delivery goals for its baseline programs, RAMP and flood response.

Cash-based budgeting is fundamentally different from obligation-based budgeting (some CDOT staff call these “budget-based budgeting” and “expenditure-based budgeting”, respectively). The object of cash-based budgeting is not to contain projects such that the risk of over-spending is eliminated; it is to contain the risk of over-spending such that projects can be advanced. In obligation-based budgeting, projects follow the money; in cash-based budgeting, money follows the projects. CDOT’s budgeting and programming practices will have to change substantially, away from the old mission of eliminating risks and towards a new mission of managing risks.

Other deficiencies aside from CDOT’s inflexible budget process will have to be improved upon:

- d. There is no systematic way for the Office of Financial Management and Budget (OFMB) to pick up and track projects in their nascent stages upstream of the STIP. OFMB is over-reliant on the long-range transportation plan (LRTP) and STIP processes to identify and track nascent projects. Projects coming into development outside of those processes are not well-known to OFMB until they are entered into the STIP. As a result, the budgeting of such projects takes longer than it should. The RAMP partnership projects are demonstrating this problem.
- e. The current procedures for forecasting project schedules and costs are not good enough to support cash management.
- f. The revenue forecasts that underlie CDOT’s budget are too conservative. State revenues are estimated to a maximum likelihood value, with a 50% chance of being too high and a 50% chance of being too low. This doesn’t align with asymmetric nature of state allotment control, in which CDOT can under-allot funds but cannot over-allot funds.

With respect to its organization and its information systems, the financial side of CDOT is ready to take on the challenges of cash management. CDOT has a staff of knowledgeable and competent financial officers who, by and large, have embraced the change in their mission that cash management entails. CDOT has struck a good balance in the organization of its financial officers, with decision-making with respect to project allocations and allotments made in the regions and the results of those decisions vetted and policed by a central budget staff. SAP is a good system for financial management and CDOT need not walk away from it as the department converts to cash-based financial management.

It will take CDOT’s financial staff about two years to properly and fully adapt to cash management. Our current forecast of CDOT’s cash flows, which take the RAMP program and flood recovery into account, shows cash balances falling to levels that will require close cash management as early as the summer of 2016, so CDOT senior management will be making cash-constrained decisions on project letting as early as the autumn of 2015. CDOT’s financial staff can be ready to support that decision-making process by then.

## Cash Management “As Is” Findings



We intend to bring more than one option to CDOT as to what its future budget process might be. To date we have, with CDOT staff, defined the range of possibilities by outlining the two ends of that range with a conservative option and a radical option.

The conservative option represents the minimum of change that would have to be made in CDOT’s “as is” budget process to accommodate cash management. In the conservative option, CDOT would maintain its tight budget control over annual expenditures on each project under development. It would place projects approved by the transportation commission but not yet programmed into the STIP into what CDOT staff refer to as a “staging area”. In this staging area, similar to CDOT’s former illustrative programs, budget information about these projects could be recorded and their inclusion into the STIP could be planned. However, no funds could be spent on these projects until, first, they had been accommodated within the fiscally constrained portion of the STIP, second, set up in the budget. In this conservative option, the official STIP would be updated officially once or twice per year.

The radical option represents the changes required to fully embrace cash management with the risks of overspending appropriations that it entails. The radical option establishes a four-year budget for each project, equal to the period of financial constraint in the STIP, and allows project managers to spend up to their four-year project totals at any time during the four-year period to accelerate projects. OFMB no longer controls expenditures by limiting them during project development but uses project cost and schedule forecasts to predict where accelerated expenditures in some projects will be offset by delayed expenditures in other projects. OFMB still controls cash flow but does so at the beginning of construction by delaying lettings as a forecast of low cash balances may dictate. There is a risk that these measures may not be enough and other measures, such as delays of purchases or short-term borrowing may have to be used.

Both of these options, and the possibilities that lie between them, comply with existing state and federal laws. They also fall within the possibilities that the Federal Highway Administration (FHWA) will accommodate. FHWA trusts CDOT and CDOT need not abuse that trust to accelerate highway projects. CDOT sets the national gold standard for managing the financial constraint of the STIP and achieves excellent standards in other major aspects of federal aid funds management. FHWA is willing to accommodate cash-based program delivery and is encouraging CDOT to separate its budget processes from the programming processes that update and amend the STIP.

That is not to say that there no changes in legislation that would extend CDOT’s ability to accelerate projects. Colorado is one of the few states that have not enacted a special fund for highway construction in which the appropriations are the deposits of revenues into the fund and not the disbursement of funds out of it. Other states combine such special accounts with a legislated limit on encumbrances in the special account, up to a limit of three years of revenue, to accomplish projects more quickly. Colorado could also lower its minimum required cash balance significantly by removing the “hard stop” on short-term borrowings each 30 June under the Taxpayer Bill of Rights (TABOR). Federal regulation that allowed the carry-forward of unspent obligations from old programs to new programs would also be helpful.



# Program Management and Cash Management Update

February 20, 2014

Scott Richrath, Chief Financial Officer



# Agenda

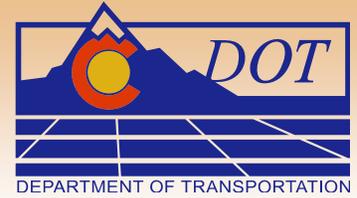
- Overview of Program/Cash Management Implementation
- Results of the Cash Management As-Is Study
- Program Updates

# Program/Cash Management Overview



- Program and Portfolio Relationships
- Cash Management Definition
  - Relationship to Programs and Project Delivery
- Staff Training Opportunities

# What Does the Big Picture Look Like?



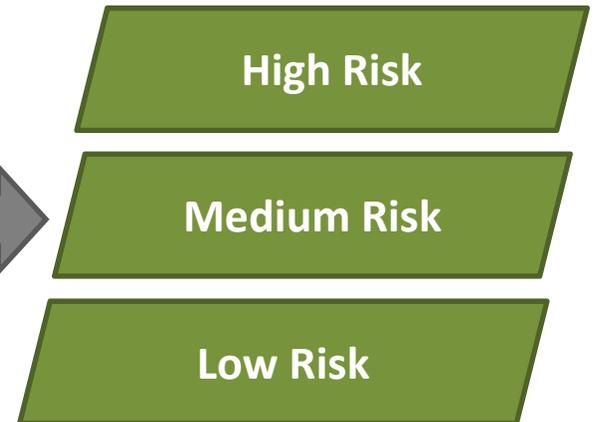
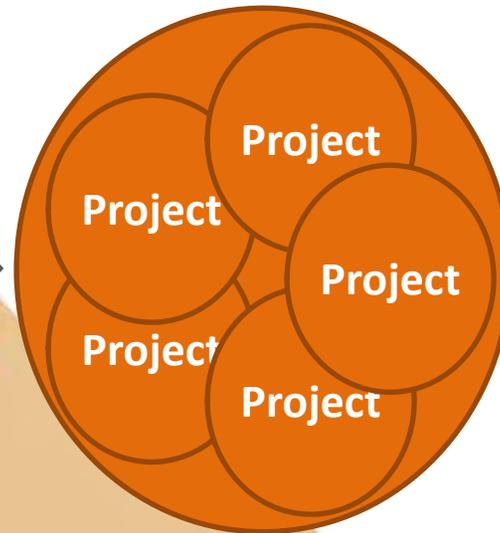
**PROGRAMS**

**PROJECTS**

**PORTFOLIOS**

**RAMP  
ASSET MANAGEMENT**  
Surface Treatment  
Tunnels  
Rockfall  
Etc.

**FASTER SAFETY  
BRIDGE ENTERPRISE**  
Etc.

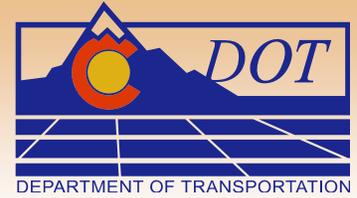


**Cash Management**

**Performance Metrics**

**Processes, Tools and Systems**

# Program Management Overview



## Program Management

Master schedule will contain all project schedules

Regulate and balance funding between project schedules

## Portfolio Management

Level of project management based on risk

Grouping specific projects into portfolios

## Project Management

On-time & On-Budget

Scope  
Schedule  
Budget

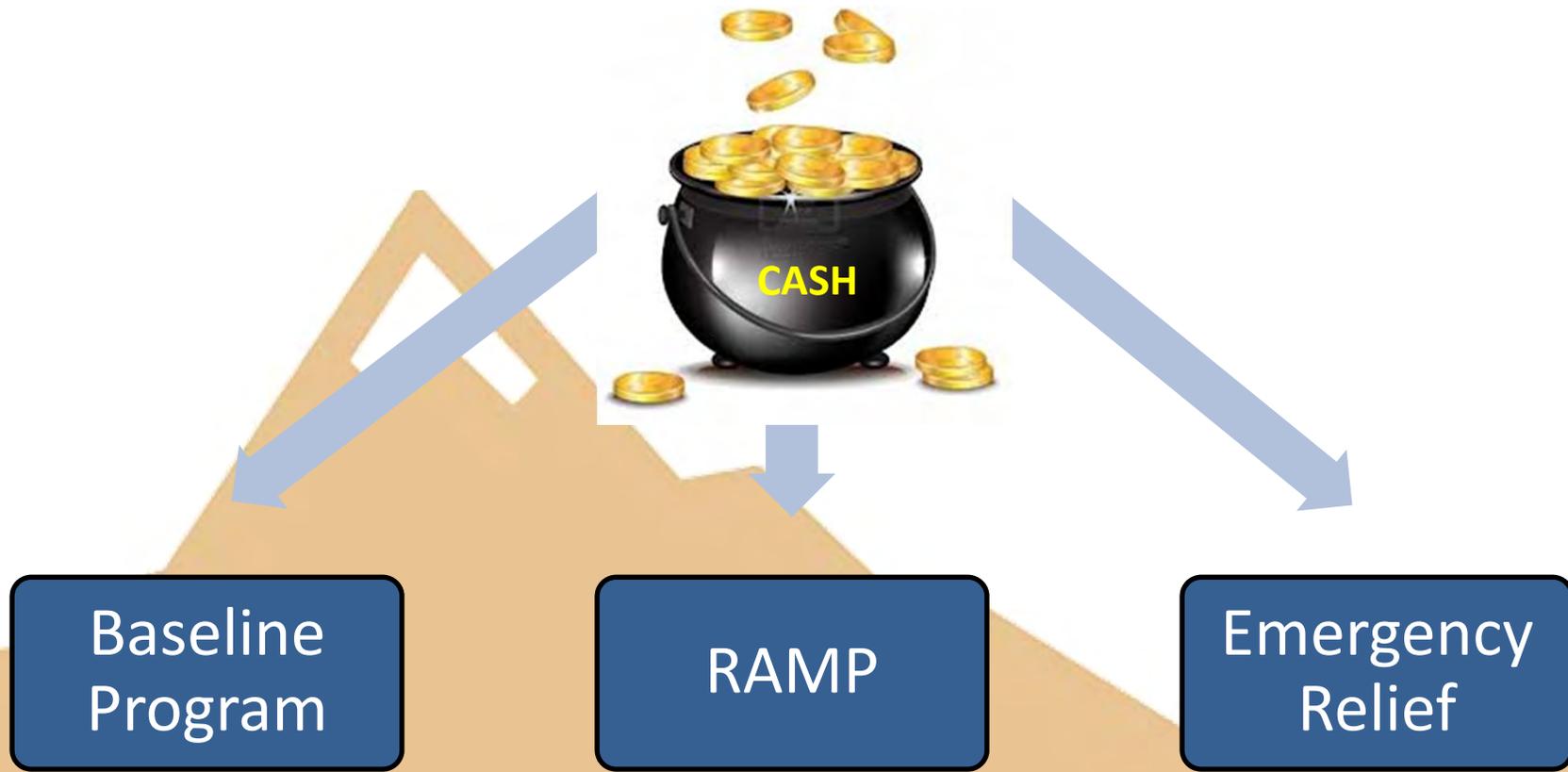
## Cash Management

Use known historical revenue

- Converting from Budget-based to Expenditure-based funding

# Cash Management

*MANAGING CASH, PROCESSES, AND SYSTEMS EFFECTIVELY TO ADVANCE MORE FUNDS TO CONSTRUCTION*



Division of Accounting and Finance - Office  
of Cash Management

# How Can I Learn More?



All Employees

Monthly Executive Video Conference Calls (Overview/Progress)

*InMotion* Magazine (Overview/Progress)

Change Hub (Overview/Progress/Interim Guidance)

Roadshows (RE Meetings/SMT Roadshow/Overview/Progress/Interim Guidance)

Employees Directly Affected

**Cash Mgt Workshop**

*Includes overview on all topics*  
JAN 28

**Program Mgt Workshop**

*Includes overview on all topics*  
MAR/APR

**Asset Mgt Workshop**

*Includes overview on all topics*  
APR/MAY

**TRAINING ROADSHOWS**

*As necessary*  
SUMMER

**Interim Guidance Training**

*Email Notice*

*Posting on Construction/Engineering Pages*

*Follow-up Teleconference*

**Future training sessions also planned**

Division of Accounting and Finance - Office of Cash Management

# Cash Management Overview



- Enable more construction projects to be completed each year
- Reduce our current cash balance
- Monitor and report on cash status





# “As-Is” Report Findings

- CDOT’s STIP and budgeting processes exceed Federal and State requirements
- Annual controls on funding slow project development
- Budget process encourages hoarding of allotments
- No project cradle to grave tracking available
- Project schedule and cost forecasting do not support CDOT’s cash management goals
- Revenue forecasts are too conservative

# Cash Management Benefits



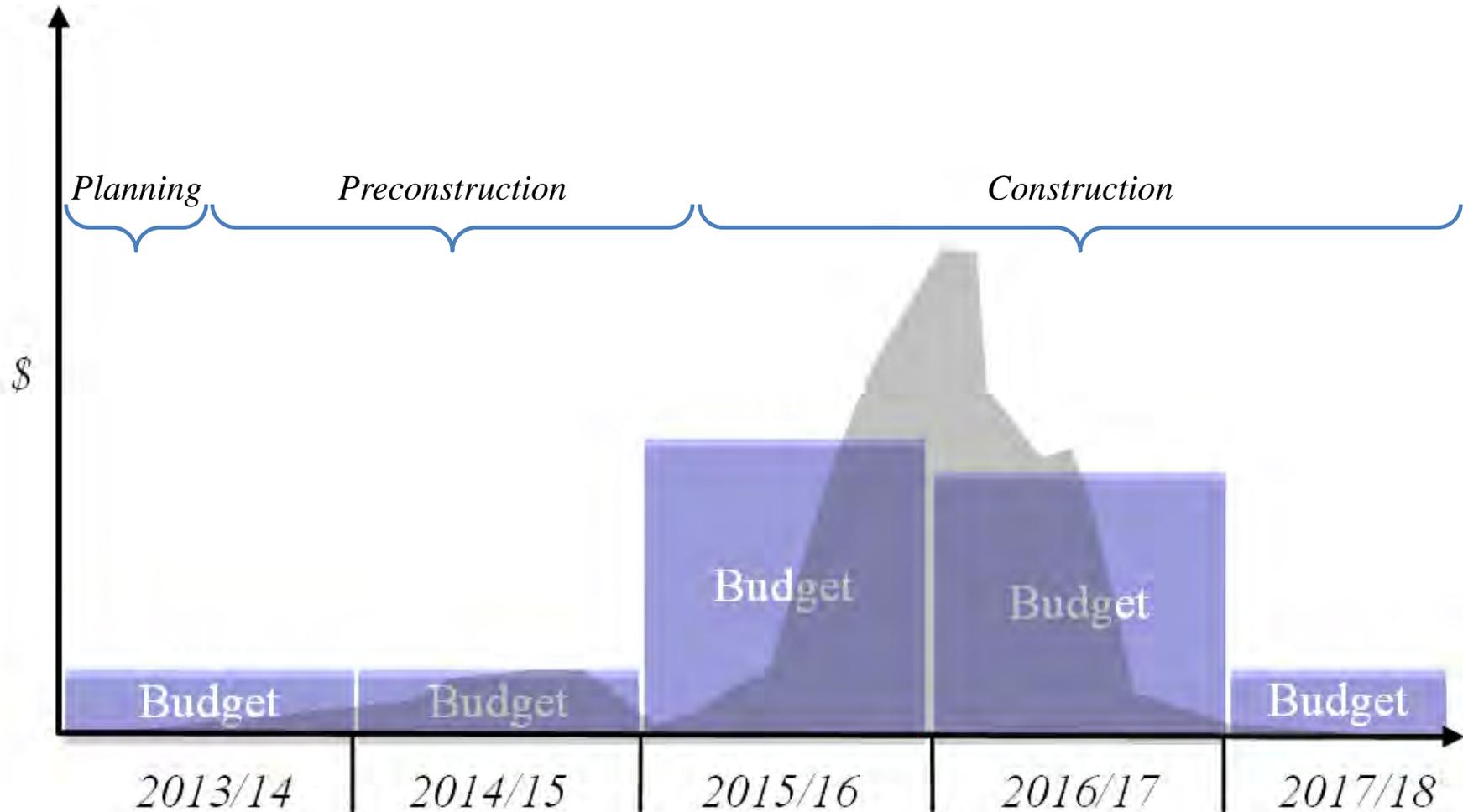
- Increase the amount of construction that can be accomplished
- Provides greater flexibility to lower cash balances by shifting available funds to projects ready to go
- Promotes change to a statewide project prioritization process
- SAP will still be used to budget expenditures, and the implementation of cash management...



# Cash Management Success Factors

- Depends on accurate project schedules and draw down estimates
- Demands trust across CDOT in many areas:
  - Moving funds among projects with no fear that project budgets will be lost
  - Creating and modifying schedules
  - Reporting and performance metrics
  - Setting proper contingencies

# Cash Flow Through Project Phases





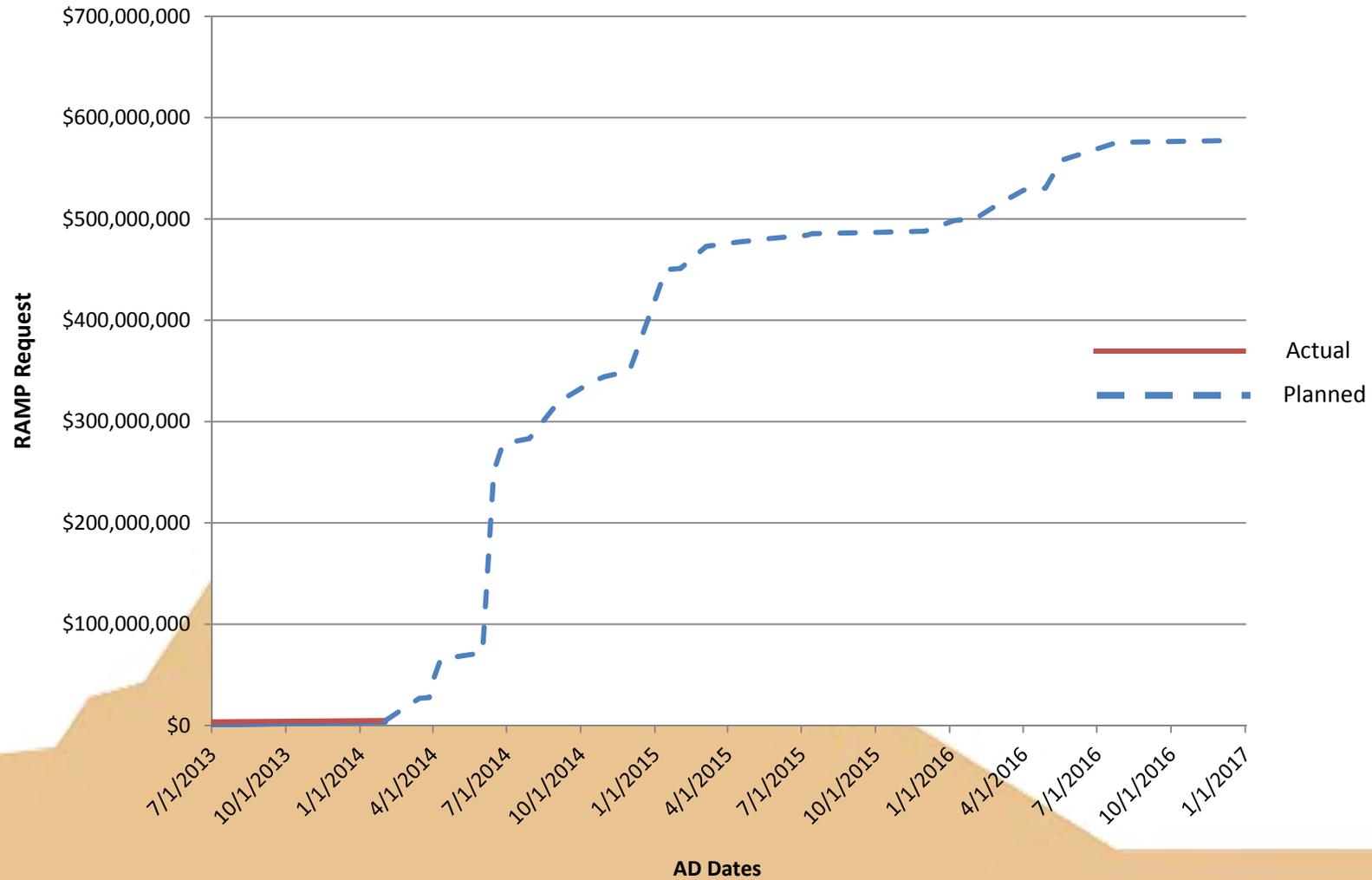
# Program Updates

- Ramp Partnership and Operations
- 2014 Asset Management Program
- 2014 Surface Treatment Projects

# RAMP Update - Partnership



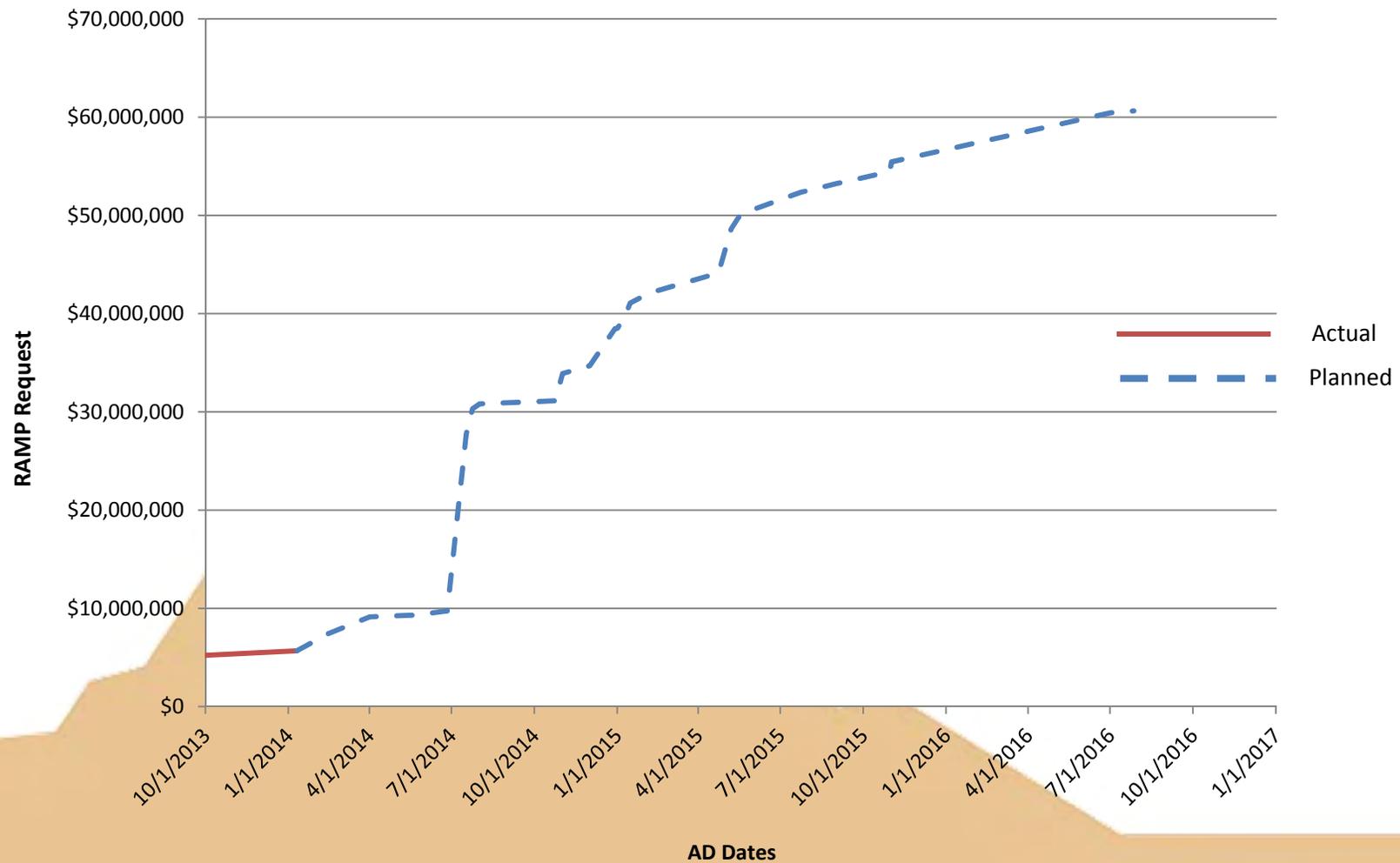
## Cumulative RAMP AD Dollars



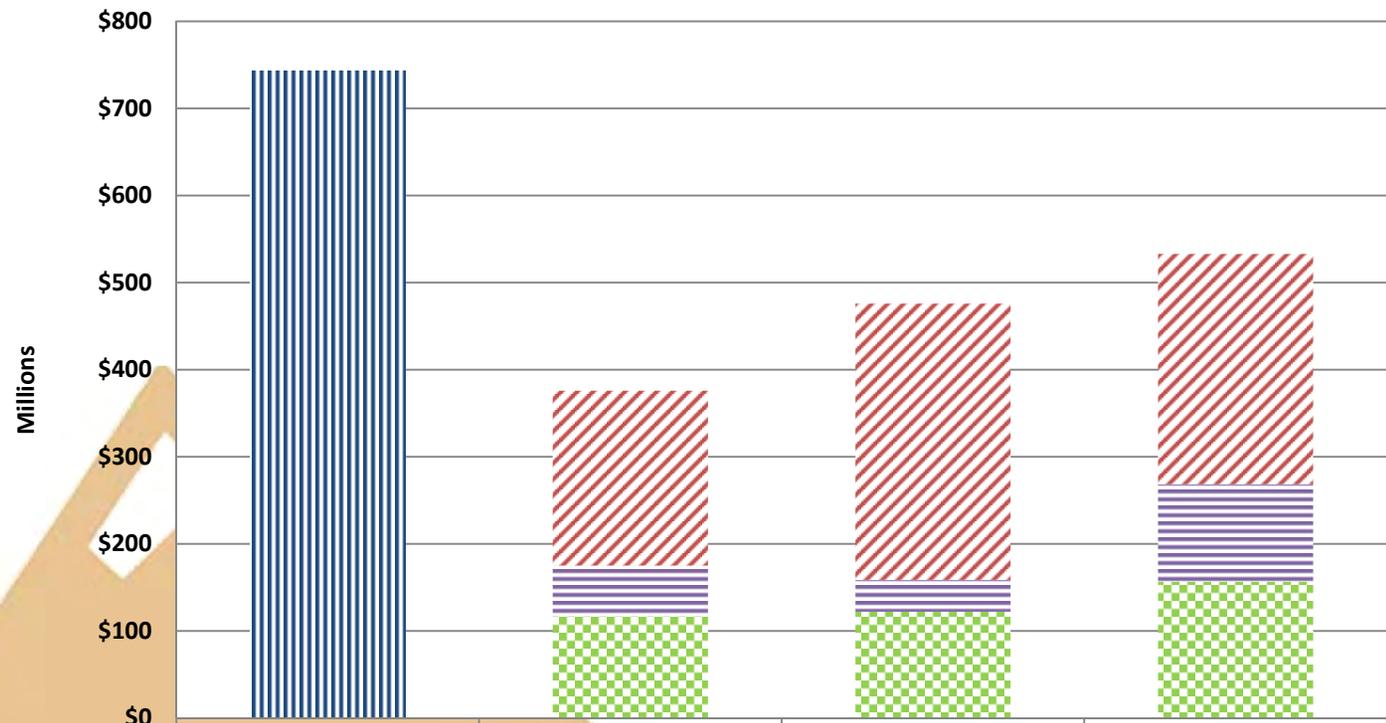


# RAMP Update - Operations

## Cumulative RAMP AD Dollars

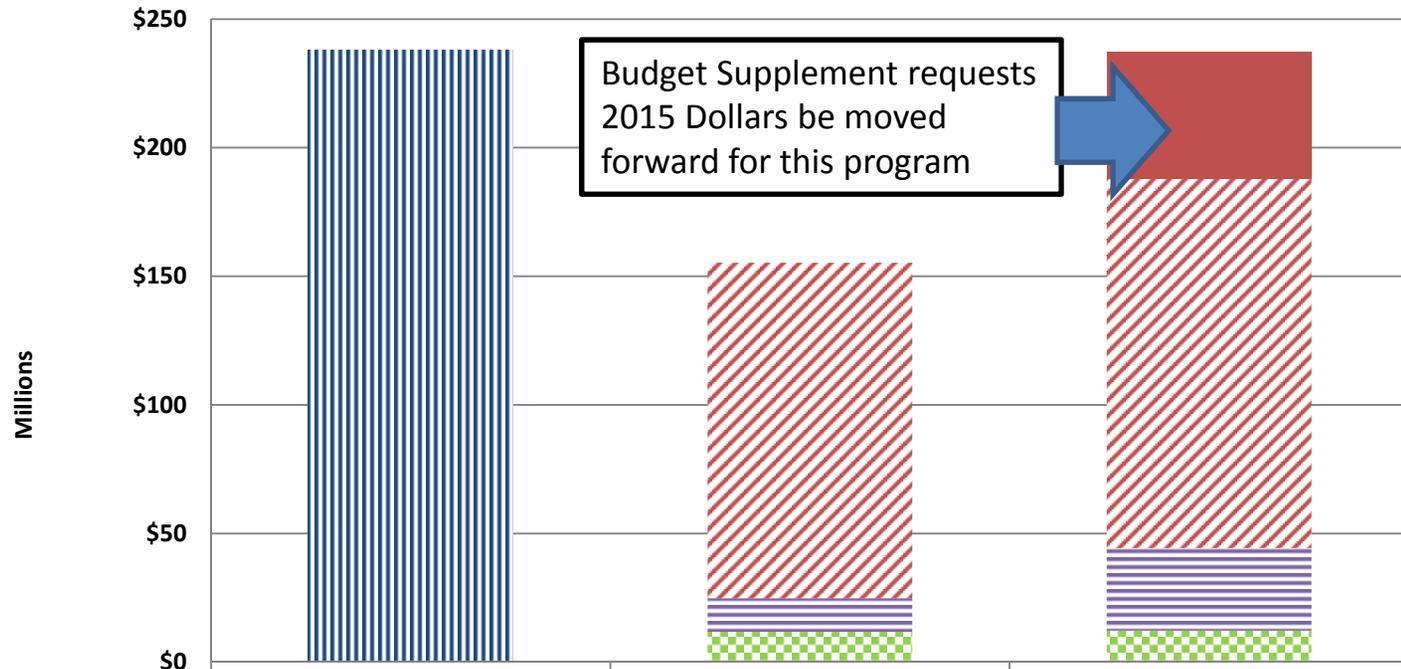


# Status of the 2014 Asset Management Projects



	Total Approved Budget	Dec 2013	Jan 2014	As of Feb. 4, 2014
Remaining Project Budget (Millions)		\$200.82	\$317.27	\$264.50
Encumbered (Millions)		\$58.12	\$36.48	\$111.75
Expenditure (Millions)		\$116.99	\$122.17	\$156.76
Total Approved Budget (Millions)	\$743.30			

# Status of 2014 Surface Treatment Project List



	Total Approved Budget	Jan 2014	As of Feb. 4, 2014
■ February Budget Action			\$49.23
▨ Budget Remaining (Millions)		\$130.44	\$143.59
▤ Encumbered (Millions)		\$13.04	\$32.08
▣ Expenditure (Millions)		\$11.81	\$12.25
Total Approved Budget	\$238.00		



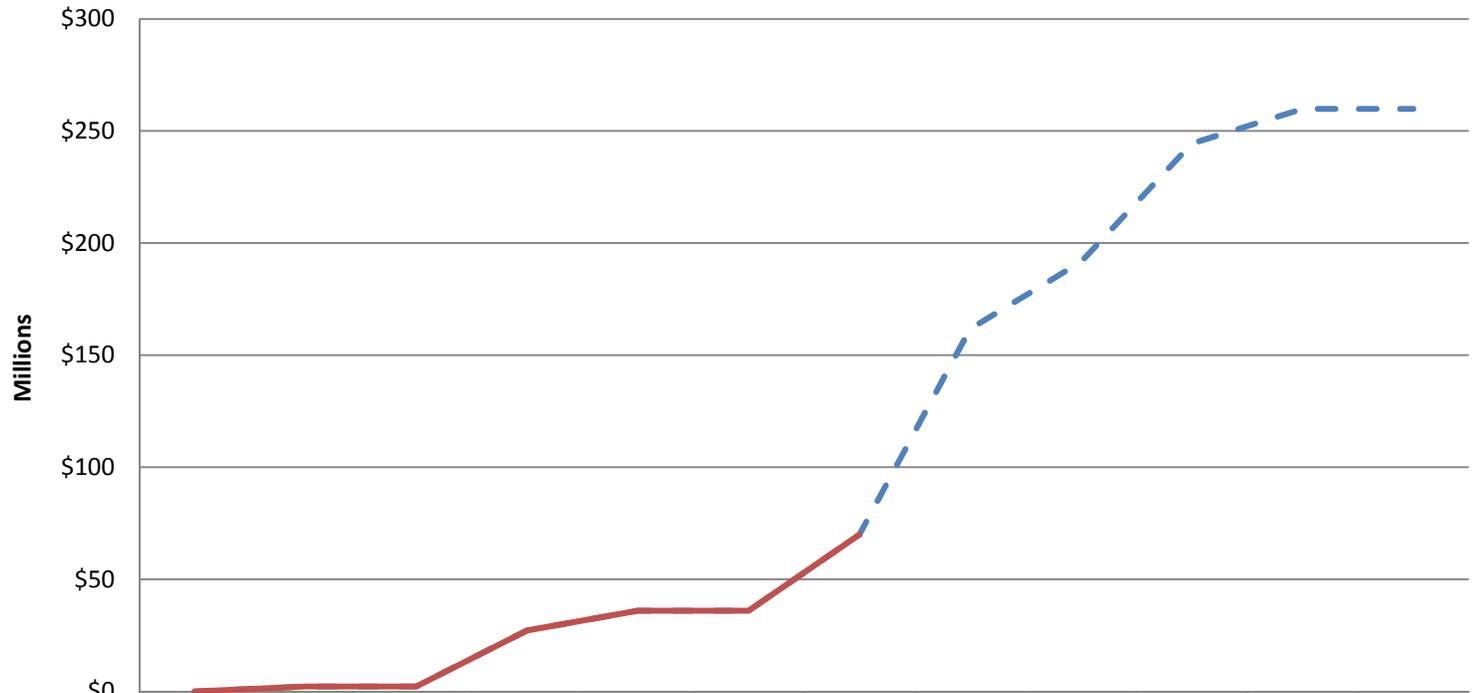
# 2014 Surface Treatment Projects In the Budget Supplement

- *US 36: Cabin Creek - \$0.5M*
- *SH 103 (MP 0.0 – 13.500) - \$5.1M*
- *SH 350: Near Thatcher - \$5.6M*
- *SH 119: County Line to I-25 - \$12.0M*
- *SH 14: I-25 East to Weld CR 23 - \$12.5M*
- *US 285: Antonito - North - \$4.5M*
- *US 160: Hesperus to Durango - \$9.0M*

# Advertised 2014 Surface Treatment Projects



**FY14 Surface Treatment Projects Advertisement Status - By Millions  
(As of January 2014)**



	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
— Planned Advertised Projects	\$0.000	\$2.200	\$2.200	\$27.200	\$36.000	\$36.000	\$69.900	\$161.732	\$191.582	\$244.390	\$259.890	\$259.890
— Actual Advertised Projects	\$0.000	\$2.200	\$2.200	\$27.200	\$36.000	\$36.000	\$69.900					

Transportation Commission  
February 20, 2014  
Meeting Schedule & Agenda  
4201 East Arkansas Avenue  
Denver, Colorado 80222

Douglas E. Aden, Chairman  
Grand Junction, District 7

Shannon Gifford  
Denver, District 1  
Ed Peterson, Vice Chairman  
Lakewood, District 2  
Gary M. Reiff  
Englewood, District 3  
Heather Barry  
Westminster, District 4  
Kathleen Gilliland  
Livermore, District 5

Kathy Connell  
Steamboat Springs, District 6  
Sidny Zink  
Durango, District 8  
Les Gruen  
Colorado Springs, District 9  
William Thiebaut  
Pueblo, District 10  
Steven Hofmeister  
Haxtun, District 11

THE CHAIRMAN MAY ALTER THE ITEM SEQUENCE OR TIMES

The times indicated for each topic on the Commission agenda are an estimate and subject to change. Generally, upon the completion of each agenda item, the Commission will immediately move to the next item. However, the order of agenda items is tentative and, when necessary to accommodate the public or the Commission's schedules, the order of the agenda items is also subject to change.

Documents are posted at <http://www.coloradodot.info/about/transportation-commission/meeting-agenda.html> no less than 24 hours prior to the meeting. The documents are considered to be in draft form and for information only until final action is taken by the Commission.

Unless otherwise noted, all meetings are in CDOT HQ Auditorium.

TRANSPORATION COMMISSION MEETING

- 12:00 p.m. 1. Call to Order, Roll Call
- 12:00 p.m. 2. Audience Participation; Subject Limit:  
10 minutes; Time Limit: 3 minutes
- 12:00 p.m. 3. Comments of Individual Commissioners
- 12:05 p.m. 4. HPTE Director's Report (Michael Cheroutes)
- 12:10 p.m. 5. FHWA Division Administrator Report (John Cater)
- 12:15 p.m. 6. STAC Report (Vince Rogalski)
- 12:20 p.m. 7. \* Act on Consent Agenda ..... Tab 12

- a) Resolution to approve the Regular Meeting Minutes of January 16, 2013 (Herman Stockinger) ..... Consent Agenda 1
- b) Resolution to Approve the Addendum to FY2014 Over \$50,000 Project List (Scott McDaniel)..... Consent Agenda 21
- c) Resolution to Approve the FASTER Transit Projects for FY2015 (Mark Imhoff)..... Consent Agenda 25
- d) Resolution to Approve RAMP Projects (Scott Richrath) ..... Consent Agenda 34
- e) Resolution to Approve Compliance Agreement for U.S. 36 Concession Project (Mike Cheroutes) ..... Consent Agenda 37
- f) Resolution to Approve the FY 2016 – 2040 Program Distribution (Deb Perkins-Smith) ..... Consent Agenda 39

- 12:25 p.m. 8. \* Discuss and Act on 9<sup>th</sup> Supplement to the FY'2014 Budget, including Disbursement of Snow and Ice Contingency Funds (Scott Richrath and Scott McDaniel) ..... Tab 13
- 12:35 p.m. 9. \* Discuss and Act on a Resolution to Adopt Proposed Transportation Commission Rules (Herman Stockinger) ..... Tab 14
- 12:40 p.m. 10. Discuss US 550 Rockfall (Kerrie Neet)
- 12:50 p.m. 11. Other Matters:
- 12:50 p.m. 12. Acknowledgements:
- 12:50 p.m. 13. Adjournment

\* Indicates Action Item for the Commission

**Transportation Commission of Colorado**  
**Regular Meeting Minutes**  
**January 16, 2014**

**Chairman Doug Aden convened the meeting at 12:18am in the auditorium of the headquarters building in Denver, Colorado.**

PRESENT WERE: Doug Aden, Chairman, District 7  
Shannon Gifford, District 1  
Ed Peterson, District 2  
Gary Reiff, District 3  
Heather Barry, District 4  
Kathy Gilliland, District 5  
Kathy Connell, District 6  
Sidny Zink, District 8  
Les Gruen, District 9  
Bill Thiebaut, District 10  
Steven Hofmeister, District 11

ALSO PRESENT: Don Hunt, Executive Director  
Gary Vansuch, Director of Process Improvement  
Debra Perkins-Smith, Director of Division of Transportation  
Scott McDaniel, Acting Chief Engineer  
Heidi Humphreys, Director of Admin & Human Resources  
Amy Ford, Public Relations Director  
Soctt Richrath, CFO  
Herman Stockinger, Director of Policy and Government Relations  
Mike Cheroutes, Director of HPTE  
Mark Imhoff, Director of Division of Transit and Rail  
David Gordon, Aviation Director  
Ryan Rice, Director of Operations Division  
Darrell Lingk, Director of Office of Transportation Safety  
Tony DeVito, Region 1 Transportation Director  
Tom Wrona, Region 2 Transportation Director  
Dave Eller, Region 3 Transportation Director  
Johnny Olson, Region 4 Transportation Director  
Myron Hora, Acting Region 4 Transportation Director  
Kerrie Neet, Region 5 Transportation Director  
Kathy Young, Chief Transportation Counsel  
John Cater, FHWA  
Vince Rogalski, Statewide Transportation Advisory Committee (STAC)

AND: Other staff members, organization representatives,  
the public and the news media

An electronic recording of the meeting was made and filed with supporting documents in the Transportation Commission office.

## **Audience Participation**

Chairman Aden noted that there were no comments from the audience.

## **Individual Commissioner Comments**

Commissioner Thiebaut stated that he traveled extensively over the holidays and noted that Colorado had some very fine roads and was the state with the most construction going on in the states that he had traveled. He stated that this is a compliment to CDOT that they do such outstanding work with limited resources.

Commissioner Gilliland wished everyone a happy 2014.

Commissioner Zink stated that she was able to meet with Montezuma County Commissioners. The Commissioners were very happy with the projects that CDOT had completed in their areas. She also mentioned the rock falls that closed US 550. She stated that safety must come first. Even though the closure is a huge inconvenience to drivers, safety demands that the road stay closed for a while.

Commissioner Connell stated that she has traveled heavily on I-70 over the previous month. Due to the increased snow and traffic, there have been significant backups. There has been a record 78 inches of snow in a week and a half. She complimented the staff who has been working to keep the roads open. They are sorely understaffed for I-70, and she would support whatever is necessary to get more help there. Tourists who are not accustomed to driving in these conditions and chain restriction violations create traffic nightmares. It took two hours to get from Silverthorne to the Tunnel. She stated that anything the Commission can do to support CDOT and pressure Highway Patrol to do more should be done.

Commissioner Barry thanked the City of Brighton who hosted her for Bagels with Barry. She spent time with Adams County discussing the RAMP projects.

## **Audience Participation**

Chairman Aden returned to the Audience Participation portion of the meeting because Mayor Michael Hillman of Idaho Springs and Commissioner Tim Mauck of Clear Creek County had arrived.

Commissioner Mauck thanked the Commission for the 1-70 Eastbound Bore and asked the Transportation Commission to agree to do the same to I-70 Westbound. He stated that not many people would have believed that Clear Creek County would advocate for further construction through the community but that the request speaks volumes to the job that Director Hunt, Tony DeVito, Region 1, Angie Drumm and the contractors have done on this project. They ran the project like a shuttle launch. It could not have been better. Clear Creek County appreciates that and appreciates the Commission considering further improvements along the corridor. He stated that this queues projects to streamline major improvements along I-70 in the future. He thanked everyone for their hard work.

Mayor Hillman thanked the Commission for the Eastbound Tunnel. He stated that even though it was difficult as a resident and business owner on the back side of the project, the project was done very well. He stated that it was great that the Commission decided to move forward with the Westbound project now rather than waiting and having to come back later. He also thanked the Commission for the acceptance of their Colorado Blvd RAMP project proposal. This project will have a large impact on the future economic growth of the community.

### **Executive Director's Report:**

Executive Director Hunt stated that gubernatorial elections are coming up, and Governor Hickenlooper recently outlined his successes over the last three years of his administration. CDOT was prominently featured in his list of accomplishments. The Governor mentioned that the entire state was indebted to CDOT due to the Department's efforts in Flood Recovery, and he mentioned CDOT's lean process effort, including a 19% decrease in contracting timelines and savings with other contract initiatives close to \$2 million. CDOT has repealed or modified approximately 20 rules. The Governor mentioned the RAMP program and the Twin Tunnel projects.

The Executive Director stated that MPACT 64 is a group across the state that started a conversation about multi-modal transportation program for the future with a sales tax base. He stated that he was disappointed to report the polling had come back and there was not enough public support for the sales tax to go to the ballot in 2014. This will not stop the Department's discussion about Colorado's need for more transportation money. It would be very difficult to get new tax sources through Congress. There are 15-20 states have raised or are in the process of raising statewide taxes in order to invest in transportation. It is necessary for Colorado to find its way inside of TABOR to remain competitive.

### **High Performance Transportation Enterprise (HPTE) Director's Report**

Michael Cheroutes stated that HPTE had its regular board on January 15, 2014. The Board discussed the I-70E project with the Commission in order to determine the best direction forward. US-36 will close in the near future, and C-470 is still on a front burner. HPTE has important decisions to make regarding I-25N and will be turning to that soon. Brenda Smith from Colorado Springs is a new member on the Board. She has a wealth of accounting and management experience, which will be valuable to the Board.

### **FHWA Division Administrator Report**

John Cater stated that there are many federal requirements that are necessary to go through for transportation projects, including Financial Plans. Financial Plans are required for every project that is over \$100 million, according to statutory law passed in 2005 as part of SAFETEA-LU. There must be an initial plan prior to construction and a requirement to do an annual update. He stated that the process is to ensure the Department has a handle on the funding for the large projects. There were some visible failures nationally, so it has become a point of emphasis for Federal Highways.

He stated that this will be a more visible issue going forward, so the Commission is likely to hear about Financial Plans in the future.

ON January 28 & 29, there will be a peer exchange in Colorado discussing low volume roads and cost effective surface treatments for those roads. Representatives from Nevada, Utah, Montana, North Carolina and Washington will attend. The focus will be on cost effective ways to extend pavement life and getting the largest return on investment for these treatments. There will be a two day session to develop best practices to use in Colorado and elsewhere.

Chairman Aden asked Director Hunt who from CDOT was attending the peer exchange. He stated that this would be valuable learning experience for whoever could attend. Director Hunt stated that he encouraged all staff who are involved in surface treatment to participate. The Director and the Chairman thanked John Cater and the FHWA for putting the peer exchange together. Chairman Aden stated that he would like a report on the ideas and best practices that come out of the exchange.

### **STAC Report**

Vince Rogalski stated that STAC met on January 10, 2014, and reviewed the federal and state legislative update. MAP-21 expires later this calendar year, and there will likely be a continuing resolution until there can be a reauthorization. This may include a gas tax increase, but that is uncertain.

STAC also discussed Program Distribution. They discussed that Scenario 1 made sense and allows for flexibility, with the remaining variance going into TC Contingency. They discussed the history of the TRANS bonds and the current state of RPP.

STAC passed a motion to urge the TC to allocate the revenue going to TRANS bonds to RPP, which will restore the historic RPP levels.

STAC discussed FASTER-Safety and the improved metrics to document what is happening with the safety projects in terms of FASTER money.

He then stated that Tony DeVito presented the I-70 Westbound Tunnel presentation, discussing the potential savings of moving the project forward this season. After very little discussion, STAC passed a motion to advise the TC to approve the \$48 million in RAMP that was refunded previously.

He stated that Mark Imhoff discussed the various projects for FY'2015. STAC recommended unanimously to pass a motion to approve those FY2015 projects which should come before the Commission in February 2015.

STAC had the presentation on AGS and ICS that the Commission saw earlier during the day.

Scott McDaniel updated STAC in terms of RAMP and the flood. As of January 10, 2014, CDOT had received 35 of 43 RAMP letters. As of the January Commission meeting, CDOT had received 41 letters.

STAC had a presentation about Colorado's Strategic Highway Safety Plan, especially crash models demonstrating how highway fatalities can be reduced through education, fixing the roads and driver behavior.

### **Act on Consent Agenda**

Chairman Aden stated that Item F was removed from the Consent Agenda because it will require action by the Commission at a later date. Chairman Aden entertained a motion to approve the Consent Agenda items A-E. Commissioner Hofmeister moved to approve the Consent Agenda Items A-E, and Commissioner Gilliland seconded the motion. By vote of the Commission, the Consent Agenda passed unanimously.

### **Resolution #TC-3125**

BE IT HEREBY RESOLVED, that the Transportation Commission's Regular Meeting Minutes of December 19, 2013, are hereby approved as published in the official agenda of January 15 & 16, 2013.

**Resolution #TC-3126**

**Resolution # TC-3126**

**Approved January 16, 2014**

**Adoption of Policy Directive 600.0 “Equal Employment Opportunity and Affirmative Action”**

**WHEREAS**, pursuant to § 43-1-106(8)(a), C.R.S., the Colorado Transportation Commission is charged with formulating general policy for the Colorado Department of Transportation (“CDOT”); and

**WHEREAS**, CDOT is required to comply with Title VII of the Civil Rights Act, 42 U.S.C. § 2000e, and related statutes as a recipient of federal funds from the U.S. Department of Transportation; and

**WHEREAS**, CDOT is required to comply with the Colorado Anti-Discrimination Laws under § 24-34-401, *et seq.*, C.R.S.; and,

**WHEREAS**, Policy Directive 600.0 seeks to fulfill the Federal Highway Administration’s requirement to have a policy in place with regard to equal opportunity employment practices and prohibition of discrimination, which practices will be implemented through all phases of CDOT’s Affirmative Action Plan; and,

**WHEREAS**, Policy Directive 600.0 updates and replaces Policy Directive 600.0, “Equal Opportunity and Non-Discrimination Policy” adopted on June 18, 2008; and

**WHEREAS**, updated Policy Directive 600.0 confirms CDOT’s commitment to equal opportunity in employment and the prohibition of discrimination in employment.

**NOW THEREFORE BE IT RESOLVED**, the Commission herein adopts Policy Directive 600.00 “Equal Employment Opportunity and Affirmative Action.”

*Norman F. Stockinger III*

Transportation Secretary

1-22-14

Date

**Resolution #TC-3127**

**Resolution # TC-3127**

**Approved January 16, 2014**

**Adoption of Policy Directive 603.0 “Policy Prohibiting Sexual Harassment”**

**WHEREAS**, pursuant to § 43-1-106(8)(a), C.R.S., the Colorado Transportation Commission is charged with formulating general policy for the Colorado Department of Transportation (“CDOT”); and

**WHEREAS**, CDOT is required to comply with Title VII of the Civil Rights Act, 42 U.S.C. § 2000e, and related statutes as a recipient of federal funds from the U.S. Department of Transportation; and

**WHEREAS**, CDOT is required to comply with the Colorado Anti-Discrimination Laws under § 24-34-402, C.R.S., and 4 CCR 801-1, Personnel Board Rules and Personnel Director’s Administrative Procedures; and,

**WHEREAS**, CDOT is required to comply with the Equal Employment Opportunity Commission (“EEOC”) requirement to have a Policy in place with regard to the prohibition of sexual harassment in the workplace; and,

**WHEREAS**, this Policy Directive updates and replaces Policy Directive 603.0, “Sexual Harassment” adopted on August 16, 2007; and

**WHEREAS**, this updated Policy Directive 603.0 confirms CDOT’s commitment to the prohibition of sexual harassment in the workplace.

**NOW THEREFORE BE IT RESOLVED**, the Commission herein adopts Policy Directive 603.00 “Policy Prohibiting Sexual Harassment.”

*Herman F. Stockinger III*

Transportation Secretary

1-22-14

Date

**Resolution #TC-3128**

**Resolution # TC-3128**

**Approved on January 16, 2014**

**Adoption of Policy Directive 604.0 “Policy on Non-Discrimination” and Repeal of Policy Directive 611.0 “Disadvantaged Business Enterprise Program”**

**WHEREAS**, pursuant to § 43-1-106(8)(a), C.R.S., the Colorado Transportation Commission is charged with formulating general policy with respect to the management, construction, and maintenance of public highways and other transportation systems in the state; and

**WHEREAS**, The Colorado Department of Transportation (“CDOT”) is required to comply with Title VI of the Civil Rights Act, 42 U.S.C. § 2000d, and related statutes as a recipient of federal funds from the U.S. Department of Transportation; and

**WHEREAS**, CDOT is required to comply with Title II of the Americans with Disabilities Act of 1990, 42 U.S.C. §12101-12213, and related statutes as a recipient of federal funds from the U.S. Department of Transportation; and

**WHEREAS**, CDOT is required to comply with the Civil Rights Restoration Act of 1987, Pub L. No. 100-259, 102 Stat. 28, as a recipient of federal funds from the U.S. Department of Transportation; and

**WHEREAS**, CDOT created the Civil Rights and Business Resource Center to coordinate with regional civil rights staff to ensure compliance with civil rights laws; and

**WHEREAS**, revised Policy Directive 604.0 updates and replaces Policy Directive 604.0, “Non-Discrimination in Federally Funded Programs Policy” adopted on July 1, 2004; and

**WHEREAS**, Policy Directive 604.0 includes the policy specifications regarding the Disadvantaged Business Enterprise Program and thus, replaces the need for Policy Directive 611.0, “Disadvantaged Business Enterprise Program” adopted on April 15, 2010.

**NOW THEREFORE BE IT RESOLVED**, the Commission herein approves updated Policy Directive 604.00 “Policy on Non-Discrimination.”

**BE IT FURTHER RESOLVED**, the Commission repeals Policy Directive 611.0 "Disadvantaged Business Enterprise Program" as its terms have been consolidated into updated Policy Directive 604.0.

Norman F. Stockings III

Transportation Commission Secretary

1-22-14

Date

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**Resolution #TC-3129**

**Resolution #TC-3129**

**Approved on January 16, 2014**

**PROJECT #:** F006-1(2)

**PARCEL:** 33-EX

**LOCATION:** SH 85 Greeley

**COUNTY:** Weld

**WHEREAS**, the Colorado Department of Transportation acquired 33-EX in 1949 for SH 85 right of way; and

**WHEREAS**, Parcel 33-EX contains 2.136 acres and is located in the southeast quadrant of the SH 85 Bypass and SH 85 Business interchange in northern Greeley, Weld County, Colorado; and

**WHEREAS**, CDOT Region 4 has made the determination that Parcel 33-EX is no longer needed for transportation purposes; and

**WHEREAS**, CDOT Region 4 desires to sell Parcel 33-EX for fair market value in accordance with Colorado Revised Statute 43-1-210 (5) ; and

**WHEREAS**, the sale of Parcel 33-EX will not affect the design, construction or utility of SH 85; and

**WHEREAS**, the Department of Transportation, Region 4, recommends that the property described as 33-EX of Project F006-1(2) be declared excess property; and

**WHEREAS**, the Chief Engineer and the Department of Transportation are authorized pursuant to C.R.S. 43-1-106(8)(n), 43-1-110, 43-1-114(3), and 43-1-210(5) to make determinations regarding property to be declared excess and not needed for transportation purposes; and

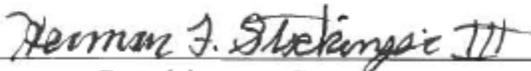
**WHEREAS**, the Department of Transportation, has declared through its Chief Engineer, that Parcel 33-EX is no longer needed for transportation; and

**WHEREAS**, the Transportation Commission concurs with the Chief Engineer that Parcel 33-EX is no longer needed for transportation purposes.

**NOW THEREFORE BE IT RESOLVED**, that the Department of Transportation be given authority to dispose of Parcel 33-EX of Project F006-1(2) containing

2.136 acres more or less as shown in Exhibit A and contained in the official agenda.

**NOW THEREFORE BE IT FURTHER RESOLVED**, that funds from the sale of the property shall be disbursed in accordance with Section 7.2.15 of the CDOT Right-of-Way Manual.

  
\_\_\_\_\_  
Herman Stockinger, Secretary  
Transportation Commission of Colorado

1-22-14  
\_\_\_\_\_  
Date

**Discuss and Act on the 7<sup>th</sup> Supplement to the FY2014 Budget**

Scott Richrath stated that there were two walk-ons for the January Commission meeting. The first walk-on is for Region 5 for a US550-160 continuous flow intersection in Durango. There were no bids in the first opening for this project. There was a single competitive bid in the second opening, which was after the mailing of the Commission's January packet. This bid came was more than 15% more than the allotted budget amount, which then requires the approval of the Commission. This project is part of the Highway Safety Improvement Program approved list. Transportation Systems Management and Operations have signed off on the project.

He stated the second of the walk-ons is related to the funding of the Region 4 Greeley Headquarters project, which the Commission approved in November. The staff had agreed in November to come back to the Commission with a funding alternative. Initially, the \$20 million would be financed through Certificates of Participation (COP). The staff decided it was possible to manage cash finances effectively to fund that project internally. The staff recommendation was altered from the one in the packet and requests permission from the Commission to advance budgeting to fund the project.

He then discussed the Twin Tunnels project in the supplemental packet. Tony DeVito provided a presentation, and local partners spoke to the Commission earlier about it. The staff sought funding through the supplemental process for \$47 million of what would have been HPTE RAMP funding and \$7 million of Region 1 Regional Priority Program advanced from next year.

He then outlined five surface treatment projects that are part of the Asset Management's approved FY'2014 project list.

Chairman Aden entertained a motion to approve the Supplement including the two walk-on requests. Commissioner Connell moved to approve the resolution, and the Commissioner Zink seconded the motion. By vote of the Commission, the resolution was unanimously approved.

**Resolution #TC-3130**

**Resolution Number #TC-3130**

**Approved by the Colorado Transportation Commission on January 16, 2014**

**Approve the 8<sup>th</sup> Budget Supplement to the FY'2014 Budget**

**WHEREAS**, pursuant to C.R.S. 43-1-211, CDOT is authorized to purchase land and/or build buildings suitable for offices for housing machines, tools, and equipment and pursuant to C.R.S. 43-1-212, CDOT may enter into rental or leasehold agreements under which the department may acquire title to such buildings with the approval of the Governor, the Chief Engineer, the Director of the Office of State Planning and Budgeting and a majority of the Transportation Commission; and,

**WHEREAS**, a Facility Needs Assessment was completed by CDOT Property Management indicated that CDOT Region 4 Headquarters Building located in Greeley, CO, currently has facility deficiencies; and

**WHEREAS**, the building deficiencies include, but are not limited to, fire and other safety hazards, size constraints, inefficient access and site circulation; and

**WHEREAS**, CDOT Property Management and Region 4 contracted with real estate brokerage firm CRBE, Inc. to analyze and identify viable alternative relocation sites for the Region 4 Headquarters Building; and

**WHEREAS**, after a thorough analysis, CDOT and CRBE have identified a site located in Greeley, CO, and on the US 34 Business Loop as the preferred alternative location to build a new CDOT Region 4 Headquarters facility; and

**WHEREAS**, the current baseline budget for the new Region 4 Headquarters building and sufficient space for the Colorado State Patrol to purchase from CDOT as a part of this transaction is \$19,866,735, which includes LEED certification as required by C.R.S. 24-30-1301(13); and

**WHEREAS**, relocating the Region 4 Headquarters will also require that a new vehicle maintenance and regional storeroom supply facility be built; and

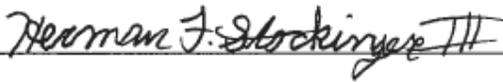
**WHEREAS**, CRBE's and CDOT's study of this issue has identified the best location for this facility to be on land that CDOT already owns in Gilcrest, CO, with the cost of erecting this facility included in the dollar amount specified in the prior paragraph; and

**WHEREAS**, in November 2013, the Transportation Commission approved the advancement of \$2M of FY15 Property Management Capital Construction

sufficient space for the Colorado State Patrol, subject to arrival at a mutually satisfactory interagency agreement with the Colorado State Patrol to reimburse CDOT for the State Patrol's pro rata share of the facility.

**IT IS FURTHER RESOLVED** that the Transportation Commission authorizes CDOT to market and sell in accordance with 43-1-210(5) the existing CDOT Region 4 Headquarters Site and the residencies located in Evans, CO, and Loveland, CO, and authorizes that the funds received from the sale of these properties be returned to the Transportation Commission for it to allocate, or if so permitted by the covenants associated with any potential Certificates, to accelerate the pay down of the balance of the Certificates of Participation issued for the new Region 4 Headquarters project.

**IT IS FURTHER RESOLVED** that the primary source for the repayment of any potential certificates not repaid from the sale of these properties or the payments toward the cost of the facility reimbursed by the Colorado State Patrol (to the extent permitted by the covenants of the Certificates) shall be repaid through annual allocations made as a part of the annual budget process as approved by the Transportation Commission.



Transportation Secretary



Date

**Discuss and Act on a Resolution for the COP for the Relocation of Region 4 Headquarters**

Chairman Aden stated that due to the fact that Region 4 Headquarters request was included in the Budget Supplement, this item would be removed from the agenda.

**Discuss and Act on a Resolution for the Adoption of Temporary Tunnel Rules and a Resolution for Promulgation of Permanent Tunnel Rules**

Tony DeVito requested the Commission to adopt the proposed rules on a temporary basis so that they can be in place for the remaining winter months of this year. If the Commission chose not to adopt the rules on a temporary basis, the permanent rules would not go into effect until July 2014. He also asked the Commission to open the rule-making process for the Tunnel Rules. The Commission has authority of 13 sets of administrative rules, and the Tunnel Rules are among those.

Tony DeVito stated that the Commission last adopted Tunnel Rules in 1986. He read the definition of "combustible liquid" out of the previous set of rules to demonstrate that it was too technical to be understood by a majority of drivers who need to know what is restricted and what is not.

While these rules govern all the tunnels on the state highway system, the most important sections concern the Eisenhower Johnson Memorial Tunnel (EJMT). The

rules state which HAZMAT materials are prohibited at all times from using the EJMT and which HAZMAT may go through the EJMT when Loveland Pass is closed. Loveland Pass closes on average 20 times a year due to snow and avalanche conditions. During those periods HAZMAT vehicles must be accommodated through the EJMT, typically on the top of the hour except during peak period operations. HAZMAT transportation statewide is under the authority of the Colorado State Patrol (CSP) with the exception of CDOT tunnels.

The rules that the Commission is asked to approve will make many improvements to the existing rules. The new rules will be placard based, colored on top with either red or green demonstrating what is never allowed in the EJMT and what is allowed when Loveland Pass is closed. These new rules are clear, concise and interpretable.

The temporary rules also correct federal regulations in the old set of rules that were improperly referenced.

This is a culmination of a year-long process working with CSP, Colorado Motor Carriers, the Colorado-Wyoming Petroleum Marketers Association (who included a letter of support), the ski areas, the I-70 Coalition and the US Forest Service. He requested the Commission to approve both the temporary and the permanent rules making processes.

Chairman Aden entertained a motion to approve a resolution to open the Tunnel Rules and to approve a separate resolution to adopt temporary Tunnel Rules. Commissioner Gilliland moved to approve both resolutions, and Commissioner Connell seconded that motion. By vote of the Commission, the resolutions passed unanimously.

**Resolution #TC-3131**

**Resolution # TC-3131**

**Approved by the Colorado Transportation Commission on January 16, 2014**

**Open Rule-Making Regarding Revisions to the Rules Governing the Use of Tunnels on Colorado State Highways, 2 CCR 601-8 and Delegate Authority to an Administrative Hearing Officer to Hold a Public Rule-Making Hearing.**

**WHEREAS**, § 43-1-106(8)(k), C.R.S., § 42-4-106 (7)(a) and (b), C.R.S., § 42-20-301(3), authorize the Transportation Commission of Colorado (the "Commission") to promulgate rules governing the use of tunnels on Colorado state highways ("Tunnel Rules"); and

**WHEREAS**, the Commission adopted the Tunnel Rules in 1986, with a subsequent adoption making minor corrections in 2008; and

**WHEREAS**, the current rules require updating in order to conform to current federal regulations and provide clearer guidance to the travelling public; and

**WHEREAS**, pursuant to Governor Hickenlooper's Executive Order D 2012-002, the proposed rules are drafted in clear language to make them accessible to CDOT personnel, Colorado State Patrol, motor carriers and the travelling public; and

**WHEREAS**, following the measures taken by the Department to comply with the Administrative Procedure Act, the proposed Rules will be submitted to the Commission for approval and adoption.

**NOW THEREFORE BE IT RESOLVED**, the Transportation Commission herein opens the rule-making process and delegates authority to an administrative hearing officer to preside over a public rule-making hearing on the modifications to the Rules.

Norman F. Stockinger III  
Transportation Commission Secretary

1-22-14  
Date

**Resolution #TC-3132**

**Resolution # TC-3132**

Approved by the Colorado Transportation Commission on January 16, 2014

**Adopt Temporary Rules Governing the Use of Tunnels on Colorado State Highways, 2 CCR 601-8 and Direct the Department to Comply with all Requirements of the State Administrative Procedure Act.**

**WHEREAS**, § 43-1-106(8)(k) C.R.S., § 42-4-106 (7)(a) and (b), and C.R.S., § 42-20-301(3), authorize the Transportation Commission of Colorado (the "Commission") to promulgate rules governing the use of tunnels on Colorado state highways; and

**WHEREAS**, the current rules were last updated in 1986, with minor revisions in 2008; and

**WHEREAS**, the current rules require updating in order to conform to current federal regulations, eliminate obsolete information and provide clearer guidance to the travelling public; and

**WHEREAS**, pursuant to Governor Hickenlooper's Executive Order D 2012-002, the proposed rules are drafted in clear language to make them accessible to CDOT personnel, Colorado State Patrol, motor carriers and the travelling public; and

**WHEREAS**, the Commission finds that temporary adoption of the Tunnel Rules is imperatively necessary for the health, safety and welfare of the travelling public so that the Rules will be immediately in conformance to federal regulations; and

**WHEREAS**, immediate adoption is necessary so that clear guidance is provided to CDOT tunnel personnel, the Colorado State Patrol, motor carriers and members of the travelling public during the inclement weather in the remaining winter and early spring months of 2014; and

**NOW THEREFORE BE IT RESOLVED**, the Transportation Commission herein adopt temporary rules Governing the Use of Tunnels on Colorado State Highways, 2 CCR 601-8 and directs the Department to take all necessary steps to comply with the State Administrative Procedure Act.

Norman F. Stockinger III  
Transportation Commission Secretary

1-22-14  
Date

## **Discuss and Act on a Resolution to Approve the Interregional Express (IX) Bus Plan and Implementation**

Mark Imhoff stated that he was requested the Commission's approval of the Interregional Express Bus Plan and Implementation. There have been more than a year of outreach efforts and a very active subcommittee of the Transit and Rail Advisory Committee leading to this resolution. There have been presentations along both corridors.

Part of the resolution describes the funding sources for FY2014, including \$10.9 million from a combination of unallocated FASTER and unallocated Senate Bill 1 transit funds. He also requested authorization for \$3 million each year from the FASTER Statewide Transit Pool. Included in that would be a reserve fund that would never grow more than \$3 million, which the Transportation Commission would control.

He stated that as part of the expenditure, CDOT will purchase 13 over the road coaches for an estimated cost of \$7.8 million, contracted with a private operator for three years with two one-year options. That is estimated at \$5.85 million for the three years. Park and ride improvements will cost \$1 million, and miscellaneous capital, operating expenses and an initial deposit into the IX Reserve will be approximately \$1.5 million.

He requested the Commission to designate the T&I Committee as the IX Bus Operating Committee. As soon as buses are delivered, there will be a 30 day testing period. Service will open late in 2014 or early in 2015, as soon as the fleet becomes available. The system will be established so that there is a three year operational assessment for the Commission, at which time the service will be evaluated to be continued, modified or canceled.

Director Hunt stated that it will be necessary to obtain an operator within the Operating Cost Plan that was put forward by the Transit Division. He stated that he and Mark Imhoff are working to limit CDOT's financial exposure until the time that CDOT receives a successful bid from an operator within the financial constraints of the operating plan. Bus purchases, employee hires and similar expenditures will be limited until that bid is received.

Commissioner Gilliland stated that she is very excited about CDOT's opportunity to invest in transit to this extent. It will provide a sustainable backbone service for the state. This will include the I-25 and I-70 West. She stated that she hopes for success and hopes that CDOT continues to move forward.

Chairman Aden entertained a motion to approve the resolution for the Interregional Express Bus Plan and Implementation. Commission Gilliland moved to approve the resolution, and Commissioner Gruen seconded the motion. By vote of the Commission, the resolution passed unanimously.

Chairman Aden stated that this is a historic occasion for CDOT. Over the years, the discussion around CDOT's role in transit has evolved. It is an exciting time, and a big step forward.

**Resolution #TC-3133**

**Resolution #TC-3133**

Approved by the Transportation Commission on: January 16, 2014

**Approving Implementation of the Interregional Express Bus**

**WHEREAS**, the CDOT mission is to “provide the best multi modal transportation system for Colorado”; and

**WHEREAS**, the Colorado Legislature created the Division of Transit & Rail in 2009 (Senate Bill 09-094) vesting in CDOT the authority to develop, operate and integrate transit service into the statewide transportation system, and to establish and modify fares and schedules for transit services provided directly by the state or contracted for by the state; and

**WHEREAS** the FASTER legislation (Senate Bill 09-108, Section 43-4-206) provides ten million dollars per year for statewide transit including the maintenance, operation, or administration of transit-related projects; and

**WHEREAS** transit service connectivity is lacking due to service gaps exist between local transit systems; and

**WHEREAS** the I-25 and I-70 corridors carry high volumes of travelers and experience high levels of congestion, and therefore have significant transit demands; and

**WHEREAS** the Transportation Commission directed the development of an interregional express bus plan in December, 2012; and

**WHEREAS** the development of an interregional express bus plan included stakeholder outreach.

**WHEREAS**, upon approval by the Transportation Commission, CDOT is prepared to begin interregional express bus service in FY 2015 after it contracts with an operator and obtains fleet vehicles.

**NOW THEREFORE BE IT RESOLVED**, the Transportation Commission hereby approves that CDOT shall provide interregional express bus service, through a contract with a private operator, and approves that service will be initiated in the following areas:

- o I-25 corridor between Colorado Springs and Denver, and Fort Collins and Denver.
- o The I-70 corridor between Glenwood springs and Denver.

**BE IT FURTHER RESOLVED** that an initial FY 2014 Start-Up Fund of \$10.9 Million shall be established from the following sources:

### **Other Matters**

Chairman Aden stated that there were no other matters to come before the Commission.

### **Acknowledgements**

Chairman Aden stated that there are not acknowledgements.

### **Adjournment**

Chairman Aden announced that the meeting was adjourned at 1:00pm.

# MEMORANDUM

**DEPARTMENT OF TRANSPORTATION**

Maintenance and Operations Branch  
 15285 South Golden Road, Building 45  
 Golden, Colorado 80401  
 (303) 512-5500  
 (303) 512-5555 FAX



Date: January 27, 2014

To: Scott McDaniel, Acting Chief Engineer

From: David C. Wieder, Maintenance and Operations Branch Manager

Subject: Additions to the FY 14 approved over \$50,000.00 project list

The projects listed below are in addition to the projects approved by the Transportation Commission in June of 2013. According to state law and PD 1000.0, projects such as this must be approved by the Transportation Commission before the work can be undertaken. I request that this addendum be presented for approval at the February 2014 Transportation Commission meeting so that the work can commence as soon as possible.

<b>Region 1 – Aurora</b>				
Highway	Begin MP	End MP	Type	Estimated Cost
C-470 Ramps	9.9	10.46	Mill & Fill	\$127,733
C-470 Ramps	7.9	8.2	Mill & Fill	\$120,048
8A	4.74	4.94	Mill & Fill	\$106,727
8A	6.60	6.90	Mill & Fill	\$106,727
C-470	13.91	13.59	Mill & Fill	\$106,390
Hwy 6	277.5	278.25	Mill & Fill	\$149,138
Hwy 75	5.9	6.25	Mill & Fill	\$77,947
Hwy 285	263.18	263.65	Mill & Fill	\$53,424
74A	0.7	1.4	Machine Patch	\$63,525
46A	1.0	2.0	Machine Patch	\$87,120
46A	4.9	5.9	Machine Patch	\$87,120
40C	280.56	280.95	Machine Patch	\$52,272
40A	256.00	256.85	Machine Patch	\$111,078
128	0.0	1.3	Machine Patch	\$143,000
			<b>Region 1 – Aurora Total</b>	<b>\$1,392,249</b>
<b>Region 2 – Pueblo</b>				
9B	56.0	60.0	Chip Seal	\$133,274.00
285D	218.6	222.0	Chip Seal	\$122,086
			<b>Region 2 – Pueblo</b>	<b>\$255,360</b>

			<b>Total</b>	
<b>Region 4 – Greeley</b>				
Highway	Begin MP	End MP	Treatment	Estimated Cost
71	167.715		Full bridge deck replacement Str D-22-C	\$150,000.00
			<b>Region 4 – Greeley total</b>	<b>\$150,000.00</b>
			State Total	<b>\$ 1,797,609</b>

Sufficient funds exist within the appropriate MPA’s to pursue these additional projects. The projects are in accordance with the directive and all other requirements.

**Resolution #TC-**

Addendum to Fiscal Year 2014 over \$50,000 project list approval

**Approved by the Transportation Commission on: February 20, 2014**

**WHEREAS**, under Senate Bill 98-148, public projects supervised by the Colorado Department of Transportation (CDOT) are exempt from the requirements of the “Construction Bidding for Public Projects Act;” and

**WHEREAS**, Section 24-92-109, Colorado Revised Statutes, as amended, requires CDOT to prepare cost estimates for projects to be undertaken by CDOT maintenance crews that exceed \$50 thousand, but are less than or equal to \$150 thousand for submission to the Transportation Commission for review and approval; and

**WHEREAS**, CDOT staff have prepared cost estimates for these additional projects to be done in Fiscal Year 2014 as detailed in the memorandum entitled; Addition to the FY 14 approved over \$50,000.00 project list dated January 6, 2014; and

**WHEREAS**, the funding for this project is contained in the Fiscal Year 2014 Budget.

**NOW THEREFORE BE IT RESOLVED**, the Transportation Commission has reviewed the cost estimate, as contained in the official agenda, and approves CDOT Maintenance Forces undertaking the project therein.

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<b>Region 1 – Aurora</b>				
Highway	Begin MP	End MP	Type	Estimated Cost
C-470 Ramps	9.9	10.46	Mill & Fill	\$127,733
C-470 Ramps	7.9	8.2	Mill & Fill	\$120,048
8A	4.74	4.94	Mill & Fill	\$106,727
8A	6.60	6.90	Mill & Fill	\$106,727
C-470	13.91	13.59	Mill & Fill	\$106,390
Hwy 6	277.5	278.25	Mill & Fill	\$149,138
Hwy 75	5.9	6.25	Mill & Fill	\$77,947
Hwy 285	263.18	263.65	Mill & Fill	\$53,424
74A	0.7	1.4	Machine Patch	\$63,525
46A	1.0	2.0	Machine Patch	\$87,120
46A	4.9	5.9	Machine Patch	\$87,120
40C	280.56	280.95	Machine Patch	\$52,272
40A	256.00	256.85	Machine Patch	\$111,078

128	0.0	1.3	Machine Patch	\$143,000
			<b>Region 1 – Aurora Total</b>	<b>\$1,392,249</b>
<b>Region 2 – Pueblo</b>				
9B	56.0	60.0	Chip Seal	\$133,274.00
285D	218.6	222.0	Chip Seal	\$122,086
			<b>Region 2 – Pueblo Total</b>	<b>\$255,360</b>
<b>Region 4 – Greeley</b>				
Highway	Begin MP	End MP	Treatment	Estimated Cost
71	167.715		Full bridge deck replacement Str D-22-C	\$150,000.00
			<b>Region 4 – Greeley total</b>	<b>\$150,000.00</b>
			State Total	<b>\$ 1,797,609</b>

Sufficient funds exist within the appropriate MPA's to pursue these projects. The projects are in accordance with the directive and all other requirements.

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Herman Stockinger, Secretary  
Transportation Commission of Colorado

# STATE OF COLORADO

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DEPARTMENT OF TRANSPORTATION



**DATE:** February 12, 2014  
**TO:** Transportation Commission  
**FROM:** Mark Imhoff, Director, Division of Transit & Rail  
**SUBJECT:** FY 2015 FASTER Transit Project Recommendations

## Purpose

The purpose of this memo is to request approval of the FY 2015 FASTER Transit projects.

## Action Requested

It is requested that the Transportation Commission approve the attached resolution which contains the FY 2015 FASTER Transit project recommendations.

## Executive Summary

The Division of Transit & Rail is submitting for Commission approval the recommended list of FASTER projects for Fiscal Year 2015. Attached to the Commission resolution are the tables listing statewide and local projects recommended for funding, as well as supporting tables. The tables are as follows:

- Table A lists the recommended Statewide pool projects.
- Table B lists the recommended Local pool projects.
- Table C lists the key evaluation factors for projects not recommended for full FASTER Transit funding.
- Table D lists any special conditions to awards that must be met by an applicant.

## Background

In February, 2013 the Commission approved a list of projects funding FY 2014 FASTER Transit projects, and a tentative (preliminary) list of projects for FY 2015. Over the past few months, DTR has gone through a process to confirm and augment the preliminary list of projects. The recommended FY 2015 project lists and attached to the Resolution following this memo.

We are in the midst of developing recommendations for a redistribution process for allocating the FASTER Transit funds beginning in FY 2016, based on the PD 14 performance objectives. We have begun a process through the Transit & Rail Advisory Committee (TRAC), and including the Region Planners, CASTA, and the

Transit & Intermodal Committee, to devise a more effective project selection process, based on certain guiding principles.

#### Details

The FASTER Transit program has two elements:

- \$10 million per year is dedicated for “statewide, interregional and regional” transit projects. Recommended projects totaling \$6 million for FY 2015 are shown in Table A; in addition, \$1 million is budgeted for DTR Administration, and \$3 million has been allocated for the Interregional Express Bus operations.
- \$5 million per year are dedicated for “local” transit projects; recommended projects totaling the full \$5 million for FY 2015 and shown in Table B.

Table C lists the key evaluation factors for projects not recommended for full FASTER Transit funding, and Table D lists any special conditions to awards that must be met by an applicant.

In a January memo and presentation to the Transit & Intermodal Committee, DTR provided a background on the FASTER Transit funds, and outlined the process we used for selecting projects for FY 2015 award recommendation. We provided tables showing recommended projects for review and no concerns were presented at that time. However, DTR and Region 4 have made two minor changes to the lists in the meantime, as follows:

- The East Central Council of Governments submitted a request for funds with which to match a federal grant. Due to ECCOG’s switch from Region 1 to Region 4, it is recommended that the ECCOG request for \$13,5000 be funded from the Region 4 FASTER Local share. To accommodate that change, it is further recommended that the amount recommended for award to the Northeast Colorado Association of Local Governments (NECALG) be reduced by \$13,500. DTR will in turn award FTA funds to NECALG in that approximate amount from the Section 5311 program. Region 4 concurs with this change. These changes are reflected in Tables A and B, attached.

**Resolution # TC –  
Award of FY 2015 FASTER Transit Funds  
February 20, 2014**

**WHEREAS, pursuant to 43-4-811 (2) the Department will receive, from the State share of the FASTER program, ten million dollars for state fiscal year 2015 and for each succeeding state fiscal year, to be used by the Department, pursuant to 19.43-4-206, “for the planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit related projects, including, but not limited to, designated bicycle or pedestrian lanes of highway and infrastructure needed to integrate different transportation modes within a multimodal transportation system, that enhance the safety of state highways for transit users,” herein referred to as the FASTER Transit Statewide funds; and**

**WHEREAS, pursuant to 43-4-811 (c)(2) the Department will receive, from the Local share of the FASTER program, five million dollars for state fiscal year 2015 and for each succeeding state fiscal year, to be used by the Department “to provide grants to local governments for local transit projects,” herein referred to as the FASTER Transit Local funds; and**

**WHEREAS, a portion of the FASTER Transit Statewide funds, not to exceed \$1.0 million, will be used for administrative expenses associated with the Division of Transit & Rail for FY 2015; and, by means of Resolution 3133, dated January, 16, 2014, \$3.0 million per year is allocated, beginning in FY 2015, from FASTER Transit Statewide program funds to be used for the operation, maintenance and capital needs associated with the Interregional Express Bus program; and**

**WHEREAS, the Transportation Commission, in Resolution No. 1906, dated September 16, 2010, established written guidelines to be followed in offering, distributing and awarding the FASTER Transit funds, and those guidelines were later revised to make them more consistent with guidelines established for Federal capital improvement grant programs in order to establish a more uniform capital improvement program; and**

**WHEREAS, Division of Transit and Rail staff distributed these guidelines and issued a call for projects throughout the state; and**

**WHEREAS, the Commission, by means of Resolution , dated February 21, 2013, tentatively awarded \$4.6 million for Fiscal Year 2015 from the FASTER Transit Statewide program and \$4.5 million for Fiscal Year 2015 from the FASTER Transit Local program, pending later written confirmation that such projects remain eligible and ready for implementation as proposed; and**

**WHEREAS, staff has confirmed that such projects remain eligible and ready for implementation as proposed, removed any projects that were not eligible or were**

not ready for implementation, and considered new requests for funds still remaining available; and

WHEREAS, the Division of Transit & Rail evaluated and scored the applications considered best suited for consideration for the FASTER Transit Statewide funds and developed a list of projects recommended for funding, attached hereto as Table A; and

WHEREAS, the CDOT Engineering Regions evaluated and scored the applications considered best suited for FASTER Transit Local funds and developed a list of projects recommended for funding, attached hereto as Table B; and

WHEREAS, Division of Transit & Rail staff and the CDOT Engineering Regions provided key evaluation factors associated with the projects which were awarded no funding or less funding than requested, attached hereto within Table C; and

WHEREAS, Division of Transit & Rail staff established certain conditions to be met by all local agencies receiving FASTER funds, as well as specific conditions to be met by certain local agencies, in order to ensure prompt and appropriate project implementation within FASTER and standard grant guidelines, attached hereto within Table D;

NOW THEREFORE BE IT RESOLVED, the Commission directs staff to:

- 1) award \$6.0 million in FASTER Statewide Transit funds for Fiscal Year 2015 using "Table A: Projects Recommended for FY15 FASTER Transit Statewide Funding," dated February 5, 2014;
- 2) award \$5.0 million in FASTER Local Transit funds for Fiscal Year 2015 using "Table B, Projects Recommended for FY15 FASTER Transit Local Funding," dated February 5, 2014;
- 3) provide to all applicants the key evaluation factors for projects awarded no funding or less funding than requested, using "Table C: Key Factors in the Evaluation of Proposed Projects Not Recommended for Full FY15 FASTER Transit Funding," dated February 5, 2014;
- 4) provide to all applicants the appropriate conditions that will be applied to their projects, as set forth in "Table D: Conditions for Recommended FY 15 FASTER Projects," dated February 5, 2014.

**Table A: Projects Recommended for FY15 FASTER Transit Statewide Funding, 2/5/2014**

Applicant (agency rank if more than one application)	Project	FY15 request	FY15 recommended award
NFRMPO (a)	Vanpool replacement vehicles (36)	\$64,000	\$64,000
RTD 2	Thornton Park-n-Ride Expansion	\$997,404	\$997,404
Mountain Metro 2	Vanpool Vehicle Replacements (9)	\$216,000	\$216,000
DTR	Service Development Plan for North Front Range Commuter Rail	\$95,100	\$95,100
Superior/Louisville	DDI Transit Improvements	\$463,610	\$463,610
Aspen 1	Rubey Park Transit Center Redevelopment	\$1,000,000	\$1,000,000
Thornton	SH 7 at I-25 Carpool Lot	\$521,988	\$521,988
City of Greeley	Greeley Evans Transit Regional Transfer Facility (b)	\$1,509,920	\$1,176,035
RTD 6	Church Ranch P-n-R Boarding Platforms Relocation	\$2,604,781	\$1,265,863
City of Fort Collins	Preventative Maintenance for FLEX	\$200,000	\$200,000
Totals		\$7,672,803	\$6,000,000

**NOTES:**

(a): Denotes funds that will be used to match federal grant funds
(b): Remainder of City of Greeley project funded from FASTER Local (Table B)

**Table B: Projects Recommended for FY15 FASTER Transit Local Funding, 2/5/2014**

Applicant (agency rank)	Project	FY15 request	FY 15 Recommended Awards
<b>Region 1: \$2,535,750 available</b>			
Breckenridge 2	Replacement buses (2)	\$637,500	\$450,000
Douglas County	Replacement Vehicles to be Leased to private operator (4)	\$0	\$48,000
Seniors' Resource Center 2 (a)	Replacement Vehicles (4)	\$24,720	\$24,000
Summit County 2	Bicycle Racks	\$0 (c*)	\$13,405
Arvada 2	Olde Town Arvada Bus Transfer Facility phase 2	\$1,338,521	\$1,338,521
RTD 1	Civic Center Station Phase II	\$594,879	\$594,879
Seniors' Resource Center 1 (a)	Vehicle Replacements - SRC Urban and A-Lift (8)	\$48,000	\$48,000
Totals		\$2,643,620	\$2,516,805

<b>Region 2 \$765,500 available</b>			
Mountain Metro 4	Fixed Routed Vehicle Replacment (4)	\$1,216,000	\$765,000
Totals		\$1,216,000	\$765,000

<b>Region 3 \$608,250 available</b>			
Allpoints 1 (a)	Replacement Buses (7)	\$46,883	\$46,883
Crested Butte 3	Replacement 38 foot bus #28	\$132,000	\$132,000
Eagle County	Cutaway Replacement (3)	\$0 (c*)	\$50,000
Mesa County 1 (a)	Grand Valley Transit bus replacement (7)	\$521,737	\$239,367
Snowmass 2	Light-Duty Medium-Sized Cutaway Vans (4)	\$100,000	\$40,000
Town of Avon	Bus Replacements (3)	\$656,000	\$100,000
Totals		\$1,456,620	\$608,250

<b>Region 4 \$830,050 available</b>			
Boulder 2	Boulder Transit Stop Enhancements	\$54,800	\$54,800
Fort Collins 2	Implementation of Network Management System	\$120,000	\$120,000
Greeley 3 (a)	Fixed Route Service Vehicle Replacements (3)	\$179,478	\$179,478
Greeley 4 (a)	Paratransit/Demand Response Vehicle Replacements (4)	\$47,099	\$47,099
NECALG	Vehicle Replacements (3)	\$81,288	\$81,288
EEOG (a)	Vehicle Replacement	\$13,500	\$13,500
City of Greeley	Greeley Evans Transit Regional Transfer Facility (b)	\$1,509,920	\$333,885
Totals		\$2,006,085	\$830,050

<b>Region 5 \$260,450 available</b>			
Durango 2	Type I vehicle replacement	\$0	\$64,000
SUCAP 1 (a)	Road Runner Transit Fixed Route Bus Repl. (3)	\$11,200	\$11,200
Town of Mountain Village 1	Gondola - Main Drives and Motors End-of-Service-Life Replacement	\$466,000	\$176,741
Totals		\$477,200	\$251,941
Grand Total			\$4,972,046

**NOTES:**

(a): Denotes funds that will be used to match federal grant funds
(b): Remainder of City of Greeley project funded from FASTER Statewide (Table A)

**Table C: Key Factors in the Evaluation of Proposed Projects Not Recommended for Full FY15 FASTER Statewide Transit Funding**

Applicant	Project	FY15 request	FY 15 Recommended Award	Key Factors
RTD 6	Church Ranch P-n-R Boarding Platforms Relocation	\$2,604,781	\$1,031,978	Partial award - large request relative to amount of funding available; consider additional funding if any other funds are returned
Blackhills Stage Lines	Vehicle Replacement (1)	\$448,800	\$0	Route might be profitable enough for private funding; will be considered for FTA funding; DTR would have to sponsor, as FASTER cannot be awarded to a for-profit entity
Burlington Trailways	Vehicle Replacement (1)	\$497,970	\$0	Route might be profitable enough for private funding; DTR would have to sponsor and lease bus, as FASTER cannot be awarded to a for-profit entity; will be considered for FTA funding
Colorado State University	University Station MAX/BRT Bike Shelter and Wayfinding	\$115,709	\$0	Considered a lower priority overall, especially as an expansion; unsure of impact on transit ridership; unsure of how many bike securements used by transit riders as opposed to general student population
Vride	Public/Private Vanpool Partnership	\$289,075	\$0	No local match proposed; DTR essentially asked to sponsor the project but is not prepared to do so; needs further review; expansion project

## Table D:

### Conditions for Recommended FY 2015 FASTER Projects

February 5, 2014

Below are conditions that apply to all projects to be funded as well as conditions for specific projects. Rather than deny funding to projects that raised concerns or were deficient or incomplete in a particular area, CDOT is choosing to establish conditions that must be met in order for those projects to proceed. Funding recommendations and awards are subject to the conditions listed below.

**APPLICANT: ALL Applicants awarded funding**

- A. In general, projects must demonstrate progress towards implementation. Funding may be withdrawn by CDOT from a project failing to begin project implementation within a reasonable period of time or failing to at least demonstrate considerable and sustained progress towards implementation, provided a reasonable opportunity is provided to the project sponsor to prove its compliance. Specifically, projects awarded funds will be expected to begin developing a scope of work in cooperation with CDOT in the spring of 2014 and begin procurement (for equipment projects) or final design (for construction-related projects) no later than November of 2014. Exceptions to the above must be approved by DTR.

If a project has not shown significant progress towards scope development by October 31 of that fiscal year, as demonstrated by the lack of match or a clear path towards project completion, DTR or a Region may determine that the project should be withdrawn and funded instead from a future year's allocation, or withdrawn indefinitely. In such cases, whether it is a statewide or local pool project, there will be formal, written communication about the impending withdrawal between CDOT and the Local Agency.

- B. If FASTER funds were proposed to be used to match a Federal grant and the Federal grant is not yet awarded, CDOT's expectation is that the Federal grant award is committed no later than November of 2014; otherwise, CDOT may move the funding to the ensuing year's allocation or withdraw the awarded FASTER funds if Federal funding is in doubt.
- C. The Division of Transit and Rail and the CDOT Engineering Regions will negotiate scopes of work for the projects and will establish timelines and expectations related to the project.
- D. All Local Agency projects must have a 20 percent local match acceptable to DTR. Local match must be in cash or property linked directly to the project. Local match for equipment must be in cash. Professional construction oversight may be accepted as in-kind local match. Federal funds may not be used as local match, but the FASTER funds may be used to match a Federal grant.
- E. No FASTER funds may be used to pay for Local Agency staff unless otherwise allowed by CDOT in the scope of work.
- F. Division of Transit and Rail staff shall work in collaboration with the CDOT Engineering Regions to implement the projects, based on the type of project. Equipment-related projects, studies and projects that are part of a larger Federal Transit Administration grant will normally be administered by DTR. Construction-related projects will be administered and overseen by the CDOT Engineering Regions as pass-through Local Agency projects.
- G. CDOT funding commitments will be held to the dollar amount awarded herein, not to the final project cost. Recipients will be responsible for any increased costs to finalize and accomplish the project as proposed in its application.
- H. Any reductions or revisions in original scope, or change in project sponsorship, must be formally requested of the DTR Director and approved by CDOT.

- I. If a local agency does not plan to use Federal funds for the project, this shall be explicitly stated in the negotiated scope of work. In such cases, Federal funds may not later be used for the project, given that it would be too late to comply with Federal regulations.
- J. Awards for FY 15 will be subject to the availability of FASTER funds as well as to sufficient demonstration by the applicant that the project remains ready to proceed with implementation in FY 2015, in terms of meeting the local match requirement, completing final design, meeting the minimum useful life standards of the Federal Transit Administration, as well as meeting any other commitments made in the original application for FASTER funds.

APPLICANT: Regional Transportation District      PROJECT: Church Ranch PnR Platform Relocation

As proposed, some elements of this project are incompatible with current CDOT Bus On Shoulder policies and design standards. As such, the following conditions must be met before CDOT would enter into a contract for FASTER Transit funds:

1. The new platform location needs to accommodate accel/decel ramps that meet full standard, including a Weave Analysis, without any design variance for the Preferred Alternative as shown in the US 36 FEIS.
2. An agreement must be signed assuring that any additional costs of implementing the full US 36 FEIS Preferred Alternative due to this change will be paid by RTD.
3. The design needs to be reviewed by the Design-Build team (Ames-Granite Joint Venture) to determine all project impacts and a Rough Order of Magnitude (ROM) estimate from the team needs to be completed.
4. The US 36 Phase II Concessionaire, Plenary Roads, needs to sign off that the change in the platform design does not result in any future maintenance costs during the 50-year Concession time period.

APPLICANT: Douglas County      PROJECT: Replacement Vehicles to be leased to a private operator

Douglas County: The County has not yet executed its FY 2014 contract due to staffing and funding changes, so therefore has not yet complied with conditions set forth in FY 2014 award. Those conditions remain in place but are modified and updated to read as follows: Award of funds for bus purchases will be contingent upon agreement among three parties (CDOT, Douglas County, and private operator to whom the buses will be leased) on the amount of credit to be provided to the County and other public entities when contract services are provided by the private operator. Furthermore, the County will be required to provide the local match rather the private operator, as was proposed in the application.

**Resolution # TC-XXXX**

**Resolution to authorize the Colorado Department of Transportation to budget the Responsible Acceleration of Maintenance and Partnership (RAMP) projects.**

**WHEREAS**, pursuant to § 43-1-106(8)(a), C.R.S., the Colorado Transportation Commission (“Commission”) is charged with formulating general policy with respect to the management, construction, and maintenance of public highways and other transportation systems in the state; and

**WHEREAS**, the State Highway System is an essential component of Colorado’s integrated transportation system which is focused on safely moving people and goods to enhance the economic wellbeing, quality of life, and environment of the citizens of Colorado; and

**WHEREAS**, numerous studies have documented that there are significant unmet maintenance or preservation needs and capacity or mobility needs on the State Highway System; and

**WHEREAS**, the Colorado Department of Transportation (“Department”) has implemented in SAP an Enterprise Resource Planning system which can support an expenditure based approach to project planning and budgeting; and

**WHEREAS**, and the Department is in the process of further refining its ability to fund and manage the capital construction program enabled by this change in planning and budgeting; and

**WHEREAS**, Governor John Hickenlooper and the Department’s of Transportation Executive Director Don Hunt announced on December 14, 2012, the Responsible Acceleration of Maintenance and Partnerships (RAMP) Program which is a new approach to budgeting and planning that will accelerate completion of transportation projects and create or sustain more than 10,500 jobs over five years; and

**WHEREAS**, per Resolution TC-3106 the Commission adopted the projects listed in the document titled “RAMP Partnership and Operations Projects” dated October 16, 2013); and

**WHEREAS**, per Resolution TC-3106, the Department shall advise the Commission if a project is unable to be moved forward; and

**WHEREAS**, per Resolution TC-3106, the Commission authorized the Department's Chief Financial Officer to budget, without additional Commission action, an amount not to exceed five percent of the total project cost for the project as shown on the "RAMP Partnership and Operations Projects" approved on October 16, 2013; and

**WHEREAS**, per Resolution TC-3106, the Commission required the Department to develop on or before January 6, 2014, a project scope, schedule and budget for each Public-Public Partnership in the form and to the level of detail specified by the Chief Engineer; and

**WHEREAS**, per Resolution TC-3106, the Department reviewed evidence of local partner commitments along with the supporting scope, schedule, and budget, in a form specified by the Chief Engineer, for each RAMP Partnership and Operations project; and

**WHEREAS**, the projects included in the staff recommendation list are included in the document titled "RAMP Partnership and Operations Projects" dated and approved by the Transportation Commission on October 16, 2013; and

**WHEREAS**, the Chief Engineer has extended deadlines to April 7, 2014 for projects in flood damaged areas as identified in the "RAMP Partnership and Operations Projects – Staff Recommendation List 2/20/14"; and

**WHEREAS**, the Department has provided the Commission with a list of projects with staff recommendation to begin budgeting funds for those projects that have non-substantive changes in scope, schedule or budget estimates; and

**WHEREAS**, the Department has provided the Commission with projects that require further review and discussion within the Department or with local agency partners to be reviewed and approved by the Commission at a future Transportation Committee Meeting; and

**WHEREAS**, Policy Directive 703.0 would otherwise require staff to obtain budget approval for certain individual projects such as these through the monthly Budget Supplement process; and

**WHEREAS**, the Commission has considered staff recommendation for the projects set forth in the "Partnership and Operations Projects - Staff Recommendation List 2/20/2014",

**NOW THEREFORE BE IT RESOLVED**, the Chief Financial Officer is authorized to budget funds for the projects on the “Partnership and Operations Projects – Staff Recommendation List 2/20/2014” with non-substantive changes without further Commission consideration or approval.

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**Transportation Secretary**

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**Date**

**Resolution #TC-**

Approving the Compliance Agreement required by TIFIA Lender for U.S. 36 Concession Project.

Approved by the Transportation Commission on: \_\_\_\_\_

**1-WHEREAS** the Transportation Commission is responsible, pursuant to C.R.S. 43-1-106(8), for formulating the general policy of the Colorado Department of Transportation (CDOT); and

**2-WHEREAS** the Colorado High Performance Transportation Enterprise (HPTE), in partnership with CDOT, is in final financial close negotiations with its preferred proposer, Plenary Roads Denver LLC, for the design, construction, financing, operation and maintenance of the U.S. 36 Corridor between Denver and Boulder and the I-25 Express Lanes (collectively US 36 project); and

**4-WHEREAS** when constructed, the US 36 project will contain two general purpose lanes and one managed lane in each direction between Denver and Boulder; and

**5-WHEREAS** the Transportation Commission supports the US 36 project and recognizes the benefits of this project, which include, but are not limited to, encouraging carpooling and transit use, reducing vehicle emissions, reducing congestion, and improving the safety, capacity, and accessibility of the surface transportation system; and

**6-WHEREAS** in order to finalize the concession agreement between HPTE and Plenary Roads Denver, and reach financial close, Plenary Roads Denver LLC must receive a TIFIA loan from the U.S. Department of Transportation (TIFIA Lender); and

**7-WHEREAS** the TIFIA Lender has requested that CDOT and HPTE enter into a supplemental undertaking that has been labeled a “Compliance Agreement”; and

**8-WHERAS** the Transportation Commission has been briefed on the scope and requirements of the Compliance Agreement and understands it will require CDOT to provide certain assurances to, and agreements with, TIFIA Lender, including assurances and agreements related to the compliance with certain agreements already authorized by CDOT and applicable laws related to the US 36 project.

**NOW THEREFORE BE IT RESOLVED**, the Transportation Commission hereby approves the Compliance Agreement between CDOT, HPTE, and the United States Department of Transportation required for the US 36 Project Concession Agreement financial close and authorizes CDOT’s Executive Director to sign the

Compliance Agreement and any required certificates referenced therein on behalf of CDOT.

# MEMORANDUM

**DEPARTMENT OF TRANSPORTATION**  
Division of Transportation Development  
4201 East Arkansas Avenue  
Denver, Colorado 80222  
(303) 757-9011



**DATE:** February 4, 2014

**TO:** Transportation Commission

**FROM:** Debra Perkins-Smith, Director, Division of Transportation Development  
Scott Richrath, Chief Financial Officer, Division of Accounting and Finance

**SUBJECT:** Program Distribution for the Statewide Plan (SWP) and the Statewide Transportation Improvement Program (STIP)

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Purpose: Based on input from the January Commission discussion on Program Distribution, review final Program Distribution for adoption and use in SWP and STIP development.

Action Requested: Adoption of Program Distribution for 2016-2040

Executive Summary: Based on Commission workshop discussions in November, December, and January, staff has assigned funds in Program Distribution to various programs in support of Policy Directive 14 asset management performance objectives and based on specific policy direction provided and summarized below:

***Policy Direction:***

1. Direct funds made available from Transbond debt service retirement to Asset Management.
2. Fund to estimated levels needed to meet PD 14 asset management objectives for Maintenance, Surface Treatment, and Bridge while maintaining other programs at their FY 15 baseline level.
3. In years where there is a positive variance, assign it to TC Contingency in order to provide for flexibility to meet future needs (TC contingency target level has been approximately five percent –this has been achieved by combining the programmed amount plus roll forward from previous years).
4. Focus on the first 10 years of the forecast because beyond that time there is a higher degree of uncertainty about revenues.

**Attachment A** is a spreadsheet illustrating the 2016-2040 Program Distribution assignments based on the adopted revenue projection. The years 2016-2025 are displayed year by year and the years 2026-2040 are displayed as a total.

**Attachment B** is a resolution for the adoption of the 2016-2040 Program Distribution.

### Background:

Information on state and federal requirements for the Statewide Transportation Plan was included in the December packet to Commission along with the explanation of the assumptions in the FY 15 baseline revenue scenario (SWP committee pages 1-31).

Program Distribution is a part of the Statewide Transportation Plan and outlines the assignment of projected revenues to various program areas for the time period of the Plan (FY 2016-FY 2040). Program Distribution also provides a baseline for the MPOs and Regions to use for development of the next Statewide Transportation Improvement Program (STIP), which begins with FY 2016.

Program Distribution assignments illustrate for planning partners and the public the intended emphasis areas given projected revenue expectations. Program Distribution is for planning purposes only and does not represent a budget commitment by the Commission. Final numbers for each year will be a result of updated revenue estimates and annual budget adoption.

Revenues for Program Distribution are based on the Baseline Revenue Projection for the 2040 Statewide Transportation Plan adopted by the Commission on April 18, 2013. In the Baseline, federal revenues are projected to peak in 2025 and decline each year following. SB 228 revenue is projected in years 2016-2020. Since the April 2013 adoption, gas tax revenues have trended slightly downward and motor vehicle registrations have trended slightly upward.

The Program Distribution spreadsheet reflects the year by year allocations for 2016-2025 and a total allocation for 2026-2040.

Observations for the first ten years include:

1. Funds are sufficient to fund estimated levels needed for the asset management performance objectives for Maintenance, Surface Treatment and Structures. Other asset management programs, as well as “Other TC Directed” programs, are held at FY 15 budget levels with no increases.
2. Any positive revenue variance is assigned to TC contingency. In years 2018-2024 some contingency funds would be available for assignment to program needs based on the assumption that the forecast amount plus contingency roll forward from previous years is more than sufficient to meet the five percent contingency target.
3. Allocations to “restricted programs” are based on the adopted revenue projection and the anticipated revenue level for each program.
4. RAMP asset management funds supplement Surface Treatment and Structures in FY 2016 and 2017 thereby allowing for lower Program Distribution allocations in those years.

Observations for the years 2026-2040 include:

1. Funds are no longer sufficient to meet estimated levels needed to support the asset management objectives for Maintenance, Surface Treatment and Structures.
2. Other asset management programs and ‘other TC restricted’ programs remain at FY 15 budget levels with no increases.
3. Revenues are forecast to be fairly flat in the latter years. This along with the decline in purchasing power will result in a noticeable effect on programs.

Next Steps: Adopt Program Distribution for use in the Statewide Transportation Plan. DTD and OFMB will prepare a summary of the distribution formulas for applicable programs for review in March. DTD and OFMB will develop MPO distribution tables for planning purposes per federal requirements and region distributions for formula programs to aid in TPR plan development.

## **Attachment B**

**Resolution Number TC-XXX  
FY 2016 – 2040 Program Distribution  
Transportation Commission of Colorado, February 14, 2014**

WHEREAS, the Colorado Transportation Commission (the Commission) has statutory authority pursuant to §43-1-106 C.R.S. to approve, accept, and amend various planning documents resulting from Section 135 Title 23 of the U.S.C. and §43-1-1101 through 1105 C.R.S.; and

WHEREAS, the Commission adopts Program Distribution assignment of anticipated state and federal transportation revenues for use in development of the long range Statewide Transportation Plan and the Regional Transportation Plans; and

WHEREAS, the Commission adopts Program Distribution to reflect planned levels of funding to various programs based on the limited revenue expected for the period 2016-2040; and

WHEREAS, a forecast of revenues upon which Program Distribution is based was adopted by the Commission in April 2013 (TC Resolution 3070); and

WHEREAS, the Commission recognizes that future fund receipts may vary from these estimates, and that the assignment of funds reflected in Program Distribution is for planning purposes and does not represent a future funding commitment, and that the annual CDOT budget may vary from Program Distribution; and

WHEREAS, the FY 2016 – 2040 Program Distribution (Attachment A) reflects the intent to support Policy Directive (PD) 14 asset management performance objectives by funding to estimated levels needed to achieve those objectives, while recognizing that data relating to the outcomes and future needs in various categories will be updated periodically and future funding amounts may be adjusted accordingly; and

WHEREAS, the Commission recognizes that in the latter years of the Statewide Transportation Plan horizon (2026-2040) there are insufficient funds to support the PD 14 asset management performance objectives as well as the FY 15 baseline program amounts due to declining revenues and reduced purchasing power.

NOW THEREFORE BE IT RESOLVED, that the Commission approves the FY 2016 – 2040 Program Distribution (Attachment A) for use in developing the 2016-2040 Statewide Transportation Plan, Regional Transportation Plans, and to guide the development of the 2016 STIP.

PROGRAM DISTRIBUTION FY 2016 - 2040

2/3/2014

Line	Directed By	DRAFT FY 15 Budget	FY 2016-2025											FY 2026-2040	TOTAL
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025			
1	<b>Asset Management</b>	\$ 476,396,343	\$ 476,760,247	\$ 518,792,840	\$ 614,789,303	\$ 622,886,092	\$ 631,225,784	\$ 639,815,668	\$ 648,663,247	\$ 657,776,254	\$ 667,162,652	\$ 676,830,641	\$ 9,777,723,187	\$ 15,932,425,915	
2	Maintenance	\$ 251,300,000	\$ 254,400,000	\$ 262,032,000	\$ 269,892,960	\$ 277,989,749	\$ 286,329,441	\$ 294,919,325	\$ 303,766,904	\$ 312,879,911	\$ 322,266,309	\$ 331,934,298	\$ 4,979,014,469	\$ 7,895,425,366	
3	Surface Treatment	\$ 149,500,000	\$ 149,500,000	\$ 155,900,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000	\$ 3,545,838,555	\$ 5,771,238,555	
4	Structures On-System	\$ 30,700,000	\$ 39,500,000	\$ 55,964,497	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 579,425,018	\$ 1,154,889,515	
5	Rockfall Mitigation	\$ 5,100,000	\$ 3,000,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 76,500,000	\$ 125,400,000	
6	Cap.Expenditure (Road Eq./Prop./Cap. Op. Eq.)	\$ 24,996,343	\$ 15,960,247	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 24,996,343	\$ 374,945,145	\$ 615,872,479	
7	TSM&O: ITS Maintenance	\$ 14,800,000	\$ 14,400,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 14,800,000	\$ 222,000,000	\$ 369,600,000	
8	Asset Management- To Be Assigned by TC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
9	<b>Other TC Directed Programs (Flexible)</b>	\$ 105,685,257	\$ 94,886,666	\$ 99,056,081	\$ 137,759,896	\$ 135,149,745	\$ 132,147,825	\$ 124,930,323	\$ 118,791,802	\$ 113,632,468	\$ 107,571,096	\$ 100,826,231	\$ 1,485,841,215	\$ 2,650,593,348	
10	Hot Spots	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 2,167,154	\$ 32,507,310	\$ 54,178,850	
11	Traffic Signals	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 1,472,823	\$ 22,092,345	\$ 36,820,575	
12	TSM&O: Performance Programs and Services	\$ 7,236,795	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 607,619	\$ 9,114,285	\$ 15,190,475	
13	TSM&O: Congestion Relief	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 60,000,000	\$ 100,000,000	
14	Regional Priority Program	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 750,000,000	\$ 1,250,000,000	
15	Capital Expenditure (ITS Investments)	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 150,000,000	\$ 250,000,000	
16	Contingency	\$ 30,808,485	\$ 26,639,070	\$ 30,808,485	\$ 69,512,300	\$ 66,902,149	\$ 63,900,229	\$ 56,682,727	\$ 50,544,206	\$ 45,384,872	\$ 39,323,500	\$ 32,578,635	\$ 462,127,275	\$ 944,403,448	
17	<b>Restricted Programs</b>	\$ 534,178,348	\$ 710,888,063	\$ 679,060,070	\$ 556,837,153	\$ 564,283,626	\$ 568,935,838	\$ 414,870,928	\$ 417,679,404	\$ 419,167,919	\$ 424,026,541	\$ 428,803,857	\$ 6,628,695,037	\$ 11,813,248,435	
18	Highway Safety Investment Program	\$ 29,812,448	\$ 30,110,121	\$ 30,411,222	\$ 30,715,336	\$ 31,022,489	\$ 31,332,713	\$ 31,318,749	\$ 31,348,813	\$ 31,377,196	\$ 31,568,007	\$ 31,759,426	\$ 430,760,712	\$ 741,724,784	
19	Railway-Highway Crossings Program	\$ 3,194,739	\$ 3,226,640	\$ 3,258,905	\$ 3,291,494	\$ 3,324,409	\$ 3,357,653	\$ 3,356,158	\$ 3,359,380	\$ 3,362,421	\$ 3,382,869	\$ 3,403,381	\$ 46,160,868	\$ 79,484,178	
20	FASTER - Safety Projects	\$ 47,900,000	\$ 58,551,555	\$ 60,863,071	\$ 63,197,347	\$ 65,541,041	\$ 67,977,777	\$ 70,455,483	\$ 73,061,072	\$ 75,694,726	\$ 78,342,565	\$ 80,902,710	\$ 1,537,439,930	\$ 2,232,027,277	
21	Safety Education	\$ 9,829,982	\$ 10,037,662	\$ 10,024,516	\$ 10,009,340	\$ 9,992,942	\$ 9,976,760	\$ 9,961,454	\$ 9,945,229	\$ 9,929,813	\$ 9,914,096	\$ 9,898,469	\$ 147,181,492	\$ 246,871,773	
22	Strategic Projects	\$ -	\$ 137,559,751	\$ 139,251,793	\$ 140,491,126	\$ 142,456,598	\$ 141,777,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 701,537,090	
23	Deliver - Program Delivery/Administration	\$ 66,054,659	\$ 73,421,091	\$ 73,552,219	\$ 73,684,656	\$ 73,818,419	\$ 73,953,519	\$ 73,947,436	\$ 73,960,529	\$ 73,972,889	\$ 74,055,987	\$ 74,139,347	\$ 1,092,218,524	\$ 1,830,724,616	
24	Aeronautics	\$ 43,100,000	\$ 46,941,462	\$ 48,168,138	\$ 49,241,136	\$ 50,287,223	\$ 51,361,260	\$ 52,456,192	\$ 53,552,298	\$ 54,640,701	\$ 55,717,011	\$ 56,797,377	\$ 1,010,122,459	\$ 1,529,285,257	
25	Transportation Alternatives	\$ 13,446,709	\$ 13,585,154	\$ 13,724,987	\$ 13,866,214	\$ 14,008,855	\$ 14,152,922	\$ 14,146,442	\$ 14,160,397	\$ 14,173,570	\$ 14,262,179	\$ 14,351,076	\$ 194,075,323	\$ 334,507,119	
26	STP-Metro	\$ 48,106,560	\$ 48,586,899	\$ 49,072,767	\$ 49,563,494	\$ 50,059,130	\$ 50,559,721	\$ 50,537,188	\$ 50,585,700	\$ 50,631,498	\$ 50,939,403	\$ 51,248,282	\$ 695,092,747	\$ 1,196,876,829	
27	Congestion Mitigation/Air Quality	\$ 45,539,598	\$ 45,994,306	\$ 46,454,250	\$ 46,918,792	\$ 47,387,978	\$ 47,861,859	\$ 47,840,530	\$ 47,886,452	\$ 47,929,806	\$ 48,221,281	\$ 48,513,680	\$ 658,002,662	\$ 1,133,011,596	
28	Metropolitan Planning	\$ 7,736,826	\$ 7,834,723	\$ 7,913,070	\$ 7,992,201	\$ 8,072,123	\$ 8,152,844	\$ 8,149,210	\$ 8,157,033	\$ 8,164,417	\$ 8,214,068	\$ 8,263,876	\$ 112,084,928	\$ 192,998,493	
29	Bridge Off-System	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 9,449,367	\$ 141,740,505	\$ 236,234,175	
30	Federal Transit	\$ 23,050,856	\$ 23,521,128	\$ 23,756,340	\$ 23,993,903	\$ 24,233,842	\$ 24,476,180	\$ 24,465,274	\$ 24,488,758	\$ 24,510,929	\$ 24,659,986	\$ 24,809,517	\$ 336,497,410	\$ 579,413,267	
31	Strategic Projects -Transit	\$ -	\$ 15,284,417	\$ 15,472,421	\$ 15,610,125	\$ 15,828,511	\$ 15,753,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,948,565	
32	Transit and Rail Local Grants	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 75,000,000	\$ 125,000,000	
33	Transit and Rail Statewide Grants	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 150,000,000	\$ 250,000,000	
34	Infrastructure Bank	\$ 700,000	\$ 528,812	\$ 503,215	\$ 476,430	\$ 448,915	\$ 420,805	\$ 392,077	\$ 361,224	\$ 330,586	\$ 299,722	\$ 267,349	\$ 2,317,477	\$ 6,346,612	
35	Debt Service	\$ 171,256,604	\$ 171,254,975	\$ 132,183,789	\$ 3,336,192	\$ 3,351,784	\$ 3,371,544	\$ 3,395,368	\$ 2,363,152	\$ -	\$ -	\$ -	\$ -	\$ 319,256,804	
36	<b>TOTAL</b>	\$ 1,116,259,948	\$ 1,282,534,976	\$ 1,296,908,991	\$ 1,309,386,352	\$ 1,322,319,462	\$ 1,332,309,447	\$ 1,179,616,919	\$ 1,185,134,453	\$ 1,190,576,641	\$ 1,198,760,289	\$ 1,206,460,729	\$ 17,892,259,439	\$ 30,396,267,699	
37	Revenue	\$ 1,116,259,948	\$ 1,282,534,976	\$ 1,296,908,991	\$ 1,309,386,352	\$ 1,322,319,462	\$ 1,332,309,447	\$ 1,179,616,919	\$ 1,185,134,453	\$ 1,190,576,641	\$ 1,198,760,288	\$ 1,206,460,729	\$ 17,892,259,441	\$ 30,396,267,699	
38	Variance	\$ -	\$ (0)	\$ -	\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ 1	\$ 0	
39															
40	<b>BRIDGE ENTERPRISE TOTAL</b>	\$ 114,881,900	\$ 130,170,843	\$ 132,301,946	\$ 134,584,860	\$ 136,910,929	\$ 139,349,575	\$ 141,825,144	\$ 144,487,627	\$ 147,188,183	\$ 149,920,435	\$ 152,523,307	\$ 2,574,321,735	\$ 3,983,584,584	
41	Revenue	\$ 114,881,900	\$ 130,170,843	\$ 132,301,946	\$ 134,584,860	\$ 136,910,929	\$ 139,349,575	\$ 141,825,144	\$ 144,487,627	\$ 147,188,183	\$ 149,920,435	\$ 152,523,307	\$ 2,574,321,735	\$ 3,983,584,584	
42	Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
43	<b>HPTE TOTAL</b>	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 20,625,000	\$ 34,375,000	
44	Revenue	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000	\$ 20,625,000	\$ 34,375,000	
45	Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Assumptions/Notes

- 1) Allocations to Revenue based programs are based on projected revenues from the 2040 Revenue Projection adopted by the TC in April 2013.
- 2) Maintenance is increased 3% annually over the FY 16 base for years 2017-2025, and then remains flat until 2040.
- 3) RAMP funds supplement Asset Management in FY 16 and FY 17.
- 4) Surface Treatment at \$240 M for as long as possible (through 2035). Program Distribution allocations in FY 16 and FY 17 are less than \$240 M due to supplemental funding from RAMP.
- 5) Structures at \$60 M for as long as possible (through 2025). Program Distribution allocations in FY 16 and FY 17 are less than \$60 M due to supplemental funding from RAMP.
- 6) TC Contingency decreased in FY 16 by variance remaining after funding 2), 3), and 4) and increased in FY 2018 - 2025.

# STATE OF COLORADO

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**DEPARTMENT OF TRANSPORTATION**

Division of Accounting and Finance  
4201 East Arkansas Avenue  
Denver CO 80222  
(303) 757-9793



DATE: February 20, 2014

TO: Transportation Commission

FROM: Scott Richrath, Chief Financial Officer

SUBJECT: Ninth Supplement – FY 2014

This supplement budgets projects for FY '14 unless otherwise noted in the explanations on the following pages. The project requests are consistent with the FY 2012 through FY 2017 STIP. Funds are available from the Regions' allocations unless otherwise indicated.

Per Transportation Commission direction, Emergency Relief project updates are included in the Budget Supplement.

In February 2014 CDOT received an additional \$110 million of Federal-aid Emergency Relief (ER) funding for the September 2013 flood disaster. Total Federal-aid ER funds received to date for the September 2013 disaster is \$140 million. This latest allocation allowed the Commission's Transportation Contingency Reserve Fund to be repaid \$55 million of the short-term loan it made to fund temporary emergency relief flood projects until Federal ER funds were received. While this is good news indeed, the Transportation Commission is reminded that it still has an outstanding commitment to provide the 20% match required for many of CDOT's permanent restoration Emergency Relief projects. Depending on final ER project costs, the 20% match may be very close to the \$55 million that has been returned to the Transportation Commission Contingency Reserve Fund.

In FY 2013, the Transportation Commission approved \$86,000,000 of Surface Treatment Program projects for advancement using FY 2014 funding. As a result, the approved FY 2014 Surface Treatment Program was not fully funded.

The Surface Treatment projects in this Supplement request FY 2015 advance budget. Under cash management principles that will become part of future budget policy, staff will advance budget FY 2015 Surface Treatment funds as needed. OFMB will be evaluating demonstrated progress towards expending the advance budgeted surface treatment funds. Progress will be reported at the Program Management monthly workshops.

This report now reflects year of budget and year of expenditure detail.

**Budget actions requested:**

**Region 1**

- \$444,000 – Regional Priority Program – *Environmental Project Management* – This action budgets the design phase of work. The advancement of FY 2015 Regional Priority Program funds is requested. This is a consultant project with a life of approximately 18 months. (20100/1000190993)

**Environmental Project Management**

*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Current Budget	Ninth Supplement Action				Revised Budget	Expended Budget
			Year of Budget			Total Request		
			FY 2014	FY 2015	FY 2016			
Design	<i>State HUTF</i>	\$0	\$0	\$444,000	\$0	\$444,000	\$444,000	\$0
	<b>Total Design</b>	<b>\$0</b>	<b>\$0</b>	<b>\$444,000</b>	<b>\$0</b>	<b>\$444,000</b>	<b>\$444,000</b>	<b>\$0</b>
<b>Total Project Budget</b>		<b>\$0</b>	<b>\$0</b>	<b>\$444,000</b>	<b>\$0</b>	<b>\$444,000</b>	<b>\$444,000</b>	<b>\$0</b>
			Year of Expenditure			Total Request		
			FY 2014	FY 2015	FY 2016			
			\$100,000	\$344,000	\$0	\$444,000		

*Future draft Policy Directive 70X would allow regions to advance Regional Priority Program (RPP) funds within allocation limitations and with demonstrated progress on expending prior year RPP funds.*

- \$500,000 – Surface Treatment Program – *US 36: Cabin Creek* – Surface Treatment – This action budgets the construction phase of work. The advancement of FY 2015 Surface Treatment Program funds is required as FY 2014 funds have been fully budgeted and encumbered. Construction advertisement is scheduled for April 2014. This project is on the Asset Management FY 2014 Surface Treatment list.  
 (19904/1000191493)

**US 36: Cabin Creek (MP 118.400 - 120)**

*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Current Budget	Ninth Supplement Action				Revised Budget	Expended To-Date
			Year of Budget			Total Request		
			FY 2014	FY 2015	FY 2016			
Design	<i>Federal-aid</i>	\$41,395	\$0	\$0	\$0	\$0	\$41,395	\$0
	<i>State HUTF</i>	\$8,605	\$0	\$0	\$0	\$0	\$8,605	\$0
	<b>Total Design</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$0</b>
Construction	<i>Federal-aid</i>	\$0	\$0	\$413,950	\$0	\$413,950	\$413,950	\$0
	<i>State HUTF</i>	\$0	\$0	\$86,050	\$0	\$86,050	\$86,050	\$0
	<b>Total Construction</b>	<b>\$0</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$0</b>
<b>Total Project Budget</b>		<b>\$50,000</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$550,000</b>	<b>\$0</b>
			Year of Expenditure			Total Request		
			FY 2014	FY 2015	FY 2016	\$500,000		
			\$0	\$500,000	\$0	\$500,000		

- \$5,104,208 – Surface Treatment Program and Bridge Program – *SH 103* – Surface Treatment – This action budgets the construction phase of work. The advancement of FY 2015 Surface Treatment Program funds is required as FY 2014 funds have been fully budgeted and encumbered. Construction advertisement is scheduled for March 2014. This project is on the Asset Management FY 2014 Surface Treatment list.  
 (19735/10001...)

**SH 103 (MP 0. - 13.500)**

*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Current Budget	Ninth Supplement Action				Revised Budget	Expended To-Date
			Year of Budget			Total Request		
			FY 2014	FY 2015	FY 2016			
Design	<i>Federal-aid</i>	\$55,656	\$0	\$0	\$0	\$0	\$55,656	\$22,133
	<i>State HUTF</i>	\$11,569	\$0	\$0	\$0	\$0	\$11,569	\$18,076
	<b>Total Design</b>	<b>\$67,225</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$67,225</b>	<b>\$40,209</b>
Construction	<i>Federal-aid</i>	\$0	\$86,274	\$4,139,500	\$0	\$4,225,774	\$4,225,774	\$0
	<i>State HUTF</i>	\$0	\$17,934	\$860,500	\$0	\$878,434	\$878,434	\$0
	<b>Total Construction</b>	<b>\$0</b>	<b>\$104,208</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$5,104,208</b>	<b>\$5,104,208</b>	<b>\$0</b>
<b>Total Project Budget</b>		<b>\$67,225</b>	<b>\$104,208</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$5,104,208</b>	<b>\$5,171,433</b>	<b>\$40,209</b>
			Year of Expenditure			Total Request		
			FY 2014	FY 2015	FY 2016	\$5,104,208		
			\$1,000,000	\$4,104,208	\$0	\$5,104,208		

**Region 2**

\$5,628,244 – Surface Treatment Program – *SH 350: Near Thatcher* – Surface Treatment – This action budgets the construction phase of work. The advancement of FY 2015 Surface Treatment Program funds is required as FY 2014 funds have been fully budgeted and encumbered. Construction advertisement is scheduled for April 2014. Note: this project is being advanced from FY 2015 to FY 2014 to replace a SH 96 project that has been deferred to FY 2016. During preconstruction project development for project SH 96, it was found that local government is planning a substantial underground utility upgrade for the same section of roadway. As it is not prudent to complete a surface treatment project only to have the roadway excavated for utility work, staff has determined that a better use of these funds would be to resurface SH 350 from milepost 8 to milepost 33. (19935/10001...)

**SH 350 - Near Thatcher (MP 8.6 - 33.3)**

*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Current Budget	Ninth Supplement Action				Revised Budget	Expended Budget
			Year of Budget			Total Request		
			FY 2014	FY 2015	FY 2016			
Construction	<i>Federal-aid</i>	\$0	\$0	\$4,659,623	\$0	\$4,659,623	\$4,659,623	\$0
	<i>State HUTF</i>	\$0	\$0	\$968,621	\$0	\$968,621	\$968,621	\$0
	<b>Total Construction</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,628,244</b>	<b>\$0</b>	<b>\$5,628,244</b>	<b>\$5,628,244</b>	<b>\$0</b>
<b>Total Project Budget</b>		<b>\$0</b>	<b>\$0</b>	<b>\$5,628,244</b>	<b>\$0</b>	<b>\$5,628,244</b>	<b>\$5,628,244</b>	<b>\$0</b>
			Year of Expenditure			Total Request		
			FY 2014	FY 2015	FY 2016			
			\$1,000,000	\$4,628,244	\$0	\$5,628,244		

- \$12,300,000 – Strategic Corridor Program and Local Agency – I-25: Fillmore Interchange – Reconstruction – This action budgets the construction phase of work. Construction advertisement is scheduled for July 2014. (18367/1000191378)

**I-25: Fillmore Interchange (MP 144.10 - 144.60)**

*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Current Budget	Ninth Supplement Action				Revised Budget	Expended Budget
			Year of Budget			Total Request		
			FY 2014	FY 2015	FY 2016			
ROW	<i>Senate Bill 1</i>	\$2,011,617	\$0	\$0	\$0	\$0	\$2,011,617	\$1,865,699
	<b>Total ROW</b>	<b>\$2,011,617</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,011,617</b>	<b>\$1,865,699</b>
Design	<i>Senate Bill 1</i>	\$1,756,808	\$0	\$0	\$0	\$0	\$1,756,808	\$1,548,404
	<b>Total Design</b>	<b>\$1,756,808</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,756,808</b>	<b>\$1,548,404</b>
Construction	<i>Federal-aid</i>	\$0	\$4,000,000	\$6,000,000	\$1,000,000	\$11,000,000	\$11,000,000	\$0
	<i>City of Colorado Springs</i>	\$0	\$1,300,000	\$0	\$0	\$1,300,000	\$1,300,000	\$0
	<b>Total Construction</b>	<b>\$0</b>	<b>\$5,300,000</b>	<b>\$6,000,000</b>	<b>\$1,000,000</b>	<b>\$12,300,000</b>	<b>\$12,300,000</b>	<b>\$0</b>
<b>Total Project Budget</b>		<b>\$3,768,425</b>	<b>\$5,300,000</b>	<b>\$6,000,000</b>	<b>\$1,000,000</b>	<b>\$12,300,000</b>	<b>\$16,068,425</b>	<b>\$3,414,103</b>
			Year of Expenditure			Total Request		
			FY 2014	FY 2015	FY 2016	\$12,300,000		
			\$5,300,000	\$6,000,000	\$1,000,000	\$12,300,000		

*In 1997, the Colorado Legislature passed Senate Bill 97-1 (SB1). This bill funded 28 Strategic Corridor projects identified as the highest priority projects for Colorado by the Transportation Commission. This bill dedicated 10 percent of Colorado state sales tax to the completion of these projects. In 1999, the voters of Colorado passed another measure to fund these Strategic Corridor projects through TRAns (Transportation Revenue Notes), or, bond dollars.*

**Region 4**

- \$3,650,000 – FASTER Safety – SH 7: South of Estes Park - Phase II – Safety – This action budgets the construction phase of work. Construction advertisement is scheduled for March 2014. (18760/1000191243)

**SH 7: South of Estes Park - Phase II (MP 7 - 11)**

*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Current Budget	Ninth Supplement Action				Revised Budget	Expended Budget
			Year of Budget			Total Request		
			FY 2014	FY 2015	FY 2016			
ROW	<i>FASTER Safety</i>	\$50,000	\$0	\$0	\$0	\$0	\$50,000	\$14,598
	<b>Total ROW</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$14,598</b>
Design	<i>FASTER Safety</i>	\$950,000	\$0	\$0	\$0	\$0	\$950,000	\$562,274
	<b>Total Design</b>	<b>\$950,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$950,000</b>	<b>\$562,274</b>
Construction	<i>FASTER Safety</i>	\$0	\$3,501,266	\$148,734	\$0	\$3,650,000	\$3,650,000	\$0
	<b>Total Construction</b>	<b>\$0</b>	<b>\$3,501,266</b>	<b>\$148,734</b>	<b>\$0</b>	<b>\$3,650,000</b>	<b>\$3,650,000</b>	<b>\$0</b>
<b>Total Project Budget</b>		<b>\$1,000,000</b>	<b>\$3,501,266</b>	<b>\$148,734</b>	<b>\$0</b>	<b>\$3,650,000</b>	<b>\$4,650,000</b>	<b>\$576,872</b>
			Year of Expenditure			Total Request		
			FY 2014	FY 2015	FY 2016	\$3,650,000		
			\$275,000	\$3,375,000	\$0	\$3,650,000		

- \$12,000,000 – Surface Treatment Program – *SH 119: County Line to I-25* – Resurfacing – This action budgets the construction phase of work. The advancement of FY 2015 Surface Treatment Program funds is required as FY 2014 funds have been fully budgeted and encumbered. Construction advertisement is scheduled for April 2014. This project is on the Asset Management FY 2014 Surface Treatment list. (19357/1000190942)

**SH 119: County Line to I-25 (MP 59.697 - 63.546)**

*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Current Budget	Ninth Supplement Action				Revised Budget	Expended Budget
			Year of Budget			Total Request		
			FY 2014	FY 2015	FY 2016			
Construction	<i>Federal-aid</i>	\$0	\$0	\$9,934,800	\$0	\$9,934,800	\$9,934,800	\$0
	<i>State HUTF</i>	\$0	\$0	\$2,065,200	\$0	\$2,065,200	\$2,065,200	\$0
	<b>Total Construction</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,000,000</b>	<b>\$0</b>	<b>\$12,000,000</b>	<b>\$12,000,000</b>	<b>\$0</b>
<b>Total Project Budget</b>		<b>\$0</b>	<b>\$0</b>	<b>\$12,000,000</b>	<b>\$0</b>	<b>\$12,000,000</b>	<b>\$12,000,000</b>	<b>\$0</b>
			Year of Expenditure			Total Request		
			FY 2014	FY 2015	FY 2016			
			\$2,250,000	\$9,750,000	\$0	\$12,000,000		

- \$12,500,000 – Surface Treatment Program – *SH 14: I-25 East to Weld CR 23* – Resurfacing – This action budgets the construction phase of work. The advancement of FY 2015 Surface Treatment Program funds is required as FY 2014 funds have been fully budgeted and encumbered. Construction advertisement is scheduled for March 2014. This project is on the Asset Management FY 2014 Surface Treatment list. (17136/1000190941)

**SH 14: I-25 East to Weld CR 23 (MP 139.50 - 147.32)**

*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Current Budget	Ninth Supplement Action				Revised Budget	Expended Budget
			Year of Budget			Total Request		
			FY 2014	FY 2015	FY 2016			
Construction	<i>Federal-aid</i>	\$0	\$0	\$10,348,750	\$0	\$10,348,750	\$10,348,750	\$0
	<i>State HUTF</i>	\$0	\$0	\$2,151,250	\$0	\$2,151,250	\$2,151,250	\$0
	<b>Total Construction</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,500,000</b>	<b>\$0</b>	<b>\$12,500,000</b>	<b>\$12,500,000</b>	<b>\$0</b>
<b>Total Project Budget</b>		<b>\$0</b>	<b>\$0</b>	<b>\$12,500,000</b>	<b>\$0</b>	<b>\$12,500,000</b>	<b>\$12,500,000</b>	<b>\$0</b>
			Year of Expenditure			Total Request		
			FY 2014	FY 2015	FY 2016			
			\$2,500,000	\$10,000,000	\$0	\$12,500,000		

**Region 5**

- \$173,588 – Transportation Commission Contingency Reserve Fund – US 550: Red Mountain Pass (Ruby Walls) – Safety – This action budgets the design phase of work to design a permanent rock fall mitigation solution. The region intends to come back to the Transportation Commission in March 2014 with the cost estimate for construction. Construction advertisement is scheduled for May 2014. In the meantime, there is one way traffic on US 550 with signals. (20114/10001...)

**US 550: Red Mountain Pass (Ruby Walls) (MP 78 - 79 and MP 88.900 - 92.100)**

*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Current Budget	Ninth Supplement Action				Revised Budget	Expended Budget
			Year of Budget			Total Request		
			FY 2014	FY 2015	FY 2016			
Design	<i>Federal-aid</i>	\$0	\$143,714	\$0	\$0	\$143,714	\$143,714	\$0
	<i>State HUTF</i>	\$0	\$29,874	\$0	\$0	\$29,874	\$29,874	\$0
	<b>Total Design</b>	<b>\$0</b>	<b>\$173,588</b>	<b>\$0</b>	<b>\$0</b>	<b>\$173,588</b>	<b>\$173,588</b>	<b>\$0</b>
<b>Total Project Budget</b>		<b>\$0</b>	<b>\$173,588</b>	<b>\$0</b>	<b>\$0</b>	<b>\$173,588</b>	<b>\$173,588</b>	<b>\$0</b>
			Year of Expenditure			Total Request		
			FY 2014	FY 2015	FY 2016			
			\$173,588	\$0	\$0	\$173,588		

- \$4,500,000 – Surface Treatment Program – US 285: Antonito - North – Resurfacing – This action budgets the construction phase of work. The advancement of FY 2015 Surface Treatment Program funds is required as FY 2014 funds have been fully budgeted and encumbered. Construction advertisement is scheduled for April 2014. This project is on the Asset Management FY 2014 Surface Treatment list. (18970/1000190994)

**US 285: Antonito - North (MP 5.300 -11.100)**

*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Current Budget	Ninth Supplement Action				Revised Budget	Expended To-Date
			Year of Budget			Total Request		
			FY 2014	FY 2015	FY 2016			
Design	<i>Federal-aid</i>	\$114,891	\$0	\$0	\$0	\$0	\$114,891	\$30,460
	<i>State HUTF</i>	\$23,882	\$0	\$0	\$0	\$0	\$23,882	\$9,539
	<b>Total Design</b>	<b>\$138,773</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$138,773</b>	<b>\$39,999</b>
Construction	<i>Federal-aid</i>	\$0	\$0	\$3,725,550	\$0	\$3,725,550	\$3,725,550	\$0
	<i>State HUTF</i>	\$0	\$0	\$774,450	\$0	\$774,450	\$774,450	\$0
	<b>Total Construction</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,500,000</b>	<b>\$0</b>	<b>\$4,500,000</b>	<b>\$4,500,000</b>	<b>\$0</b>
<b>Total Project Budget</b>		<b>\$138,773</b>	<b>\$0</b>	<b>\$4,500,000</b>	<b>\$0</b>	<b>\$4,500,000</b>	<b>\$4,638,773</b>	<b>\$39,999</b>
			Year of Expenditure			Total Request		
			FY 2014	FY 2015	FY 2016			
			\$0	\$4,500,000	\$0	\$4,500,000		

- \$9,000,000 – Surface Treatment Program – *US 160: Hesperus to Durango* – Resurfacing – This action budgets the construction phase of work. The advancement of FY 2015 Surface Treatment Program funds is required as FY 2014 funds have been fully budgeted and encumbered. Construction advertisement is scheduled for March 2014. This project is on the Asset Management FY 2014 Surface Treatment list. (19633/1000190995)

**US 160: Hesperus to Durango (MP 70.0 - 82.0)**

*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Current Budget	Ninth Supplement Action				Revised Budget	Expended To-Date
			Year of Budget			Total Request		
			FY 2014	FY 2015	FY 2016			
<b>Design</b>	<i>Federal-aid</i>	\$283,190	\$0	\$0	\$0	\$0	\$283,190	\$89,781
	<i>State HUTF</i>	\$58,868	\$0	\$0	\$0	\$0	\$58,868	\$18,873
	<b>Total Design</b>	<b>\$342,058</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$342,058</b>	<b>\$108,654</b>
<b>Construction</b>	<i>Federal-aid</i>	\$0	\$0	\$7,451,100	\$0	\$7,451,100	\$7,451,100	\$0
	<i>State HUTF</i>	\$0	\$0	\$1,548,900	\$0	\$1,548,900	\$1,548,900	\$0
	<b>Total Construction</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,000,000</b>	<b>\$0</b>	<b>\$9,000,000</b>	<b>\$9,000,000</b>	<b>\$0</b>
<b>Total Project Budget</b>		<b>\$342,058</b>	<b>\$0</b>	<b>\$9,000,000</b>	<b>\$0</b>	<b>\$9,000,000</b>	<b>\$9,342,058</b>	<b>\$108,654</b>
			Year of Expenditure			Total Request		
			FY 2014	FY 2015	FY 2016	\$9,000,000		
			\$900,000	\$8,100,000	\$0	\$9,000,000		

**Staff Maintenance**

- \$6,597,612 – Transfer from the *Transportation Commission Contingency for Snow and Ice* to the various Maintenance cost centers shown below to complete winter operations for the remainder of the winter season. Approximately 54% of statistical winter remains. Some sections currently have as little as 32% of their allocated Snow and Ice budgets remaining. (PST-TCS-14/1000191679)

**FY 2014 Snow and Ice Contingency Request**

Greeley Maintenance	\$ 1,128,357
Grand Junction Maintenance	\$ 2,481,167
Durango Maintenance	\$ 84,951
Pueblo Maintenance	\$ 849,364
Aurora Maintenance	\$ 1,249,949
Craig Maintenance	\$ 569,339
Alamosa Maintenance	\$ 116,398
Denver Maintenance	\$ 111,851
Greeley Traffic	\$ 511
Durango Traffic	\$ 2,664
Denver Traffic	\$ 3,061
	<hr/>
	\$ 6,597,612

## **RAMP**

### **Responsible Acceleration of Maintenance and Partnerships**

*RAMP projects will be reviewed during a separate workshop and accompanied by a separate resolution.*

**COLORADO DEPARTMENT OF TRANSPORTATION**

**STATE OF COLORADO**

**Ninth  
Supplement**

**Fiscal year 2013-2014**

**Dated: February 20, 2014**

**COLORADO DEPARTMENT OF TRANSPORTATION**

**STATE OF COLORADO**

**RESOLUTION NO. TC –**

**“BE IT RESOLVED, That the Ninth Supplement to the Fiscal Year 2013-2014  
Budget be approved by the Commission”**

## Project Detail

### Environmental Project Management for Design

**Region 1**

SDR6641	---	Environmental Project Management	✔	20100	Various	D	\$	-	\$	444,000
									\$ 444,000	

### Reconstruction

**Region 2**

SSP4227	025A	I-25: Fillmore Interchange	✔	18367	El Paso	R,D,C	\$	3,768,425	\$	12,300,000
									\$ 12,300,000	

### Safety

**Region 4**

SR46606	007A	SH 7: South of Estes Park - PH II	✔	18760	Boulder/Larimer	R,D,C	\$	1,000,000	\$	3,650,000
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**Region 5**

SR56704	550B	US 550: Red Mountain Pass (Ruby Walls)	✔	20114	Ouray/San Juan	D	\$	-	\$	173,588
									\$ 3,823,588	

### Surface Treatment

**Region 1**

SR15215	036D	US 36: Cabin Creek	✔	19904	Arapahoe	D,C	\$	50,000	\$	500,000
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**Region 2**

SR15215	103A	SH 103	✔	19735	Clear Creek	D,C	\$	67,225	\$	5,104,208
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**Region 2**

SR25216	350A	SH 350: Near Thatcher	✔	19935	Las Animas/Otero	C	\$	-	\$	5,628,244
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**Region 4**

SR45218	119C	SH 119: County Line to I-25	✔	19357	Weld	C	\$	-	\$	12,000,000
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**Region 4**

SR45218	014C	SH 14: I-25 East to Weld CR 23	✔	17136	Larimer/Weld	C	\$	-	\$	12,500,000
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**Region 5**

SR55219	285A	US 285: Antonito - North	✔	18970	Conejos	D,C	\$	138,773	\$	4,500,000
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**Region 5**

SR55219	160A	US 160: Hesperus to Durango	✔	19633	La Plata	D,C	\$	342,058	\$	9,000,000
									\$ 49,232,452	

### Maintenance

Snow and Ice Contingency Disbursement	PST-TCS-14			\$	10,000,000	\$	(6,597,612)
Greeley Maintenance							\$ 1,128,357
Grand Junction Maintenance							\$ 2,481,167
Durango Maintenance							\$ 84,951
Pueblo Maintenance							\$ 849,364
Aurora Maintenance							\$ 1,249,949
Craig Maintenance							\$ 569,339
Alamosa Maintenance							\$ 116,398
Denver Maintenance							\$ 111,851
Greeley Traffic							\$ 511
Durango Traffic							\$ 2,664
Denver Traffic							\$ 3,061
							\$ -

**Grand Total \$ 65,800,040**

**Current Status of Flood Projects after Receipt of \$140 Million Emergency Relief Funding  
September 11, 2013 Flood Disaster**

<b>Temporary Emergency Relief Projects</b>										<b>Note: Remaining TCCRF Budgeted</b>	
<b>Reg</b>	<b>State Highway</b>	<b>Mileposts</b>	<b>Project Description</b>	<b>County</b>	<b>Prior TCCRF Contribution</b>	<b>Exchange of Funds Due to the Receipt of Federal ER</b>		<b>Budget Adjustment</b>			<b>Total Cost</b>
						<b>TCCRF</b>	<b>Federal Funds</b>	<b>TCCRF</b>	<b>Federal ER</b>		
SW			Cost Center		\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000
SW			Emergency Statewide Flood Project		\$ -	\$ -	\$ -	\$ -	\$ 10,517,109	\$ 10,517,109	\$ -
SW			ER Debris Removal 18 Counties		\$ 5,100,250	\$ -	\$ -	\$ -	\$ -	\$ 5,100,250	\$ 5,100,250
1	072A	11 - 29.377	SH 72: Coal Creek Canyon - SH 93 to SH 119	Boulder/Gilpin/Jefferson	\$ 4,660,460	\$ (4,575,922)	\$ 4,575,922	\$ -	\$ 4,817,387	\$ 9,477,847	\$ 84,538
1	072A	5.4 - 5.7	SH 72@78TH,SH 128 near SH93, SH 93, SH 74	Boulder/Jefferson	\$ 805,841	\$ (805,841)	\$ 805,841	\$ -	\$ 742,527	\$ 1,548,368	\$ -
2	025A	154.5 - 155.5	I-25	El Paso	\$ 520,648	\$ -	\$ -	\$ -	\$ -	\$ 520,648	\$ 520,648
2	115A	39 - 42	SH 115	El Paso	\$ 44,130	\$ -	\$ -	\$ -	\$ -	\$ 44,130	\$ 44,130
4	007A	18 - 33	SH 7 Lyons to Raymond - MDB	Boulder	\$ 10,000,316	\$ (9,840,146)	\$ 9,840,146	\$ -	\$ 14,903,988	\$ 24,904,304	\$ 160,170
4	036B	0 - 21	US 36: Estes Park to Lyons MDB	Boulder/Larimer	\$ 5,109,441	\$ (5,026,941)	\$ 5,026,941	\$ -	\$ 2,252,782	\$ 7,362,223	\$ 82,500
4	034A	63 - 87	US 34: West Loveland to Estes Park MDB	Larimer	\$ 15,680,945	\$ (15,520,775)	\$ 15,520,775	\$ -	\$ 7,181,598	\$ 22,862,543	\$ 160,170
4	144A	4.5 - 6.8	SH 144: I-25 East	Morgan	\$ 8,951,134	\$ (8,951,124)	\$ 8,951,124	\$ (10)	\$ 200,000	\$ 9,151,124	\$ -
4			Traffic Control		\$ 212,258	\$ (212,258)	\$ 212,258	\$ -	\$ 46,013	\$ 258,271	\$ -
4	119A	61 - 63	SH 119 Del Camino to D-16-CG	Weld	\$ 1,741,528	\$ (1,722,128)	\$ 1,722,128	\$ -	\$ -	\$ 1,741,528	\$ 19,400
4	119A	26 - 41	SH 119	Boulder	\$ 439,427	\$ (369,108)	\$ 369,108	\$ -	\$ 896,605	\$ 1,336,032	\$ 70,319
4	014B	101 - 121	SH 114	Larimer	\$ 151,096	\$ (151,096)	\$ 151,096	\$ -	\$ 95,706	\$ 246,802	\$ -
4	039A	6 - 7.570	SH144/SH39	Morgan	\$ 130,209	\$ (130,209)	\$ 130,209	\$ -	\$ 352,053	\$ 482,262	\$ -
4	034A	82 - 88	SH34 Glade Rd. to Dam Store	Larimer	\$ 1,070,636	\$ (1,038,928)	\$ 1,038,928	\$ -	\$ 780,331	\$ 1,850,967	\$ 31,708
4	257A	0 - 0	SH 60 and SH 257	Weld	\$ 316,221	\$ (313,792)	\$ 313,792	\$ -	\$ 155,162	\$ 471,383	\$ 2,429
4	063A	55 - 56.411	SH 385 & SH 6	Logan	\$ 104,890	\$ (95,921)	\$ 95,921	\$ -	\$ 5,287	\$ 110,177	\$ 8,969
4	066B	46 - 48	SH 66 @ CR 17	Weld	\$ 191,205	\$ (191,205)	\$ 191,205	\$ -	\$ -	\$ 191,205	\$ 14,400
4	071E	180 - 182	SH 71	Morgan	\$ 306,845	\$ (292,445)	\$ 292,445	\$ -	\$ 490,752	\$ 797,597	\$ -
4	034A	8 - 10	US 34 Bypass 18th Street	Weld	\$ 701,680	\$ (701,680)	\$ 701,680	\$ -	\$ 510,997	\$ 1,212,677	\$ -
4	034A	112 - 115	US 34 Near 18th Street	Weld	\$ 924,967	\$ (924,967)	\$ 924,967	\$ -	\$ 527,246	\$ 1,452,213	\$ -
4	036B	20 - 23	US36 South of SH 66	Weld	\$ 612,300	\$ (612,300)	\$ 612,300	\$ -	\$ -	\$ 612,300	\$ -
4	036B	27 - 29	US 36	Boulder	\$ 279,299	\$ (279,299)	\$ 279,299	\$ -	\$ -	\$ 279,299	\$ -
4	007A	9.8 - 11.8	SH 7 St. Malo	Boulder	\$ 46,786	\$ (46,786)	\$ 46,786	\$ 1,600	\$ 5,096	\$ 53,482	\$ -
4	287C	332 - 333	US 287	Larimer	\$ 61,836	\$ (61,836)	\$ 61,836	\$ -	\$ -	\$ 61,836	\$ -
4	006J/385D	5-406.6 & 309-	SH 6 and SH 385	Logan/Philips/Sedgwick	\$ 512,460	\$ (508,364)	\$ 508,364	\$ -	\$ -	\$ 512,460	\$ 4,096
4	036B	20.0 - 21.8	US 36	Boulder	\$ 775,327	\$ (775,327)	\$ 775,327	\$ -	\$ -	\$ 775,327	\$ -
4	007A	0 - 19.250	SH 7	Boulder	\$ 1,446,647	\$ (1,446,647)	\$ 1,446,647	\$ -	\$ -	\$ 1,446,647	\$ -
4	036B	39 - 55	US 36 Boulder to Denver MIT	Boulder/Broomfield/Jefferson	\$ 19,418	\$ (19,418)	\$ 19,418	\$ -	\$ -	\$ 19,418	\$ -
4	036B	7.5 - 19.0	US 36 CFL	Boulder/Larimer	\$ 200,000	\$ (200,000)	\$ 200,000	\$ -	\$ 17,076,476	\$ 17,276,476	\$ -
4			Altus Traffic		\$ 39,808	\$ (39,808)	\$ 39,808	\$ -	\$ 11,834	\$ 51,642	\$ -
4			American Signs		\$ 25,408	\$ (25,408)	\$ 25,408	\$ -	\$ 5,587	\$ 30,995	\$ -
4			Jalisco		\$ 17,613	\$ (17,613)	\$ 17,613	\$ -	\$ 13,379	\$ 30,992	\$ -
4			Rocky Mountain Signing		\$ 4,178	\$ (4,178)	\$ 4,178	\$ -	\$ 11,316	\$ 15,494	\$ -
4			Traffic Control Masters		\$ 29,092	\$ (29,092)	\$ 29,092	\$ -	\$ 1,904	\$ 30,996	\$ -
4			Warning Lights		\$ 9,099	\$ (9,099)	\$ 9,099	\$ -	\$ 5,909	\$ 15,001	\$ -
4			Traffic Control Work Zone		\$ 30,001	\$ (30,001)	\$ 30,001	\$ -	\$ -	\$ 30,001	\$ -
4			Traffic Control Your Way		\$ 26,115	\$ (26,115)	\$ 26,115	\$ -	\$ 77,180	\$ 103,295	\$ -
4	034A	0 - 50	Traffic Control Loveland	Grand/Larimer	\$ 29,996	\$ (29,996)	\$ 29,996	\$ -	\$ -	\$ 29,996	\$ -
<b>Total Temporary Emergency Relief</b>					<b>\$ 63,329,510</b>	<b>\$ (55,025,773)</b>	<b>\$ 55,025,773</b>	<b>\$ 1,590</b>	<b>\$ 61,684,217</b>	<b>\$ 125,015,317</b>	<b>\$ 8,303,727</b>

**Permanent Restoration Emergency Relief Projects**

<b>Reg</b>	<b>State Highway</b>	<b>Mileposts</b>	<b>Project Description</b>	<b>County</b>	<b>Prior TCCRF Contribution</b>	<b>Exchange of Funds to Facilitate Federal Reimbursement</b>		<b>Budget Adjustment</b>		<b>Total Cost</b>
						<b>TCCRF</b>	<b>Federal Funds</b>	<b>TCCRF</b>	<b>Federal-aid ER</b>	
4	034A	114 - 116	SH 34 (Reimbursed @ 100% (CFL))	Weld	\$ -	\$ -	\$ -	\$ -	\$ 401,338	\$ 401,338
4	034A/014C 392B	Various	East of I-25: Damaged ROW Fencing	Various	\$ -	\$ -	\$ -	\$ 9,345	\$ 45,102	\$ 54,447
4	014B/034A 007A/036B	Various	West of I-25: Damaged ROW Fencing	Various	\$ -	\$ -	\$ -	\$ 4,852	\$ 23,348	\$ 28,200
<b>Total Permanent Restoration</b>					<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,197</b>	<b>\$ 469,788</b>	<b>\$ 483,985</b>
<b>Grand Total All Emergency Relief</b>					<b>\$ 63,329,510</b>	<b>\$ (55,025,773)</b>	<b>\$ 55,025,773</b>	<b>\$ 15,787</b>	<b>\$ 62,154,005</b>	<b>\$ 125,499,302</b>

**Transportation Commission Contingency Reserve Fund  
Ninth Supplement FY 2014 Budget**

<b>Transaction Date</b>	<b>Transaction Description</b>	<b>Amount</b>	<b>Balance</b>	<b>Reference Document</b>
May-13	<i>Final Balance 12S13</i>		<b>\$ 49,301,722</b>	
	<i>project closure (16984)</i>	\$ 380,000		1000176263
	<i>rollforward adjustment for FY 2013 (R15MS-010)</i>	\$ 187,950		1000176365
	<i>write off funds adjustment FY 13 COPS refunding</i>	\$ (1,752,173)		1000178381
June-13	<i>Balance 1S14</i>		<b>\$ 48,117,499</b>	
July-13	<i>Balance 2S14</i>		<b>\$ 48,117,499</b>	
	<i>FY 2014 Resource Allocation</i>	\$ 25,890,107		1000178359
	<i>project surpluses returned to TCCRF (14959 and 16444)</i>	\$ 1,477,868		1000178942/944/945/946/947/949
	<i>project surpluses returned to TCCRF</i>	\$ 905,491		1000180532
	<i>transfer to Region 4 for US 36 Phase II</i>	\$ (3,000,000)		1000181817
	<i>transfer to Office of Transportation Safety</i>	\$ (900,000)		1000182746
	<i>transfer to Region 2 for US 24 Flooding - August 2013</i>	\$ (5,500,000)		1000182745
August-13	<i>Balance 3S14</i>		<b>\$ 66,990,965</b>	
	<i>OPN/OPS unbudgeted prior year funds</i>	\$ 7,910,747		1000176367
	<i>final repayment of October 2012 loan to DTR</i>	\$ 7,885,914		1000183736
	<i>FY 2013 carry forward from cost centers</i>	\$ 8,746,118		1000183782/183783
	<i>bond refunding</i>	\$ 8,231,926		1000179817/179819
	<i>project surplus returned to TCCRF</i>	\$ 3,008		1000183839
	<i>FY 2013 Federal redistribution</i>	\$ 25,515,737		1000183914
	<i>Workman's Comp (E0176-010)</i>	\$ (6,969,138)		1000183966
	<i>Tiger Grant</i>	\$ 12,790,185		1000183979
	<i>allocation of Tiger Grant to regions</i>	\$ (12,790,185)		1000183979
	<i>FHWA Emergency Relief</i>	\$ 5,000,000		1000184146
	<i>allocation to SW Emergency Relief project</i>	\$ (5,000,000)		1000184281
	<i>Xcel invoice</i>	\$ (100,000)		1000185027
September-13	<i>Balance 4S14</i>		<b>\$ 118,215,277</b>	
	<i>FHWA Emergency Relief</i>	\$ 25,000,000		1000184618
	<i>allocation to SW Emergency Relief project</i>	\$ (25,000,000)		1000184618
	<i>return 2013 Snow and Ice contingency balance to TCCRF</i>	\$ 2,668,831		1000184993
	<i>fund roll forward decision items</i>	\$ (8,238,709)		1000183782/183783
	<i>FY 2014 cost center allocation reconciliation</i>	\$ (3,964,560)		1000185350
	<i>net revenue adjustment for FY 2013 (after required program distribution adjustments)</i>	\$ 3,506,401		1000185373
	<i>return of project surplus</i>	\$ 52,238		1000185393
	<i>US 24 flood repairs/restoration supplemental request to that approved August 2013</i>	\$ (1,180,000)		1000186199/186201
	<i>US 50 (Fremont County) flood repairs/restoration/reimburse Maintenance - August 2013</i>	\$ (1,008,000)		1000186202/186203
	<i>SH 50B (Pueblo County) flood repairs/restoration/reimburse Maintenance - August 2013</i>	\$ (25,000)		1000186204
	<i>transfer to Emergency Flood Response Administration cost center - September 2013</i>	\$ (1,000,000)		1000185115
	<i>transfer to SH 72 emergency relief project (19804) - September 2013</i>	\$ (9,477,847)		1000185264
	<i>SH 72 @ 78th, SH 128 near SH 93, SH 93 and SH 74 flood repairs - September 2013</i>	\$ (1,285,060)		1000185345
	<i>Various flood projects in Region 4 - September 2013</i>	\$ (46,909,850)		1000185394/185821
	<i>SH 115 flood repairs/restoration - September 2013</i>	\$ (44,130)		1000185819
	<i>I-25 @ Monument Branch culvert flood repairs/restoration - September 2013</i>	\$ (578,897)		1000185280
	<i>US 24 request for future flood mitigation measures</i>	\$ (4,600,000)		1000186200
	<i>radio console upgrades for CTMC and EJMT</i>	\$ (600,000)		1000186205
	<i>fund TSM&amp;O expand program delivery/services</i>	\$ (2,600,000)		1000186206
	<i>loan to DTR for contract authority until FTA grants are received by CDOT</i>	\$ (5,305,665)		1000186207
October-13	<i>Balance 5S14</i>		<b>\$ 37,625,029</b>	
	<i>FHWA Emergency Relief reimbursement</i>	\$ 3,287,538		1000187385
	<i>surplus from project closure (14551)</i>	\$ 1,292,731		1000187389
	<i>additional allocation to ER administrative cost center</i>	\$ (1,000,000)		1000186652
	<i>additional allocation to ER projects</i>	\$ (5,399,597)		1000187389
November-13	<i>Balance 6S14</i>		<b>\$ 35,805,701</b>	
	<i>net adjusting entries to ER projects this reporting period</i>	\$ (3,361)		1000188244/189154
	<i>closure</i>	\$ 212		1000188246
	<i>transfer to STP-Metro, CMAQ, TAP to keep FY 2013 programs whole</i>	\$ (6,716,637)		1000189826/189929
December-13	<i>Balance 7S14</i>		<b>\$ 29,085,915</b>	
	<i>2013 Local funds for match to FY 2013 transfer above</i>	\$ 1,269,366		1000189926/100190125
	<i>net adjusting entries to ER projects this reporting period</i>	\$ (779,182)		1000189974/
January-14	<i>Balance 8S14</i>		<b>\$ 29,576,099</b>	
	<i>Federal-aid Emergency Relief (ER) allocation</i>	\$ 110,000,000		1000190712
	<i>distribution to Statewide Emergency Relief Pool</i>	\$ (110,000,000)		1000190713
	<i>partial repayment of short-term Emergency Relief (ER) loan for September 2013 Flooding</i>	\$ 55,025,773		1000189926/100190125
	<i>repayment of Emergency Relief (ER) loan for Region 2</i>	\$ 3,200,000		1000191440
	<i>net adjusting entries to ER projects this reporting period</i>	\$ (15,787)		1000191532/1001191534
	<i>rock fall mitigation US 550: Red Mountain Pass (Ruby Walls) 20114</i>	\$ (173,588)		pending
	<i>miscellaneous adjustment</i>	\$ (40)		
February-14	<i>Projected Balance 9S14</i>		<b>\$ 87,612,457</b>	

# February FY14 Contingency Balance Reconciliation

January FY14 TC Contingency Balance	\$ 29,576,099
Emergency Relief Reimbursement	
September 2013 Flood	\$ 55,025,773
Flooding Prior to 09/2013	\$ 3,200,000
Emergency Relief Project Allocation	
Temporary Relief	(\$ 1,590)
Permanent Restoration	(\$ 14,197)
Pending February Supplement Items	(\$ 173,588)
Other Adjustments	(\$ <u>40</u> )
February FY14 TC Contingency Balance	\$87,612,457



# STATE OF COLORADO

DEPARTMENT OF TRANSPORTATION  
Office of Policy and Government Relations  
4201 East Arkansas Avenue, Room 275  
Denver, Colorado 80222  
(303) 757-9772



**To:** Transportation Commission

**From:** Herman Stockinger, Transportation Commission Secretary

**Re:** Request to adopt the proposed changes to the Rules Governing Practice and Procedures of the Transportation Commission of Colorado

**Date:** February 7, 2014

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Summary: The Transportation Commission last updated its Rules Governing Practice and Procedures on November 14, 2011. The Commission recently determined that the election of officers should be changed from August to July. This necessitates a modification of the Commission Rules, and requires compliance with the Administrative Procedure Act pertaining to rule-making. The Commission opened the rulemaking process on December 19, 2013 and authorized an Administrative Hearing Officer to preside over a rulemaking hearing. A hearing was held on January 31, 2014. As part of this agenda item, the Administrative Hearing Officer has submitted a summary of the hearing and recommends the Commission adopt the proposed changes to the rules. If the Commission adopts the rules in February, they will take effect April 14, 2014.

1. Action Requested: The Department requests the Commission adopt the proposed changes to the Rules Governing Practice and Procedures of the Transportation Commission of Colorado.

2. Documents Included in this Agenda Submission

- A. Proposed changes to rules
- B. Administrative Hearing Officer Summary of Findings (and transcript of hearing)
- C. Proposed Resolution
- D. Red-line copy of rules

3. Rationale: The Transportation Commission is granted authority pursuant to § 43-1-106(6), C.R.S. to “adopt rules in relation to its meeting and the transaction of its business.” Because rules have the effect of law, the Administrative Procedure Act, § 24-4-103, C.R.S., requires compliance with all steps of the rule-making process if any substantive change is made to rules.

Rule 3.6 currently states “Annual election of officers shall be the first order of business at the Commission’s regular August meeting.” The Commission has determined that it should hold the annual election officers at its July meeting to more closely match the timing of new incoming Commission appointments and the start of the Commission and new fiscal year. The Rules have also been renumbered and minor changes have been made to correct statutory citations and modify wording with no substantive impact.

# MEMORANDUM

## DEPARTMENT OF TRANSPORTATION

Right of Way Program  
4201 East Arkansas Avenue 4<sup>th</sup> floor  
Denver, Colorado 80222  
(303) 757-9836



DATE: February 5, 2014

TO: Colorado Transportation Commission

FROM: Christine Rees, Administrative Hearing Officer

SUBJECT: Rulemaking Hearing on Proposed Rules 2 CCR 601-11  
Rules of Practice and Procedures of the Transportation Commission of  
Colorado

### **Background:**

Pursuant to §43-1-106(6) and § 43-1-106(8)(k), C.R.S., the Colorado Transportation Commission has the authority to adopt rules in relation to its meetings and the transaction of business. On December 19, 2013, the Transportation Commission, by Resolution TC 3124, authorized an Administrative Hearing Officer to conduct a hearing on proposed changes to the rules (Exhibit 1). On January 31, 2014, the Hearing Officer held a rulemaking hearing to receive public comment on the proposed rule changes.

### **Summary of Hearing and Factual Findings**

Pursuant to §24-4-103 C.R.S., the State Administrative Procedure Act, and Transportation Commission Resolution, a public hearing was held on January 31, 2014 in the auditorium at the CDOT Headquarters Complex, in Denver, Colorado. A court reporter was present, and a transcript of this hearing is attached. Acting as your delegated Administrative Hearing Officer, I opened the hearing at 10:04 a.m. Tromila Maile, the Commission Liaison, explained why the Commission is recommending changes, and reviewed the exhibits (Transcript page 5).

Ms. Maile stated that the Commission determined that it will elect officers annually in July rather than August, requiring a change to Rule 3.6. Otherwise, minor modifications have been made to the rules, including revising numbering and statutory citation (Transcript page 6). The Statement of Basis for the rules is contained in Exhibit 9. A cost benefit analysis was not required, (exhibit 3C).

Ms. Maile then demonstrated how CDOT complied with the requirements of the State Administrative Procedure Act. Specifically, Ms. Maile noted that CDOT:

- Obtained proper hearing delegation from the Commission, (Exhibit 1).
- Filed a timely Notice of Rulemaking with the Secretary of State, (Exhibit 2).
- Published the Notice in the Colorado Register, (Exhibit 2).
- Filed the rules with the Department of Regulatory Agencies, (Exhibit 3).
- Posted the proposed rules to the CDOT website on December 30, 2013 (Exhibit 4).

- Notified the representative group and the interested parties of the date, time and location of the hearing and requested comments, (Exhibit 5, 6 and 7).
- Received notice of the requirement to maintain a permanent file of the rulemaking record, (Exhibit 9).
- Posted timely notice in the rulemaking hearing the lobby of the Department Headquarters Building, (Exhibit 9).

## Findings

I have reviewed the entire record of this proceeding. The record consists of all exhibits from the January 31, 2014 hearing. I find that:

1. All requirements of the State Administrative Procedure Act, § 24-4-103 C.R.S. have been satisfied.
2. There is sufficient evidence in the record to support the proposed rules as submitted in Exhibit 8.
3. The Commission has the authority to adopt the Proposed Rules.

## Decision

You must review the record of these proceedings prior to adopting any rule, and any action must be based upon, and supported by, the record. Copies of the entire exhibit packet are available for your review in the Transportation Commission Office. The record supports adoption of the proposed rule changes, and pursuant to § 24-4-103 C.R.S., you may choose to adopt these rule changes.

Having reviewed the entire record of this proceeding, including Exhibits 1 through 10 and having heard oral testimony and reviewed any written testimony provided, and being fully apprised of this matter, acting as Administrative Hearing Officer in this matter, I recommend that the Transportation Commission adopt the proposed rules.

I have prepared a resolution for adoption of the proposed rules.

*Christine Rees*  


cc: Don Hunt, CDOT Executive Director  
Herman Stockinger, Commission Secretary

1                   Rulemaking Hearing on the  
2       Rules Governing Practice and Procedures of the  
3                   Transportation Commission of Colorado  
4                                   2 CCR 601-11  
5  
6                   January 31, 2014, 10:00 a.m.  
7       Colorado Department of Transportation  
8       4201 East Arkansas Avenue, Denver, Colorado 80222

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2 HEARING OFFICER: Good morning. I

3 will now call this hearing to order. This is a

4 rulemaking proceeding pursuant to the Colorado

5 Revised Statutes § 24-4-103(4)(a), of the State

6 Administrative Procedure Act, concerning revisions

7 to the Rules Governing Practice and Procedures of

8 the Transportation Commission of Colorado,

9 2 CCR 601-11.

10 Section § 43-1-106(6), C.R.S.

11 authorizes the Transportation Commission to

12 promulgate these rules.

13 Today is January 31, 2014. It is now

14 10:04. This hearing is being conducted at the

15 Colorado Department of Transportation, 4201 East

16 Arkansas Avenue, in the Auditorium, Denver,

17 Colorado.

18 My name is Christine Rees. I am an

19 Administrative Hearing Officer for the Department of

20 Transportation, which I will refer to as the

21 "Department." I am presiding at this rulemaking

22 hearing based upon a delegation of authority from

23 the Transportation Commission dated December 19,

24 2013, which is included in the exhibits as Exhibit

25 1.

3

1 Sets of the rules we are reviewing

2 today are available in the back of the room.

3 A sign-in sheet is also available at

4 the back of the room. We ask everyone to sign in to

5 indicate who attended this hearing. If you have not

6 had a chance, please sign in.

7 In addition, on the sign-in sheet

8 there is a column in which you may check whether or

9 not you wish to speak on the record today. I

10 encourage anyone who has anything to offer to come

11 forward and speak when you have that opportunity. I

12 will be calling on those who wish to testify based

13 on the order in which you've signed the attendance

14 sheet.

15 The procedure we'll follow this

16 morning is relatively informal. I will allow

17 everyone an opportunity to speak who wishes to do

18 so.

19 This hearing is limited only to the

20 rules identified in the Notice of Rulemaking that

21 was published in the Colorado Register. The notice

22 is part of the packet today. Please limit all

23 comments to these rules only.

24 First, the Department staff will give

25 a presentation on the rules at issue today. Staff

4

1 will describe the reason why the Department is

2 recommending amendment to these rules and will

3 review and submit exhibits.

4 If anyone were present, I would call

5 on you to speak, but there are no members of the

6 public or other CDOT staff present, outside of the

7 rulemaking officer.

8 I will then invite a representative of

9 the Attorney General's Office to make any statements

10 concerning the rules or procedures. After which, I

11 will make a finding as to whether or not the

12 rulemaking procedure, including the hearing, was

13 conducted in compliance with the State

14 Administrative Procedure Act.

15 At the conclusion of the hearing

16 today, the period for testimony will be closed.

17 I will prepare a record for the

18 consideration of the Transportation Commission. It

19 will include all of the exhibits and all of the

20 testimony, both written and oral, that were provided

21 today. The Transportation Commission will consider

22 all information when it makes the decision on

23 whether or not to adopt the rules.

24 Are there any questions before I ask

25 the Department staff members to present?

5

1 Would the Department of Transportation

2 like to begin. Please state your name and your

3 position for the record.

4 MS. MAILE: Thank you, Madam Hearing

5 Officer. I'm Tromila Maile, the Commission Liaison

6 for the Transportation Commission. Mary Frances

7 Nevans, the CDOT rules administrator is also present

8 to answer any questions.

9 Today is January 31, 2014. The Notice

10 of Rulemaking was filed with the Colorado Secretary

11 of State on December 23, 2013, and was published in

12 the Colorado Code of Regulations on January 10,

13 2014, meeting the requirement that the hearing be

14 held no later than January 30, 2014.

15 I would now like to review the

16 exhibits in order to establish that the Department

17 of Transportation met all of the requirements of the

18 State Administrative Procedure Act.

19 If members of the audience would like

20 to review the exhibits, a copy is available on the

21 back table. Additionally, we can make a copy of any

22 document for those in the audience.

23 So I misstated that. Today's January

24 31, 2014, and the Notice of Rulemaking was filed

25 with the Colorado Secretary of State on December 23,

6	<p>1 2013, and was published in the Colorado Code of</p> <p>2 Regulations on January 10, 2014, meeting the</p> <p>3 requirement that the hearing be held no earlier than</p> <p>4 January 30, 2014.</p> <p>5 The Transportation Commission rules</p> <p>6 are being revised in order to change the month that</p> <p>7 annual election of officers is held, in Rule 2.06,</p> <p>8 from August to July. The rules have also been</p> <p>9 updated to conform to the formatting suggested by</p> <p>10 the Colorado Secretary of State, and other minor</p> <p>11 changes have been made.</p> <p>12 To review the exhibits: Exhibit 1 is</p> <p>13 Resolution TC-3124 dated December 19, 2013, opening</p> <p>14 the permanent rules and delegating authority to an</p> <p>15 Administrative Hearing Officer to conduct this</p> <p>16 rulemaking hearing.</p> <p>17 Exhibit 2 is a Notice of Rulemaking</p> <p>18 Confirmation establishing that the Department filed</p> <p>19 the rules with the Colorado Secretary of State's</p> <p>20 Office on December 23, 2013. The notice contains</p> <p>21 the hearing date, time and location as required by</p> <p>22 § 24-4-103(3)(a) C.R.S., and it has been continually</p> <p>23 published on the Secretary of State's website since</p> <p>24 that date.</p> <p>25 The second and third page of Exhibit 2</p>	8	<p>1 Exhibit 6 is an email dated December</p> <p>2 27, 2013, notifying the interested parties of this</p> <p>3 rulemaking.</p> <p>4 Exhibit 7 are the individuals notified</p> <p>5 of this rulemaking hearing.</p> <p>6 Exhibit 7A includes individuals and</p> <p>7 entities on CDOT's general rulemaking notification</p> <p>8 list who have requested to be notified of all</p> <p>9 rulemaking activities.</p> <p>10 Exhibit 7B is a list of the members of</p> <p>11 the Statewide Transportation Advisory Committee who</p> <p>12 also received notice. The email provided notice of</p> <p>13 today's hearing date and a strike-through copy of</p> <p>14 the rules. The Department did not receive any</p> <p>15 comments from the representative group or the</p> <p>16 interested parties.</p> <p>17 Exhibit 8 is the redlined copy of</p> <p>18 2 CCR 601-11 showing the proposed changes to the</p> <p>19 existing rules.</p> <p>20 Exhibit 9 consists of three pages and</p> <p>21 includes the Statement of Basis and Purpose and</p> <p>22 Statutory Authority required to be made part of the</p> <p>23 rulemaking record, pursuant to § 24-4-103(4)(a)</p> <p>24 C.R.S.</p> <p>25 Page 2 is a memo to maintain a</p>
7	<p>1 is a printout from the Colorado Register showing</p> <p>2 that the notice of hearing was published in the</p> <p>3 Colorado Register on January 10, 2014.</p> <p>4 Exhibit 3A is a Notice of Rulemaking</p> <p>5 Confirmation from the Department of Regulatory</p> <p>6 Agencies', DORA, website confirming that the rules</p> <p>7 were filed on December 23, 2013.</p> <p>8 Exhibit 3B is the notice from DORA to</p> <p>9 members of the public who have requested to be</p> <p>10 notified of rulemaking regarding transportation, and</p> <p>11 providing them an opportunity to request a cost</p> <p>12 benefit analysis.</p> <p>13 Exhibit 3C is an email confirmation</p> <p>14 from DORA that no cost-benefit analysis is necessary</p> <p>15 for these rules.</p> <p>16 Exhibit 4 is a printout from the CDOT</p> <p>17 website establishing that the Department posted the</p> <p>18 rules on December 30, 2013. The proposed amendments</p> <p>19 to the rules have been posted continually since that</p> <p>20 time.</p> <p>21 Exhibit 5 is an email sent on December</p> <p>22 23, 2013, to senior management team members</p> <p>23 notifying them of the rulemaking. In this case, the</p> <p>24 senior management team constitutes the</p> <p>25 Representative Group.</p>	9	<p>1 permanent rulemaking record. Page 3 is the notice</p> <p>2 required to be posted in the lobby of CDOT at least</p> <p>3 five days prior to the hearing. This notice was</p> <p>4 posted on January 24, 2014.</p> <p>5 I would like to enter Exhibits 1</p> <p>6 through 9 into the record for consideration. I</p> <p>7 would also like to ask that if the Department finds</p> <p>8 any scrivener's errors it may correct them.</p> <p>9 HEARING OFFICER: Thank you. Exhibits</p> <p>10 1 through 9 have been entered into the record.</p> <p>11 MS. MAILE: All of the exhibits we've</p> <p>12 discussed have been offered into the record for your</p> <p>13 consideration. I would ask that you find all of the</p> <p>14 statutory requirements of the APA have been met, at</p> <p>15 the end of this public hearing.</p> <p>16 HEARING OFFICER: Thank you. Since</p> <p>17 there's no one else present from the Department of</p> <p>18 Transportation here today to testify today and there</p> <p>19 are no members of the public or audience either</p> <p>20 signed in on the attendance sheet or present, we</p> <p>21 will conclude the public hearing, public question</p> <p>22 and answer period.</p> <p>23 I will ask the representative of the</p> <p>24 Attorney General's Office to make any comments about</p> <p>25 the rules or procedures today.</p>

10	<p>1 MS. YOUNG: Good morning. My name is  2 Kathy Young and I am the First Assistant Attorney  3 General with the Transportation Unit of the Attorney  4 General's Office. It is my opinion that the  5 rulemaking procedure carried out by the Department,  6 including the rulemaking hearing today, was held in  7 accordance with the Administrative Procedure Act.  8 I have no further comments.  9 HEARING OFFICER: Thank you. If there  10 are no other comments, I will make my findings that:  11 The Transportation Commission properly delegated  12 authority to me to conduct this hearing;  13 that the Department met the requirements of the  14 State Administrative Procedure Act; and that this  15 rulemaking hearing has been conducted in conformance  16 with the State Administrative Procedure Act.  17 I find that the record does support  18 amendment of the Rules Governing the Practice and  19 Procedures of the Transportation Commission of  20 Colorado.  21 I will recommend to the Transportation  22 Commission that the amendments should be adopted, if  23 it so chooses.  24 I will grant Ms. Maile's request to  25 correct any scrivener's errors prior to submitting</p>	12	<p>1 CERTIFICATE  2 STATE OF COLORADO )  )ss.  3 CITY AND COUNTY OF DENVER )  4  5 I, Angela Smith, Professional Reporter  6 and Notary Public for the State of Colorado, do  7 hereby certify that the above-mentioned hearing was  8 taken in shorthand by me and was reduced to  9 typewritten form by computer-aided transcription,  10 that the foregoing is a true transcript of the  11 proceedings had; that I am not attorney nor counsel  12 nor in any way connected with any attorney or  13 counsel for any of the parties to said action or  14 otherwise interested in its event.  15 IN WITNESS WHEREOF, I have hereunto  16 affixed my hand and notarial seal this 6th day of  17 February 2014.  18 My commission expires January 22,  19 2015.  20  21  22 _____  23 Angela Smith  24 Professional Reporter, Notary Public  25 Calderwood-Mackelprang, Inc.</p>
11	<p>1 the rules to the Transportation Commission for its  2 consideration.  3 Finally, I find that the public did  4 have an opportunity to comment.  5 Is there anything else to include in  6 the hearing today? Anything else?  7 If there is nothing else, I will  8 prepare a record for the Transportation Commission.  9 The record will be available for inspection by the  10 public and kept on file with the permanent  11 rulemaking record.  12 Any questions?  13 The oral testimony portion of the  14 rulemaking procedure is now closed. The hearing is  15 adjourned. Thank you.  16 (WHEREUPON, the hearing was concluded  17 at 10:17 a.m.)  18  19  20  21  22  23  24  25</p>		

DEPARTMENT OF TRANSPORTATION

Transportation Commission

2 CCR 601-11

Rules Governing Practice and Procedures of the Transportation Commission of Colorado  
GENERAL RULES OF PRACTICE AND PROCEDURE BEFORE THE TRANSPORTATION  
COMMISSION OF COLORADO

**2 CCR 601-11**

**4.0 — Statement of Basis, Purpose, and Statutory Authority**

4.1 — ~~Basis and Purpose:~~ The purpose of these rules is to set forth provisions governing the Transportation Commission's actions, administrative practices, and transaction of business. The rules are being updated to make one substantive change to rule 3.6 (changing the annual election of officers from the August regular meeting to July) and to otherwise make numbering and other non-substantive changes.

4.2 — ~~Statutory Authority:~~ The specific authority under which the Transportation Commission of Colorado shall establish these rules is set forth in ~~§ 43-1-106(6) and § 43-1-106(8)(k), C.R.S. (2010).~~

**21.00 Definitions**

~~2.11.01~~ "Ad Hoc Committee" shall mean a committee created by the Commission for the purpose of addressing a specific need of a non-continuous nature.

~~2.21.02~~ "Bridge Enterprise Board of Directors" shall mean a type 1 board as defined in ~~§ 24-1-105, C.R.S., (2010)~~ and shall be comprised of the members of the Transportation Commission of Colorado pursuant to ~~§ 43-4-805(2) C.R.S. (2010),~~

~~21.03~~ "Commission" shall mean the Transportation Commission of Colorado.

~~21.04~~ "Department" shall mean the Colorado Department of Transportation.

~~21.05~~ "Executive Director" shall mean the Executive Director of the Colorado Department of Transportation.

~~21.06~~ "Headquarters" shall mean 4201 East Arkansas Avenue, Denver, Colorado 80222.

~~21.07~~ "HPTE Board" shall mean the Board of Directors of the High Performance Transportation Enterprise pursuant to ~~§ 43-4-806(2)(a), C.R.S., (2010)~~ which shall be a type 1 board as defined in ~~§ 24-1-105, C.R.S., (2010)~~ and shall include three members of the Transportation Commission appointed by resolution of the Commission.

~~21.08~~ "Meeting" shall mean any kind of gathering convened to discuss public business, in person, by telephone, electronically, or by other means of communication pursuant to ~~§ 24-6-402(1)(b), C.R.S., (2010).~~

~~21.09~~ "Secretary" shall mean the Secretary of the Transportation Commission of Colorado.

21.10 "Standing Committee" shall mean a committee created by the Commission to address a general need of a continuous nature.

21.11 "State" shall mean the State of Colorado.

### **32.00 Commission Members – Elections – Appointments - Successions**

32.01 The Commission consists of eleven members, appointed by the Governor with the consent of the Senate for terms of four years. Each Commissioner shall reside in the district the Commissioner represents.

32.02 All members of the Commission shall take an oath of office prescribed by the constitution of the state for state officers and the oath shall be filed by the Secretary in the Office of the Secretary of State.

32.03 The members of the Commission and their successors shall constitute a body corporate to be known as the "Transportation Commission of Colorado"; shall have the power to adopt and use a common seal and to change and alter such seal at will; and shall have and exercise all powers necessarily incident to a body corporate.

32.04 All members of the Commission shall also serve as members of the Bridge Enterprise Board of Directors.

32.05 Three members of the Commission shall be appointed by Commission resolution to serve on the Board of Directors of the High Performance Transportation Enterprise.

32.06 Annual election of officers shall be the first order of business at the Commission's regular ~~August~~ July meeting.

32.07 The Commission shall elect a Chairman, Vice Chairman and Secretary to serve for one year or until successors are elected.

32.08 The Chairman shall preside at all regular meetings of the Commission. The Chairman shall be a member of the Commission.

32.09 The Vice Chairman, in the absence or disability of the Chairman shall perform the duties of the Chairman. The Vice Chairman shall be a member of the Commission.

32.10 In the absence or disability of the Chairman or Vice Chairman, the Commission shall elect from its members present a Chairman pro tempore who shall perform the duties of the Chairman for that meeting.

32.11 The Secretary shall assist the Chairman in conducting the meetings of the Commission and shall keep the books and records of the Commission. The Secretary shall be a member of the Department staff.

### **43.00 Committees of the Commission**

43.01 The Commission may create Standing Committees by full consent of the Commission as it deems necessary. As part of the annual election of officers, members shall be appointed by the Chairman, with the consent of the full Commission, to all existing Standing Committees; members so appointed shall serve for one year or until their successors are appointed. The Commission has created the following Standing Committees:

43.01.1 The Audit Review Committee ("ARC"), which shall be comprised of at least three members of the Commission who shall meet periodically with executive management and the Audit Director to review audits, reports and activities of the internal Audit Division. Any Commissioner may refer an audit or a report to the full Commission for consideration.

43.01.2 The Disadvantaged Business Enterprises ("DBE") Committee, which shall be comprised of at least four members of the Commission who shall meet periodically with executive management and the DBE program administrator to review the DBE program.

43.01.3 The Safety Committee, which shall be comprised of at least four members of the Commission who shall meet periodically with executive management to review the safety program.

43.01.4 The Transit and Intermodal Committee ("T&I Committee"), which shall be comprised of at least four members of the Commission who shall meet periodically with executive management and the Division of Transit and Rail Director to review transit and rail policies and practices.

43.01.5 The Efficiency and Accountability Committee, which shall seek ways to maximize the efficiency of the Department to allow increased investment in the transportation system over the short, medium, and long term.

A. Membership shall include, from state government:

1. One member of the Commission designated by the Commission;
2. One member of the Office of the Executive Director designated by the Executive Director;
3. One member from each of the divisions of the Department created in section § 43-1-104(1) C.R.S., ~~(2010)~~ designated by the Executive Director after consultation with the directors of each division; and
4. Any other employees of the Department the Executive Director may designate.

B. Membership shall include, from outside state government, representatives of:

1. The construction Industry;
2. The engineering industry;
3. The environmental community;
4. Transportation planning organizations;
5. Public transportation providers; and
6. Any other industries or groups that the Commission determines should be represented on the committee.

C. The Efficiency and Accountability Committee shall periodically report to the Commission and the Executive Director regarding means by which the Commission and the Department may execute their duties more efficiently. The

Executive Director or the Director's designee shall report at least once per calendar year to either the committees of the House of Representatives and the Senate that have jurisdiction over transportation or the Transportation Legislation Review Committee regarding their activities and recommendations and any actions taken by the Commission or Department to implement recommendations of the committee.

43.02 The Chairman, with the consent of a majority of the Commission members, may appoint Ad Hoc Committees as deemed necessary to provide for the efficient conduct of the Commission's business; such committees shall serve at the pleasure of the Chairman.

#### **54.00 Commission Attendance and Notice to Commission of Scheduled Meetings**

54.01 Each Commissioner is encouraged to attend the following:

54.01.1 All meetings and hearings of the Commission.

54.01.2 All meetings or gatherings of private groups or associations at which Commission representation is requested.

54.01.3 All organized official field trips of the Commission.

54.01.4 All meetings of the Department and private companies, groups or governmental entities which the Commissioner attends at the request of the Chairman or the Executive Director.

54.01.5 All Commission meetings with Legislators, the Joint Budget Committee, the House Transportation and Energy Committee, and the Senate Transportation Committee.

54.01.6 All meetings of any standing or Ad Hoc Committee to which a Commissioner is appointed.

54.01.7 All meetings a Commissioner is assigned to attend as a representative of the Commission.

54.02 All absences of Commissioners at a meeting or hearing shall be noted by the Secretary in the minutes of any meeting or hearing of the Commission. Commissioners are encouraged to notify the Secretary or Chairman in advance of any meeting or hearing if they will be unable to attend or if they will be absent from a portion of the meeting or hearing.

54.03 If a Commissioner does not answer roll call at the beginning of the meeting, that Commissioner shall be deemed absent unless excused by the Chairman or his or her subsequent arrival is noted in the minutes.

54.04 Except under special or emergency circumstances, the Secretary will provide to the Commission copies of material pertaining to items that require action within seven days of the meeting.

54.05 Special meetings may be called by the Governor, the Executive Director, the Chairman or a majority of the members of the Commission. The Secretary shall provide notice of any special meeting to the Commission by mail or electronic mail no less than three days prior to the date of any special meeting. However, in case of emergency, a 24-hour notice shall be given by telephone or electronic mail. See ~~§ 43-1-106(6) C.R.S. (2010)~~.

#### **65.00 Schedule of Meetings – Meeting Location**

65.01 Except as provided in this section, regular meetings of the Commission shall be held on the third Thursday of each month and no less than eight times a year.

65.02 A schedule of regular meetings of the Commission shall be established and adopted each December for the upcoming year. By Commission action any such scheduled meeting may be canceled or rescheduled.

65.03 The Chairman of the Commission may propose postponement or advancement of the time and date of any regular meeting for Commission action and the Chairman may remove items from the agenda or rearrange the order of the agenda items.

65.04 The Commission meetings shall be held at ~~h~~Headquarters or at other locations throughout the state. The Commission will consider holding one-third of its meetings outside the Denver area to enable persons throughout the state to attend its meetings and express their opinions to the Commission.

## **76.00 Public Notice of Meetings**

76.01 Public Notice of Commission meetings will be given as provided for in the Colorado Sunshine Act of 1972 (§ 24-6-401, *et seq.* C.R.S. ~~(2010)~~).

76.02 All meetings of two or more members of the Commission at which public business is discussed or at which any formal action may be taken are declared to be public meetings and shall be open to the public at all times, excluding the convening of an executive session pursuant to Rule 87.08. See 24-6-402(2)(a), C.R.S. ~~(2010)~~.

76.03 Any meetings at which the adoption of any proposed policy, position resolution, rule, regulation, or formal action occurs or at which a majority or quorum of the Commission is in attendance, or is expected to be in attendance, shall be held only after full and timely notice to the public. See § 24-6-402(2)(c), C.R.S. ~~(2010)~~.

76.04 The Commission shall be deemed to have given full and timely notice if the notice of the meeting is posted in the lobby of CDOT Headquarters, ~~4201 E. Arkansas Ave., Denver, CO 80222,~~ and on CDOT's website, no less than twenty-four hours prior to the holding of the meeting.

76.05 In addition to the provisions of 76.04 of this rule, public notice of the regular meeting date and proposed agenda shall be posted by the Secretary ~~at in the front entrance~~ lobby of the Headquarters and on CDOT's website at least five days prior to the meeting, or as soon as practicable.

## **87.00 Conduct of Meetings – Matters Coming Before the Commission**

87.01 In any lawsuit or proceedings, all meetings of the Commission shall be presumed to have been duly called and regularly held.

87.02 Except for matters to be considered by the Commission in Executive Session pursuant to § 24-6-402(3)(a) or § 24-6-402(3)(b), C.R.S. ~~(2010)~~, all meetings of the Commission shall be open to the public and shall be conducted by the Chairman generally under Robert's Rules of Order, but may proceed on an informal basis.

87.03 A quorum of the Commission shall be six members. If a quorum of the Commission is present, a majority vote of the members present shall be required to carry any motion, order, regulation or other action of the Commission.

87.04 All formal action of the Commission shall be by resolution adopted at a regular or special meeting of the Commission as required by statute.

87.05 All resolutions originated by Department staff which require a legal determination must be approved as to legality and form by the ~~Chief Transportation Counsel~~Office of the Attorney General or its designee before being accepted as an action item on a Commission meeting agenda.

87.06 Persons or groups wishing to make a presentation at a Commission meeting or hearing may make a request to be placed on the agenda by contacting the Secretary in writing at 4201 East Arkansas Avenue, Room 270, Denver, Colorado 80222 at least 17 days prior to the meeting. The public is encouraged to participate at these meetings.

87.07 Items which are not included or identified as action items in the public notice of the Commission meeting agenda may, nonetheless, be considered by the Commission for action at the noticed meeting on an emergency basis, provided that the items must be approved for action by either the Chairman or a majority of the Commissioners and that the Secretary must post public notice of such additional action items in accordance with the provisions of Section 7-6.00 of this rule.

87.08 Upon the announcement by the Commission to the public of the topic for discussion and after providing as much detail as possible without compromising the purpose for which the executive session is authorized, and by the affirmative vote of two-thirds of its members, the Commission may hold an Executive Session at a regular or special meeting for the sole purpose of considering any of the matters described in § 24-6-402(3)(a) or § 24-6-402(3)(b), C.R.S. (2010). No adoption of any proposed policy, position, resolution, rule, regulations, or formal action, except the review, approval, and amendment of the minutes of an executive session shall occur at any executive session that is not open to the public.

## **98.00 Records - Minutes**

98.01 All meetings of the Commission shall be electronically recorded. The audio files shall be kept permanently by the Secretary.

98.02 The Secretary shall make and maintain minutes of all Commission meetings. Minutes shall be written in the order in which the issues were considered at the meeting, shall be prepared promptly, and shall be open to public inspection. Minutes of each meeting shall state, by name, the Commissioners that are either present or absent and all Department executive management that are present.

98.03 Minutes shall include all matters considered and action taken, if any, but need not be a verbatim transcript. The minutes shall reflect the number of yea and nay votes on each action item and shall state by name the Commissioners voting yea or nay, if there is a division of the vote.

98.04 Minutes of any meeting shall be approved, rejected or modified at the next regular meeting. After approval or modification, minutes shall be signed by the Secretary and made a part of the Commission's records. A copy of the signed minutes of any Commission meeting shall be available to the public upon request.

98.05 The minutes and records of the Commission, books of account, and the seal of the Commission shall be kept in the office of the Secretary and shall be open to public inspection.

98.06 The Secretary will furnish sign-in sheets for all meetings of the Commission. They will be available at the door of the meeting room.

## **409.00 Compensation – Reimbursement of Expenditures**

409.01 Pursuant to § 43-1-106 (6), C.R.S. ~~(2010)~~ each member of the Commission shall receive seventy-five dollars per day for each regular or special meeting of the Commission actually attended and shall be reimbursed for his or her necessary expenses incurred in the discharge of such member's official duties and in accordance with Fiscal Rules and Commission policy.

409.02 Mileage rates for necessary travel shall be computed in accordance with § 24-9-104, C.R.S. ~~(2010)~~, as amended.

## **140.00 Standards of Conduct – Conflicts of Interest – Disclosure**

140.01 A conflict of interest occurs whenever a Commissioner has privileged information or a financial interest which may influence or be reasonably perceived by the public as influencing the conduct of the Commissioner.

140.02 A Commissioner holds a position of public trust and has a fiduciary duty to carry out his or her duties for the benefit of the people of the state in a manner consistent with the applicable standards of conduct of § 24-18-101 through § 24-18-206, C.R.S. ~~(2010)~~. Each Commissioner shall comply with such standards, as follows:

140.02.1 A Commissioner shall not perform an official act which may have a direct economic benefit on a business or other undertaking in which he has a direct or substantial financial interest.

140.02.2 "Financial interest" means a substantial interest held by an individual which is:

- (1) An ownership interest in a business;
- (2) A creditor interest in an insolvent business;
- (3) An employment or a prospective employment for which negotiations have begun;
- (4) An ownership interest in real or personal property;
- (5) A loan or any other debtor interest; or
- (6) A directorship or officership in a business.

140.03 However, a Commissioner may, prior to acting in a manner described above which may impinge on his or her fiduciary duty and the public trust, disclose the nature of his or her private interest in writing to the secretary of state, listing the amount of his financial interest, if any, the purpose and duration of his or her services rendered, if any, and the compensation received for the services or such other information as is necessary to describe his or her interest. If he or she then performs the official act involved, he or she shall state for the record the fact and summary nature of the interest disclosed at the time of performing the act. Such disclosure shall constitute an affirmative defense to any civil or criminal action or any other sanction.

## **121.00 Adoption of Rules and Regulations**

121.01 All rulemaking proceedings authorized by law to be conducted by the Commission, or by a designee on behalf of the Commission, shall be conducted in accordance with the State Administrative Procedure Act ("APA"), § 24-4-101 et seq., C.R.S. ~~(2010)~~ as amended.

## **132.00 Commission Adjudicatory Hearings**

132.01 Adjudicatory hearings may be conducted by the Commission on any issues within the Commission's jurisdiction or the hearing may be delegated by the Commission either to an Administrative Law Judge, in the Division of Administrative Hearings, Department of Administration, or to the Department of Transportation's Executive Director to act as the Hearing Officer. Hearings shall be conducted in accordance with the State Administrative Procedure Act ("APA") § 24-4-101, *et seq.* C.R.S. (2010), unless the Commission's or the Department of Transportation's enabling legislation provides otherwise.

132.02 In cases where the Department conducts adjudicatory hearings, either through the Executive Director or his designee, which may be but shall not be limited to the Chief Engineer or an Administrative Law Judge. The Executive Director, or his or her designee, shall file a written report with the Commission for review setting forth the evidence and the findings and the application of the findings to statutes and rules. Upon review, the Commission may then sustain findings or make new findings based upon the record.

**Resolution # TC -**

**Adopt Rules Governing the Practice and Procedures of the Transportation Commission of Colorado, 2 CCR 601-11**

**WHEREAS**, § 43-1-106(6) and § 43-1-106(8)(k) C.R.S. authorize the Transportation Commission of Colorado (the “Commission”) to promulgate rules in relation to its meetings and the transaction of business; and

**WHEREAS**, the current Commission rules were last updated on November 14, 2011; and

**WHEREAS**, the Commission has determined that it will elect officers annually in July rather than August, requiring a change to Rule 3.6; and

**WHEREAS**, other minor modifications to the Rules were necessary, including revising numbering and statutory citation; and

**WHEREAS**, the Commission opened the rulemaking process at its December 19, 2013 meeting by TC Resolution 3124; and

**WHEREAS**, an Administrative Hearing Officer, acting with delegated authority from the Commission, presided over a rulemaking hearing on January 31, 2014; and

**WHEREAS**, the Administrative Hearing Officer recommends that the Commission adopt the proposed changes to the Rules.

**NOW THEREFORE BE IT RESOLVED**, the Transportation Commission herein adopts the Rules Governing the Practice and Procedures of the Transportation Commission of Colorado, 2 CCR 601-11, inclusive of all recommended changes.

\_\_\_\_\_  
Transportation Commission Secretary

\_\_\_\_\_  
Date

Transportation Commission  
 February 19 & 20, 2014  
 Meeting Schedule & Agenda  
 4201 East Arkansas Avenue  
 Denver, Colorado 80222

Douglas E. Aden, Chairman  
Grand Junction, District 7

Shannon Gifford  
 Denver, District 1  
Ed Peterson, Vice Chairman  
 Lakewood, District 2  
Gary M. Reiff  
 Englewood, District 3  
Heather Barry  
 Westminster, District 4  
Kathleen Gilliland  
 Livermore, District 5

Kathy Connell  
 Steamboat Springs, District 6  
Sidny Zink  
 Durango, District 8  
Les Gruen  
 Colorado Springs, District 9  
William Thiebaut  
 Pueblo, District 10  
Steven Hofmeister  
 Haxtun, District 11

THE CHAIRMAN MAY ALTER THE ITEM SEQUENCE OR TIMES

The times indicated for each topic on the Commission agenda are an estimate and subject to change. Generally, upon the completion of each agenda item, the Commission will immediately move to the next item. However, the order of agenda items is tentative and, when necessary to accommodate the public or the Commission's schedules, the order of the agenda items is also subject to change.

Documents are posted at <http://www.coloradodot.info/about/transportation-commission/meeting-agenda.html> no less than 24 hours prior to the meeting. The documents are considered to be in draft form and for information only until final action is taken by the Commission.

Unless otherwise noted, all meetings are in CDOT HQ Auditorium.

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BRIDGE ENTERPRISE BOARD OF DIRECTORS .....Tab 15

- 1:00 p.m. Call to Order and Roll Call
- 1:00 p.m. Audience Participation  
 Subject Limit: 10 minutes; Time Limit: 3 minutes
- 1:00 p.m. Act on Consent Agenda ..... Bridge Enterprise 3  
 a) Resolution to Approve Regular Minutes from  
 January 16, 2014 (Herman Stockinger)
- 1:05 p.m. Discuss and Act on 7<sup>th</sup> Budget Supplement for FY2014  
 (Scott Richrath) ..... Bridge Enterprise 9

- 1:10 p.m. Bridge Enterprise 2013 Annual Financial Statements  
(Scott Richrath) ..... Bridge Enterprise 12
- 1:15 p.m. Program Funding Progression Overview  
(Scott Richrath) ..... Bridge Enterprise 13
- 1:20 p.m. Engineering News-Record Mountain States: Pecos Bridge Article  
(Scott McDaniel) ..... Bridge Enterprise 14
- 1:25 p.m. Monthly Progress Report (Scott McDaniel) ..... Bridge Enterprise 18
- 1:30 p.m. Adjournment

**Bridge Enterprise Board  
Regular Meeting Minutes  
Thursday, January 16, 2014**

PRESENT WERE: Doug Aden, Chairman, District 7  
Ed Peterson, Vice Chairman, District 2  
Shannon Gifford, District 1  
Gary Reiff, District 3  
Heather Barry, District 4  
Kathy Gilliland, District 5  
Kathy Connell, District 6  
Sidny Zink, District 8  
Les Gruen, District 9  
Bill Thiebaut, District 10  
Steven Hofmeister, District 11

ALSO PRESENT: Don Hunt, Executive Director  
Gary Vansuch, Director of Process Improvement  
Debra Perkins-Smith, Director of Division of Transportation  
Scott McDaniel, Acting Chief Engineer  
Heidi Humphreys, Director of Admin & Human Resources  
Amy Ford, Public Relations Director  
Scott Richrath, CFO  
Herman Stockinger, Director of Policy and Government Relations  
Mike Cheroutes, Director of HPTE  
Mark Imhoff, Director of Division of Transit and Rail  
David Gordon, Aviation Director  
Ryan Rice, Director of Operations Division  
Darrell Lingk, Director of Office of Transportation Safety  
Tony DeVito, Region 1 Transportation Director  
Tom Wrona, Region 2 Transportation Director  
Dave Eller, Region 3 Transportation Director  
Johnny Olson, Region 4 Transportation Director  
Myron Hora, Acting Region 4 Transportation Director  
Kerrie Neet, Region 5 Transportation Director  
Kathy Young, Chief Transportation Counsel  
John Cater, FHWA  
Vince Rogalski, Statewide Transportation Advisory Committee (STAC)

AND: Other staff members, organization representatives,  
the public

Chairman Aden convened the meeting at 1:00p.m. in the CDOT Headquarters building at 4201 E. Arkansas Avenue, Denver, CO.

## **Audience Participation**

The Chairman noted that no members of the audience wished to address the Board of Directors.

## **Act on Consent Agenda**

Chairman Aden stated that the next thing on the Agenda was action on the Consent Agenda. Director Connell moved for approval of the Consent Agenda. The motion was seconded by Director Gilliland. Upon vote of the Board, the motion passed unanimously.

## **Resolution #BE-149**

Approval of Regular Meeting Minutes for December 19, 2013.

BE IT SO RESOLVED THAT, the Minutes for the December 19, 2013, meeting of the Bridge Enterprise Board of Directors are hereby approved by the Bridge Enterprise Board as published in the Agenda for the January 15 & 16, 2014, meeting of the Bridge Enterprise Board of Directors.

## **Discuss and Act on Resolution to Approve the 6<sup>th</sup> Budget Supplement for FY2014**

Scott Richrath stated that there was one request in the 6<sup>th</sup> Budget Supplement. In Region 1, there is a request for \$600,000 to establish the design phase for a deficient bridge that will be replaced as part of the I-70 Peak Period Shoulder Lane project. Tony DeVito described this during this presentation on the Twin Tunnels during the Transportation Commission.

Chairman Aden entertained a motion to approve the 6<sup>th</sup> Supplement to FY2014 budget. Director Gilliland moved to approve the resolution, and Director Reiff seconded that motion. Upon a vote of the Board, the resolution was approved unanimously.

## **Resolution #BE-150**

BE IT SO RESOLVED THAT, the 6th Budget Supplement for FY'2014 is hereby approved by the Bridge Enterprise Board.

## **FASTER Lawsuit Appeal Update**

Kathy Young provided an update for the lawsuit that the TABOR foundation brought against the Bridge Enterprise and against the Transportation Commission. The TABOR Foundation sued alleging that the registration fee associated with FASTER was in fact a tax and should have gone before a vote of the people. They also alleged that the way the Bridge Enterprise valued bridges was incorrect.

The Transportation Commission and the Bridge Enterprise Board of Directors decided to hire Mark Gruskin as outside counsel to formulate their defense. He was retained as a special attorney general.

The case went to a bench trial in May 2013. The judgment was in favor of the Bridge Enterprise on both issues. The TABOR foundation filed an appeal in September 2013, and the brief is due at the end of January 2014. It is a slow moving process.

Director Hunt asked for a timeline. The hope is that the appellate phase will conclude in the beginning of 2015. The Attorney General's office will ask for an expedited decision in the case, but there is no guarantee of that. There is no right of appeal to the Supreme Court, but either side can file a cert to the Colorado Supreme Court. If the Supreme Court accepted it, it would be another year added to the process.

Mr. Gruskin has changed law firms but will continue to work alongside the AG's office for the appellate phase.

Chairman Aden stated that the plaintiff has asked Club 20 and possibly other organizations to file amicus briefs in support of their position in this case.

### **Monthly Progress Report**

Scott McDaniel stated that there is a precedent setting effort that went into the schedule change control board. The December Scheduled Performance Index (SPI) is .93. The previous one was a .90. On paper it looks like an increase, but it is due to a single project. The staff did a baseline adjustment on State Highway 88, Arapahoe Road over Cherry Creek. That project had difficulties meeting its original schedule and was plagued throughout the design phase. It was underperforming throughout the process. Once the design phase was completed, it was advertised and is now into the construction phase. Staff decided to re-establish the baseline to give the construction phase a fair and objective starting point in order to accurately track the construction phase, while acknowledging there had been problems in the design phase.

It is important to point this out for the Board because it could set a precedent for all the projects as to whether this is an appropriate adjustment as CDOT moves into program management for all projects.

Therefore, the apparent .03 increase in SPI is due to one baseline adjustment.

He stated that there were three overperforming projects for a total of \$7.5 million in earned value, which increased the SPI by .02.

He stated that there are still 13 railroad projects with a combined earned value of \$20.3 million which have negatively affected the SPI by .05. They are continuing to try to improve relations and contracting ability with the railroads. Every state DOT, not only Colorado, struggles with getting cooperation from the

railroads. There is both a national and local effort to try to improve that process.

Major achievements include the completion of the legislatively required Annual Report and submitted it by the January 2014 deadline, the completion of the 2013 Year in Review Presentation and the Three Year Financial Plan. The major topic of that is the funding for the I-70 Viaduct and how that will impact the Bridge Enterprise.

The Attorney General gave an update on the FASTER lawsuit.

There have been no bridges advertised or completed this month. As the Bond Program is winding down and the PAYGo program begins, the Commission will need to decide how often it would like to see these updates. There will not be much activity in the coming months. The intent is that the Bridge Enterprise will be rolled into Program Management as a separate portfolio.

Commission Reiff stated that it is probably necessary to see the updates separately as part of Bridge Enterprise, although perhaps not as frequently.

Although Bridge Enterprise did not meet the goals of the Bond Expenditure Program, it was very close. The Bond Council was satisfied with the result.

### **Bridge Enterprise 2013 Year in Review**

Scott Richrath discussed FASTER legislation. He mentioned that earlier Commissioner Gilliland had asked about the impact that funding the I-70 Viaduct project would have on the rest of the program. Approximately 10 bridges become poor every year. Looking out to the future, that number is likely to increase to 20 each year. Poor is defined as a Sufficiency Rating of 50 or less that is either structurally deficient or functionally obsolete.

For calendar year 2013, 99 bridges were completed, which is more than 50% of bridges that were poor. Of the 30 worst, 90% are complete. From a deck area standpoint, there is still a long way to go due to the I-70 Viaduct.

The Bond Program did not quite hit the goal from a dollar delivery standpoint, but it did meet other goals. One goal was to repair or replace 40-50 bridges by the end of the year, and 51 were completed by the end of the year. Looking at year over year, Bridge Enterprise went from 27 to 51, completing two bridges each month. It is unlikely that 24 bridges will be completed in the coming year due to pending decisions on the I-70 Viaduct.

From a financial standpoint, there has been \$350 million of Bridge Enterprise spending to date between bond funding and pay as you go. Total 2013 spending is \$154 million, nearly one half spent in the previous year.

From an economic standpoint, there have been 1400 jobs created as result of Bridge Enterprise activity.

There is a .9 SPI goal, and for the calendar year 2013 the SPI was .93.

There is a prioritization plan in place that was approved by the Board. Even without funding the Viaduct, the deterioration curves show that the Bridge Enterprise is not going to maintain the current rating that exists on the bridge infrastructure. By the year 2030-2034, Colorado edges closer to the national threshold of 10% of less structurally deficient. Bridge Enterprise does not have the luxury of simply replacing a bridge that is poor. There is now a decision flow diagram that each bridge will go through in order to determine whether it will be repaired or replaced. Then the diagram will help determine if the bridge needs to be replaced immediately or can be postponed until a later opportunity as part of a larger project. This will use good asset management techniques and decisions that turn the Enterprise into an optimization resource for the entire state bridge infrastructure.

The goal of the prioritization plan is to prolong the life of the structures. The assumption is that a structure will last approximately 60 years, but it is possible to treat these structures to extend the life to 75 years or more. Undertaking a cleansing system by having maintenance teams remove debris either annually or biannually can extend the life of the joints, support and substructure of those bridges.

The Bridge Enterprise has set a standard and led the initiative in CDOT in SPI monitoring for projects.

FASTER has allowed Bridge Enterprise to pursue innovations. One is the pursuit of alternative contract delivery methods. Bridge Enterprise has done \$360 million worth of work through what had been alternative delivery methods for this Department only 5 or 10 years ago, including design build and construction management delivery. There was a slide-in bridge on Pecos, demonstrating innovation not only in contract delivery but also in project delivery.

The Bridge Enterprise well exceeded its Disadvantaged Business Enterprise goals for 2013.

There is an awards submittal in the process to the International Road Federation, and those results should be returned early in 2014.

The work of Bridge Enterprise has been shared by 56 contractors across the state.

In the year 2014, the Bond Program will be closed out because there are only tens of millions of dollars left to be spent of the original \$300 million. There will be conversations about future bond offerings in the context of the I-70 Viaduct and the pending appeal of the FASTER lawsuit.

Bridge Enterprise is working with AECOM to put together a financial plan that will hinge on the Viaduct and what that will mean to the rest of the

infrastructure. The goal through cash management is to have dollars coming in and going out at an even flow over time rather than large influxes at varying rates. Over the last three years, the pipeline for cash flow has become clearer. The Viaduct is the one issue that can have a large impact on the flow of cash.

Chairman Aden stated that this report highlights the great success of the Bridge Enterprise of the last several years. He thanked everyone involved in the Bridge Enterprise.

Commissioner Gilliland stated that with the asset management program moving forward, optimizing maintenance has been prioritized over replacement. She asked if there is an upgrade plan for the teams who are maintaining the structures, including more employees.

Scott Richrath stated that they have been operating a level baseline from a staffing standpoint. They are trying to push out \$300 million a year of additional program. Most of that will be done through the private sector, including deck seal and joint replacement on several hundred structures that are not yet poor. The hope is to keep the number of bridges that become poor each year at a level that Bridge Enterprise can handle, approximately 10-15 per year.

### **Adjournment**

Chairman Aden asked if there were any more matters to come before the Bridge Enterprise Board and hearing none, Chairman Aden announced the adjournment of the meeting at 1:32p.m.

# STATE OF COLORADO

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## DEPARTMENT OF TRANSPORTATION

Division of Accounting and Finance  
4201 East Arkansas Avenue  
Denver CO 80222  
(303) 757-9262



DATE: February 20, 2014  
TO: Bridge Enterprise Board of Directors  
FROM: Scott Richrath, CFO  
SUBJECT: Seventh Supplement to the FY 2014 Bridge Enterprise Budget

Enclosed is the Seventh Supplement to the FY 2014 Bridge Enterprise Budget.

**REGION 1**

- **\$840,300** – Establish the utilities phase budget for the Construction and Maintenance (C & M) agreements with BNSF and RTD. The C & M agreements must be executed before the project can go to AD. (18908)

US 287 (Federal) over BNSF at 69th Avenue in Adams County  
 Structure E-16-AA

*Budget Components by Phase, Funding Program, Fiscal Year*

Phase of Work	Funding Program	Current Budget				Seventh Supplement Action	Revised Budget	Expended To-Date
		Prior Years	FY 2014	Advanced (FY ')	Total			
Design	<i>Bond Proceeds</i>	\$2,016,500	\$299,835	\$0	\$2,316,335	\$0	\$2,316,335	\$1,531,250
	<b>Total Design</b>	<b>\$2,016,500</b>	<b>\$299,835</b>	<b>\$0</b>	<b>\$2,316,335</b>	<b>\$0</b>	<b>\$2,316,335</b>	<b>\$1,531,250</b>
Utilities	<i>FASTER Funds</i>	\$0	\$0	\$0	\$0	\$840,300	\$840,300	\$0
	<b>Total Utilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$840,300</b>	<b>\$840,300</b>	<b>\$0</b>
<b>Total Project Budget</b>		<b>\$2,016,500</b>	<b>\$299,835</b>	<b>\$0</b>	<b>\$2,316,335</b>	<b>\$840,300</b>	<b>\$3,156,635</b>	<b>\$1,531,250</b>

*BE is not programming any new projects until the financial liability for the I-70 Viaduct project has been determined. This is an existing project in which the budget for the design phase was approved by the Bridge Enterprise Board at the May 2012 meeting (BE Resolution102). This supplement is only advancing this existing project to the next phase. This structure has a Prioritization Plan score of 40; “a strong candidate to program”.*

**Resolution No. BE-**

**“BE IT RESOLVED, That the Seventh Supplement to the Fiscal Year 2013-2014  
Budget is approved by the Bridge Enterprise Board.”**

# COLORADO BRIDGE ENTERPRISE

## Memorandum

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Colorado Bridge Enterprise  
4201 East Arkansas Avenue  
Denver, Colorado 80222

**DATE:** February 20, 2014  
**TO:** Bridge Enterprise Board of Directors  
**FROM:** Scott Richrath, CBE Chief Financial Officer  
**SUBJECT:** Colorado Bridge Enterprise 2013 Annual Financial Statements

This memorandum is to inform the Bridge Enterprise (BE) Board that the Colorado Bridge Enterprise 2013 Annual Financial Statements for the year ended June 30, 2013 were audited by CliftonLarsonAllen, LLP under a contract with the State Auditor. No audit findings were reported.

The audit was presented to the State Legislative Audit Committee for its review and acceptance, and the Legislative Audit Committee subsequently released the document for distribution on January 14, 2014.

The documentation is available for review on the CDOT/Bridge Enterprise webpage via the following link: <http://www.coloradodot.info/programs/BridgeEnterprise/financial-statements/cbe-financial-statements-fy2012-fy2013.pdf/view>

If you have any questions regarding these statements please do not hesitate to contact me.

# COLORADO BRIDGE ENTERPRISE

## Memorandum

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Colorado Bridge Enterprise  
4201 East Arkansas Avenue  
Denver, Colorado 80222

**DATE:** February 20, 2014  
**TO:** Bridge Enterprise Board of Directors  
**FROM:** Scott Richrath, CBE Chief Financial Officer  
**SUBJECT:** Colorado Bridge Enterprise Program Funding Progression Graph

Scott Richrath will introduce and discuss the following Program Funding Progression Graph, which is intended to show the amount of Bridge Enterprise (BE) program currently committed but not yet completed. The data depicted in the chart is based on figures reported through December 31, 2013.

The blue line shows projects completed and in construction and are primarily bond funded. The red line shows committed projects through FY2016 and are primarily pay-go funded. This represents approximately \$198M as of the close of CY2013.

**COLORADO BRIDGE ENTERPRISE**  
**Memorandum**

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Colorado Bridge Enterprise  
4201 East Arkansas Avenue  
Denver, Colorado 80222

**DATE:** February 20, 2014  
**TO:** Bridge Enterprise Board of Directors  
**FROM:** Scott McDaniel, CDOT Acting Chief Engineer  
**SUBJECT:** Engineering News-Record Mountain States: Pecos Bridge Article

This memorandum is to inform the Board that the Engineering News-Record (ENR) Mountain States Magazine has published an article about the I-70 over Pecos Bridge Replacement.

This item is for your information and is not included for discussion or action.

If you have any questions regarding these statements please do not hesitate to contact me.



# I-70 Bridge Replacement Notches a Number of Firsts

New Pecos Street Bridge incorporates several innovations for CDOT's project team and greatly improves neighborhood access **BY MARK SHAW**

**R**eplacing the Pecos Street Bridge over Interstate 70 in central Denver this year encompassed several firsts for the project owner—the Colorado Dept. of Transportation—the project team and the industrial neighborhoods on either side of the interstate that depend heavily upon the busy interchange.

The project began “as just a standard bridge replacement,” says Tamara Hunter-Maurer, the design and construction engineer for CDOT. The 1965 bridge had outlived its functional life and needed to go, but replacing it would be difficult because the interchange is just west of Denver’s infamous “Mousetrap,” where I-70 and I-25 intersect, creating big traffic loads.

More than 130,000 vehicles a day pass under the bridge along I-70, with heavy trucks traveling the service roads on either side of the freeway to access manufacturing and warehouse sites. “The norm for a freeway intersection would be about 4% heavy-truck traffic. At Pecos, it’s more like 7%,” Hunter-Maurer says.

Furthermore, traffic alignments on the old Pecos Street Bridge and along 48th Street, which runs parallel to the freeway, were awkward. They created a pinch

at the exit ramps and along the bridge, where big trucks had to swing wide and cross into other lanes to get on and off the freeway. The interchange was cramped, even though the old bridge was seven lanes wide.

“It was too wide and not wide enough,” Hunter-Maurer says. “We needed an out-of-the-box solution.”

So CDOT worked with its design engineer, Wilson & Co., and contractor Kiewit Infrastructure Group, both of Denver, to study 15 different alternatives for the interchange. The team decided to design roundabouts at either end of the bridge to better control freeway access and traffic flow. It is CDOT’s first use of roundabouts at a high-volume, urban interchange.

The decision to place the roundabouts on either end of the bridge drove other decisions, including design and construction of the bridge itself. “The roundabouts came first, the bridge later. We were seeking innovation here, bigger improvements than a straightforward bridge swap could achieve,” Hunter-Maurer says.

Because of the potential for big public impacts from traffic disruption in the area, CDOT sought a delivery method that gave the agency more control over traffic flow. CDOT chose to pilot a CM/GC project delivery

**ROUND AND ROUND** The roundabouts built on either end of the bridge improve traffic flow through the interchange and into the neighborhood.



**INCHING  
ALONG** The full  
constructed  
bridge was safely  
moved and put  
in place over one  
weekend in July.

approach—its first such contract on a major highway project—that would also help meet the tight schedule imposed by funding deadlines.

The \$18.2-million project was funded by the Colorado Bridge Enterprise and the Federal Highway Administration. All funds had to be spent by Oct. 1, 2013. CDOT also received a \$4.7-million Highways for Life grant for innovation.

Hunter-Maurer says it was actually the FHWA that suggested another of the project's firsts: to use accelerated bridge construction (ABC). The new structure was built in CDOT's first-ever bridge farm, located a

block from the site and rolled into place intact.

"From the beginning, we saw this project as a candidate for ABC," Hunter-Maurer says. "One of the biggest factors was the cost to users of numerous delays on I-70 from multiple closures for onsite bridge construction, and the impact on the neighborhood."

"The other option was a full closure of the freeway over one weekend, about 50 hours, to roll the new bridge into place," says Dave Paris, project manager for Kiewit.

The team opted for ABC and the single full closure. The new bridge would be designed as a cast-in-place, post-tensioned box structure with a curved, bow-tie shape, another first in the state. A more typical girder-bridge construction would have made it more difficult to achieve the bow-tie curves, which allow more room for the roundabouts on either end, Paris says.

"If the roundabouts were farther apart, we could have built a straighter bridge, but we didn't have the right-of-way space for that," Hunter-Maurer says. The roundabout on the south side actually extends about 10 ft onto the bridge itself, the first time CDOT has opted for such an alignment. "We got more strength by post-tensioning the bridge," says Tom Melton, structural director for Wilson & Co.'s West region.

After a year of preparation, it took the team 90 days to

PHOTO COURTESY OF KIEWIT



**AMENITIES**

The project also included a separate pedestrian bridge (above). The new vehicle bridge (right) features a unique bow-tie shape to allow room for the roundabouts

plan the details of the bridge move. Demolition of the old bridge began Friday night, July 19, and at noon on Saturday, Netherlands-based heavy-cargo transportation specialist Mammoet started moving the 4.8-million-lb replacement bridge onto I-70. A series of grouped trailers worked like a hydraulic tripod to hold the bridge in “exactly the same plane” throughout the move, Paris says. “It was almost an automated procedure.”

“But engineering involvement during the bridge move was critical because some of our original assumptions [about the move] were not valid,” Hunter-Maurer says. “We had to shift some of the support points around.”

Kiewit had more than 100 people working 2,500 man-hours around the clock to ensure the bridge was set safely. The move required 2,000 tons of imported dirt and 600 steel plates to line the travel pad. They ensured that the bridge stayed level and the freeway surface was not damaged by the massive trailers. The team monitored distortions and deflections closely during the move. The bridge was not physically attached to the trailers. “It was all just gravity,” Paris says.

The new bridge had to be pivoted 180 degrees once it was on the freeway before it could be rolled into place in its final configuration around 1 a.m. on Sunday morning. The freeway opened on time for the Monday morning rush hour. The move went smoothly and safely, with minimal impacts, says Hunter-Maurer. The project was completed on schedule in the fall.

“We were blown away by the number of people who came out to the viewing area to see the move,” says James Brady, Wilson & Co. senior vice president. “There was a real sense of pride in the neighborhood about the project.”

The new bridge and Pecos Street interchange are a “night and day difference” from the previous alignments, Hunter-Maurer says. ■

PHOTOS COURTESY OF KIEWIT

Article reprinted from ENR Mountain States magazine.

BRIDGE ENTERPRISE  
BOARD OF DIRECTORS MEETING



# FEBRUARY 2014 MONTHLY PROGRESS REPORT

Colorado Bridge Enterprise

2/20/2014

# Program Schedule

2

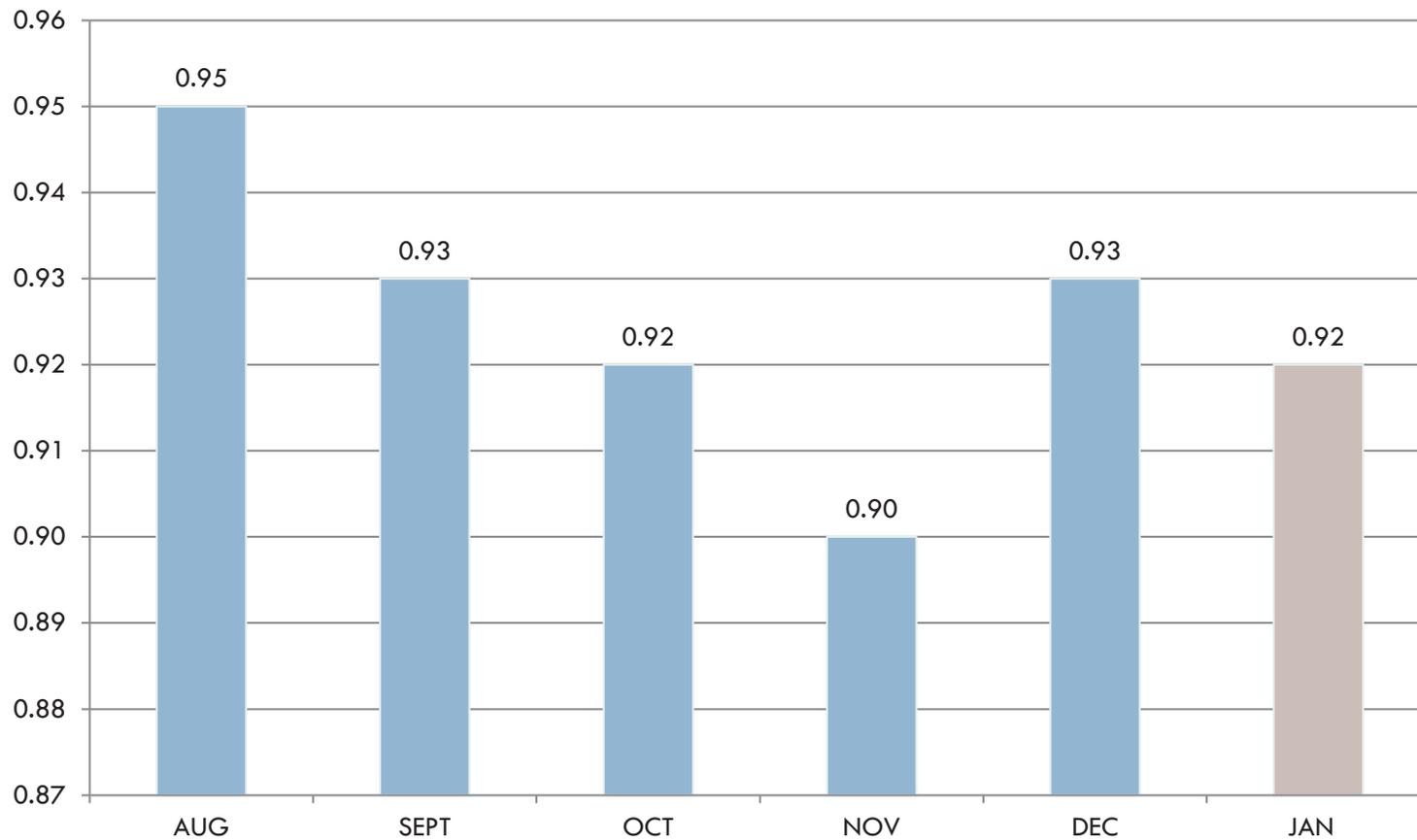
- Program schedule updated for work complete through January 2014
- January Schedule Performance Index (SPI) = 0.92
  - ▣ Represents a 0.01 DECREASE from prior month (December SPI = 0.93)
- Over-performing projects
  - ▣ 3 projects with \$6.8M in combined Earned Value (EV) greater than planned
  - ▣ Increases overall program SPI by 0.02; NO CHANGE from prior month
- Under-performing projects
  - ▣ 13 Railroad projects with \$22.3M in combined lost EV
    - Reduces overall program SPI calculation by 0.06; a 0.01 INCREASE from prior month
  - ▣ No Non-Railroad projects with a significant lost EV (Lost SPI  $\geq$  0.01)

2/20/2014

# Program Schedule

3

## Program SPI by Month



Program Goal SPI  $\geq$  0.90

2/20/14

# Major Achievements (as of end of January 2014)

4

- Current Program Initiatives
  - ▣ State Legislative Audit committee released the CBE 2013 Financial Statements for year ended June 30, 2013
  - ▣ Completed Q1- FY2014 Quarterly Report
  - ▣ Issued Q3 – FY2014 Maintenance Invoice
- Innovative Bridge Projects
  - ▣ Region 1: US6 Design/Build Project
    - Initiated Construction Phase
      - Closure for a Bridge Demolition at Knox Court Feb 14<sup>th</sup> to the 16<sup>th</sup>
      - Closure of Northbound I 25 off-ramp to Eastbound US 6 for 6 months

2/20/2014

# Major Achievements (as of end of January 2014)

5

## □ Bridges to AD

### □ Region 1

- F-17-GO: US 40 ML Eastbound (East Colfax) over Tollgate Creek (Aurora, CO)
- G-17-GA: US 40 ML Westbound (East Colfax) over Tollgate Creek (Aurora, CO)

## □ Bridges to Construction

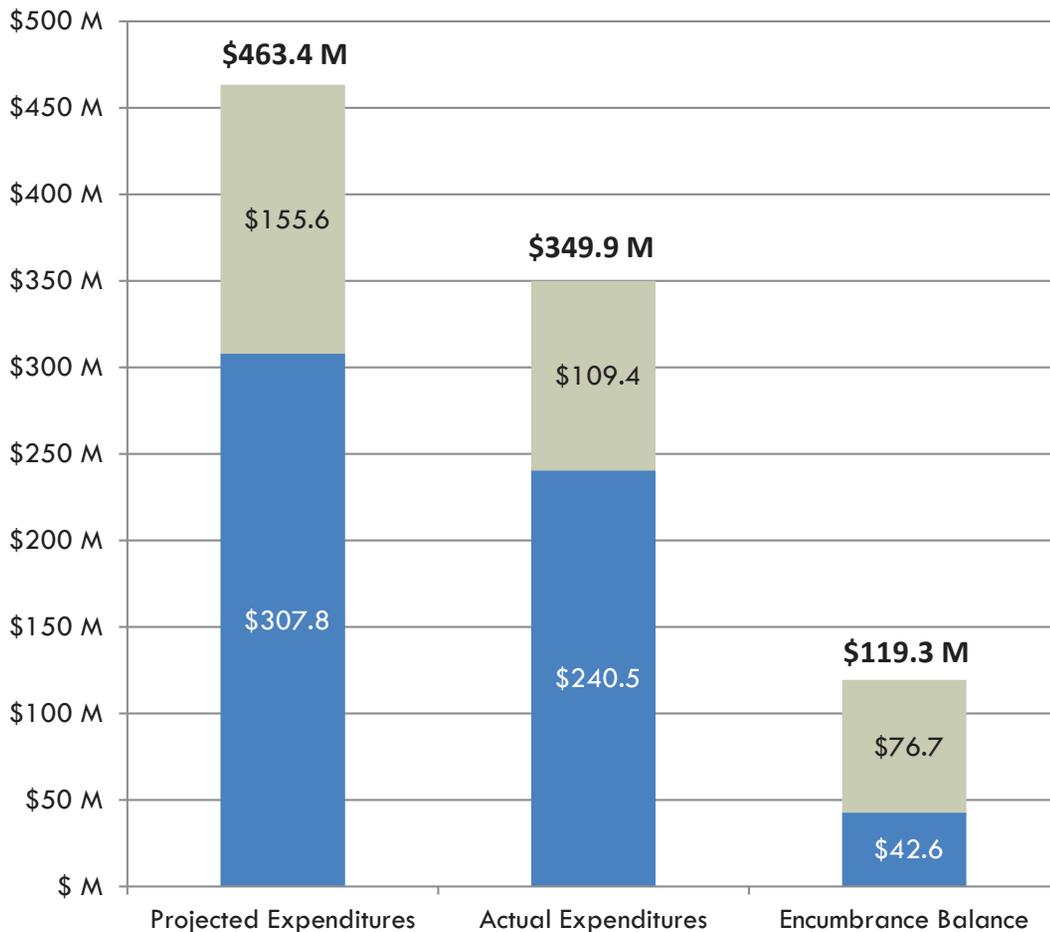
### □ Region 2

- N-17-C: I 25 Business Route over Sull Creek (Walsenburg, CO)

# Total Program Financial Performance

6

As of December 31, 2013



## Changes from Previous Month

### Projected Expenditures

- Overall increased by \$10.1M or 2.2%
- Bond-Only increased by \$6.2M or 2.1%

### Actual Expenditures

- Overall increased by \$12.6M or 3.7%
- Bond-Only increased by \$6.4M or 2.7%

### Encumbrance Balance

- Overall decreased by -\$6.1M or -4.9%
- Bond-Only decreased by -2.7M or -6.0%

Encumbrance balances (bond-only) to decrease as expenditures increase; unless new work scope is contracted.

# Status FASTER Eligible Bridges

7

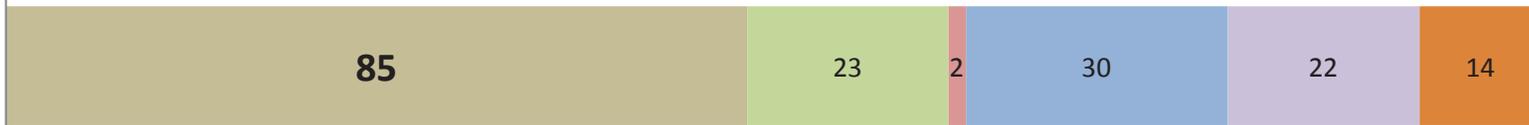
**Current 179 Eligible Bridges**



**January 179 Eligible Bridges - 1 Month ago**



**August 176 Eligible Bridges - 6 Months ago**

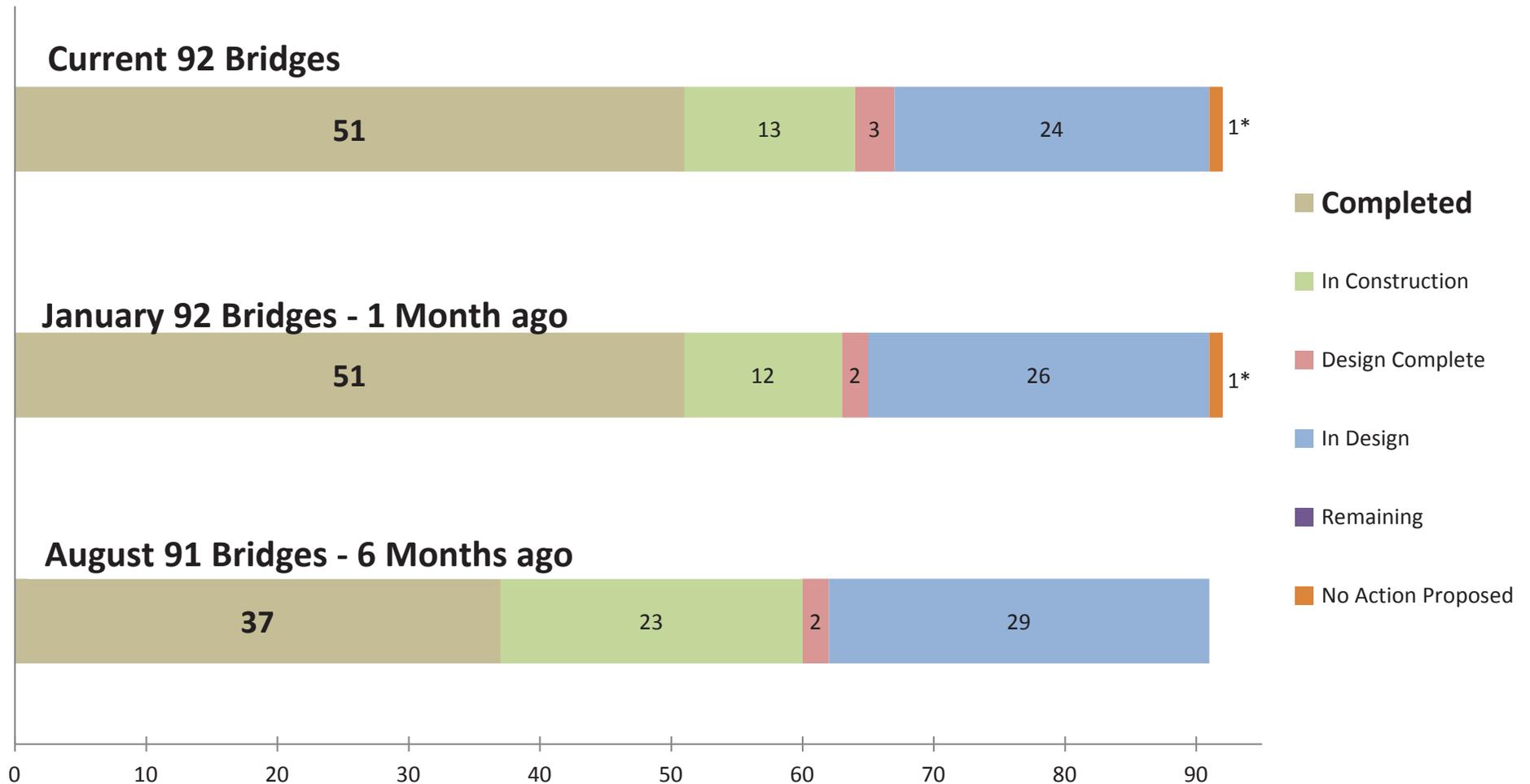


- Completed
- In Construction
- Design Complete
- In Design
- Remaining
- No Action Proposed

0 20 40 60 80 100 120 140 160 180

2/20/14

# Status \$300M Bond Bridges



\* One project was determined in-eligible

\*\* Recognized I-70 Viaduct w/ ROW acquisition

# Status of 30 Most Deficient Bridges

9

	2013 Poor List Bridges Worst 30 Status	Original 128 Bridges Worst 30 Status
Complete	12	27
In Construction	4 <sup>b</sup>	1
Design Complete	0	0
In Design	9	2
Remaining	5 <sup>a</sup>	0
Total Addressed	30	30

<sup>b</sup> One Bridge moved to In Construction: N-17-C

a	Region	Location	Current Status
E-17-EW	R1	I-70 ML EBND over UP RR	Pending I-70 East FEIS
E-17-DF	R1	I-70 ML WBND over UP RR	Pending I-70 East FEIS
E-17-KR	R1	I-270 ML EBND over I-70 ML	Pending I-70 East FEIS
C-17-B	R4	SH 60 ML over SOUTH PLATTE RIVER	Currently Not Programmed
K-17-F	R2	SH 96 ML over RUSH CREEK	Currently Not Programmed

2/20/2014

# DBE Participation; through end of CY2013

10

- From **3/1/2010 – 12/31/2013**, State & FHWA-funded BE construction contracts continue to help CDOT exceed its overall DBE goal through the following achievements:
  - 3 DBE Prime Contracts Awarded = \$7,014,350
  - 305 DBE Subcontracts Awarded = \$32,406,935
  - 308\* Total DBE Contracts Awarded = \$39,421,285
  - Overall DBE Participation on BE Contracts = **16.2%**
  - CDOT DBE goal at 13.3%

\* The 308 prime and subcontracts went to 103 individual DBE firms

# FASTER Q&A

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## Questions & Answers

2/20/2014

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