



COLORADO

Department of Transportation

Office of the Chief Engineer

4201 E. Arkansas Ave., Room 262
Denver, CO 80222

DATE: January 20, 2016
TO: Transportation Commission
FROM: Josh Laipply, Chief Engineer
Maria Sobota, Chief Financial Officer
Richard Zamora, Office of Program Management Director
SUBJECT: Program Management Workshop

Purpose

The Program Management Workshop provides the Transportation Commission with an update on the delivery of programs and significant projects. This month there is a focus on the RAMP Partnership & Operations Program and Flood.

Details

A primary performance objective related to the integration of Cash Management and Program Management is a reduction of the cash balance. Total program spending has a significant impact on CDOT's cash balance. Included in the PMO deck is a bar chart projecting the impact of total program spending for Fiscal Year 2016 on individual cash fund balances and federal cash equivalents.

The projected Capital Construction Fund (Fund 400) balance at December 31, 2015, was \$537 million. The actual Fund 400 cash balance at December 31, 2015, was \$372 million - a difference of \$165 million.

The most notable reason why the Fund 400 cash balance decreased more than originally projected is because CDOT did not have a significant amount of federal obligation limitation to convert accrued project expenditures to cash. The attached memorandum gives further details of the accounts in the total cash balance.

We are continuing to monitor program delivery at the statewide level using the expenditure performance index (XPI) to evaluate actual construction expenditure performance as compared to planned. This month the cumulative XPI has risen to 0.96 from 0.93 in November and 0.90 in October. We are pleased that after having several months of actual expenditures being just a bit under planned expenditures, December's expenditures exceeded planned monthly expenditures, allowing us to achieve a monthly XPI of 1.21 for December.

The Office of Program Management is continuing to report on the performance metrics and objectives to the Commission that it considers helpful for CDOT to achieve its goals and vision. The Calendar Year 2016 Capital Construction



Expenditure Goal was set at \$737M. There are several advantages to reporting expenditures on a calendar year basis rather than a fiscal year basis. The foremost reason is that it matches our construction season. We will continue to monitor and report to the Commission on both Fiscal Year and Calendar Year 2016 Expenditures until June 2016.

The PMO Reporting Overview slide provides a status update of the four main programs reported on by the Office of Program Management. The Schedule Performance Index (SPI) for the RAMP Partnership and Operations program increased from 0.88 in November to 0.95 in December. The SPI for Local Agency RAMP projects decreased slightly from 0.78 in November to 0.76 in December.

The RAMP Partnership and Operations Program continues to show steadily increasing monthly expenditure totals. Budgeted funds increased substantially when the construction funding for the C-470 Express Lanes project was budgeted.

The attached RAMP Partnership program controls update shows how the program is tracking against the remaining contingency and how CDOT is managing the Partnership program to stay within that amount. There are no RAMP Partnership funding requests this month that require commission action.

The Flood Recovery Program is in the process of closing out Emergency Repair (ER) projects and initiating design and construction on the Permanent Repair (PR) projects. To date, 69% of Emergency Repair Projects are closed with 90% of the budget expended. Several Permanent Repair (PR) projects are underway with over 21% projects closed and 50% budget expended. Total Flood Program Expenditures (including Local Agency projects) increased \$9.5 million since October 2015.

A key point in the project delivery for the flood program is the FHWA approval of the Detailed Damage Inspection Report (DDIR). This is a determination of eligibility for FHWA reimbursement for both Emergency Repair projects and Permanent Repair projects. The PowerPoint shows the total amount of approved DDIRs from the available relief funds.

Also included in this month's workshop, we are illustrating new conceptual lead metrics that staff is using to deliver the construction program (expenditure goal). These metrics provide greater insight and improved awareness when trying to proactively manage and deliver a construction program that matches our cash balance targets.

Attachments

1. Attachment A - Cash Balance Detail Memorandum
2. RAMP Partnership Program Controls Update (table)
3. Powerpoint Presentation (including the illustration of New Lead Metrics)





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Division of Accounting and Finance

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DATE: January 20, 2016
TO: Transportation Commission
FROM: Maria Sobota, Chief Financial Officer
Josh Laipply, Chief Engineer
Richard Zamora, Office of Program Management Director
SUBJECT: Attachment A - Cash Balance Memorandum and Forecast Scenarios

Details of Cash Balance Charts

A primary performance objective related to the integration of Cash Management and Program Management is a reduction of the cash balance. Total program spending has a significant impact on CDOT's cash balance. Included in the PMO deck are two cash balance forecast scenario bar charts. *Scenario A* reflects the cash balance forecast through June 2016 based on the original assumptions used to build projections from in July 2015. *Scenario B* reflects a revised cash balance forecast through December 2016 considering the impacts of the FAST Act on the cash balance. Both charts factor in construction program expenditure projections provided by the Program Management Office.

The Fixing America's Surface Transportation (FAST) Act was approved by Congress on Thursday December 3, 2015 and signed by President Obama on December 4, 2015. This is the first long-term Federal Transportation Authorization since SAFETEA-LU in 2005. It is a five year, \$305 billion authorization of highway, safety, transit, and rail programs.

Capital Construction Fund (Fund 400)

The cash balance in the chart is split out by fund with the Capital Construction Fund (Fund 400) being the most relevant as its activity includes the receipt of Highway User Tax Fund (HUTF) transfers, receipt of FHWA reimbursements, and the majority of CDOT's construction spending. The projected Fund 400 cash balance at December 31, 2015, was \$537 million. The actual Fund 400 cash balance at December 31, 2015, was \$372 million - a difference of \$165 million. The most notable reason why the Fund 400 cash balance decreased more than originally projected for December is because CDOT did not have a significant amount of federal obligation limitation to convert accrued project expenditures to cash.

The federal obligation, which is CDOT's authorization to bill FHWA for reimbursement of expenditures, is an important driver of cash balance increases and decreases. In general, CDOT begins to spend down the Fund 400 cash balance



when the federal obligation has been exhausted. This is because as long as CDOT has federal obligation available, it will receive reimbursement for approximately 80 percent of any qualifying expenditure. The projected ending balance for federal obligation at December 31, 2015, was \$285 million. The actual ending balance for federal obligation at December 31, 2015, was approximately \$82 million - a difference of \$203 million. As of the end of December, CDOT was holding approximately \$267 million of expenditures in anticipation of billing FHWA upon receipt of federal obligation.

The timing and amount of federal notices on federal obligation received by CDOT impact the Fund 400 cash balance. In a normal year CDOT receives federal obligation of approximately \$500 million for the entire year in October. Due to the existing Continuing Resolution impacting FHWA, CDOT has been receiving its federal obligation in prorated amounts. CDOT had received approximately \$83 million in federal obligation limitation in the current federal fiscal year through December. With the passage of the Fixing America's Surface Transportation (FAST) Act, CDOT received its full federal obligation limitation of \$496 million for the year on January 11, 2016.

In July, we provided a cash balance forecast through July 2016 as illustrated in *Attachment A (Scenario A)* under the assumption that CDOT would continue to receive its Federal Fiscal Year 2016 obligation in pro-rated amounts based on FHWA restrictions. *Attachment B (Scenario B)* is an updated projection through December 2016 reflecting the expected impacts on cash due to the passage of the FAST Act. While the passage of the FAST Act reduces uncertainty regarding federal obligation receipts in 2016, it will continue to be important for CDOT to closely monitor the cash balance as the Cash Management initiative progresses. By March, Department staff will provide the Transportation Commission with a recommendation of a cash balance threshold to sustain an increased capital construction program while effectively managing expenditure timing and related risks.

Bridge Enterprise Fund (Fund 538)

The projected Bridge Enterprise Fund (Fund 538) cash balance at December 31, 2015, was approximately \$182 million. The actual Fund 538 cash balance at December 31, 2015, was approximately \$219 million - a difference of \$37 million. The cash balance is needed to commit to Central 70 milestone payments during construction to limit CBE's long term debt obligation.

Other CDOT Funds

Included in Other Funds are cash balances related to Aeronautics, HPTTE, and the State Infrastructure Bank, among other smaller funds. Other Funds generally do not fluctuate significantly from month to month.



RAMP Partnership Program Controls Update

RAMP Partnership Program Controls Update									Jan 2015
PCN	Project Name	Original TC Approved Budget [A]	Current Forecasted Cost Estimate [C]	Total Project Cost Variance [A-C]	Prelim. Scalable Review	Additional Non-CDOT Contribution	Additional RAMP Contingency	Additional CDOT Contribution	Project Controls Comments
19192	I-25/ARAPAHOE RD INTERCHANGE	\$74,000,000	\$80,000,000	(6,000,000)	Completed (\$600,00)	Possible	\$6,000,000	\$0	CMGC project; Additional \$6.0M in estimated ROW costs approved in September; ICE results for 60% plans evaluated in August; ICE results for 90% plans evaluated in December; Pavement Cross Section reduced; AD/CAPP negotiations in progress; Planned Construction in Spring 2016.
19954	US 160 Turnouts	\$1,015,000	\$493,898	521,102	Estimated (\$600,000)	Unlikely	\$0	\$0	Project scope has been scaled back to a single decel lane; Alternatively, both decel lanes would cost over \$2.1 million; Scaled project is within original budget; Advertised in December; Planned Letting in January 2016.
19906	US50/Dozier/Steinmeier Intersection Improvement & Signal Improvements (companion Ops project 2-9)	\$2,500,000	\$2,500,000	0	Completed	Unlikely	\$0	\$0	Project is currently tracking within budget; FOR complete; Additional Local Contribution unlikely; Project savings may be realized upon award; Planned Advertisement in January 2016.
18331 19039	I-25 AND CIMARRON EXPRESSWAY	\$95,000,000	\$113,624,588	(18,624,588)	Completed (\$11,500,000)	\$2,050,000	\$2,531,138	\$14,043,450	Awarded; Apparent successful proposer was selected in February; TC Approved additional RAMP Contingency funds; \$2.5 M in savings from bid opening returned to RAMP Contingency.
19056 19751	US 50 / SH 45 Interchange, Wills to Purcell - Pueblo (companion Ops project 2-10)	\$11,200,000	\$11,075,452	124,548	Bundled Projects	\$0	\$0	\$0	Awarded; Total Project Cost (RAMP + Surface Treatment) is \$13,426,152; Project completion anticipated in Summer 2016.
19094	I-70 Simba Run Underpass (Vail Underpass)	\$20,800,000	\$30,100,000 \$29,173,006	(8,373,006)	Completed	1,803,240	\$6,569,766	\$0	Awarded; CMGC project; Additional Local Contribution approved by Town of Vail; Additional RAMP Contingency Funds approved in June 2015; Ad/CAPP Negotiations finalized in December 2015; Construction duration from Spring 2016 through December 2017.
19930	SH 9 - Frisco to Breckenridge: Iron Springs Alignment and Vail Pass Multi-use Path Devolution	\$21,985,000	\$27,487,269	(5,502,269)	Completed (\$4,200,000)	1,012,454	\$4,489,815	\$0	ICE complete; Additional Local Contribution approved by Summit County partners at matching percentage; TC Approved additional RAMP Contingency Funds in July 2015; Planned Advertisement for February or March 2016; Construction duration from Summer 2016 through December 2017.
19911	I-70 Exit 31 Horizon Drive Roundabouts	\$5,000,000	\$6,095,000 \$6,312,300	(1,312,200)	Complete	\$105,000 + \$496,300 Local Match (\$308,000 Utility Co)	\$423,000	\$0	Awarded; Additional RAMP Contingency funds approved in May; Advertised in June 2015; Additional Local Contribution (\$496k) committed to award project in July; Project completion anticipated in Fall 2016.
19910	SH 9 CO River South Wildlife & Safety	\$46,000,000	\$52,627,747	(6,627,747)	Completed (\$4,200,000)	Completed	\$6,627,747	\$0	Awarded; Increased Local Contribution; Additional RAMP Contingency funds approved to Award; Project is nearly 50% expended; Project completion anticipated in Winter 2017.
12372 18401 19561 20632	US 287: Conifer to Laporte Bypass (Phase 1 - SH1 to Laporte Bypass) (Phases 2 & 3 - Local Agency)	\$36,000,000	\$43,833,509 \$43,553,695	(7,553,695)	Completed (\$800,000)	Completed	\$7,553,695	Local Agency is contributing to the other 2 Phases	Awarded; Bid savings realized (FASTER & RAMP); Local Contribution increased its funding of the other 2 Phases; Additional RAMP Contingency Funds approved in August 2015; Project awarded in December 2015; Project completion anticipated in Summer 2018.
19909	US 550 Sky Rocket Box Culvert Replacement	\$2,000,000	\$2,000,000 \$1,908,753	91,247	Complete	Unlikely	\$0	\$0	Awarded; Bid savings realized (\$250k); Advertised in October 2015; Awarded in November 2015; Project completion anticipated in November 2016.
19908	SH 172 / 151 SIGNALIZATION	\$1,800,000	\$1,729,562	70,438	Complete	Unlikely	\$0	\$0	Awarded; Bid savings realized (\$187k); Readvertised in October (no project bids received in August); Awarded in December 2015; Project completion anticipated in Summer 2016.
19397	SH 145 AT CR P SAFETY IMPROVEMENTS	\$1,660,194	\$1,676,597 \$1,912,975	(252,781)	Possible	Unlikely	\$0	\$252,781	Awarded; Savings realized during the design phase; Awarded in June 2015; Additional FASTER funds approved per original application; Project completion delayed until Spring/Summer 2016.
18972	US 285 Antonito Storm Drainage System Replacement	\$2,742,429	\$3,343,337	(600,908)	Bundled Projects	Completed	\$0	\$0	Project Accepted; Local in-kind contribution increased by \$350,000; Bundled with \$7.0 mil SUR project for bidding economy; Construction completed in 9 months (Accepted in Nov 2015).
19411	SH 62 Ridgeway Street Improvements (pending approval of local match)	\$13,791,257	\$13,463,955	327,302	In-progress	Unlikely	\$0	\$0	In Bid/Award; Project is currently tracking within budget; Independent Cost Estimate (ICE) complete; Advertised in December 2015; Letting in January 2016; Construction completion anticipated in Fall 2017.
19643	US 24 Enhancement Project in Buena Vista	\$2,497,090	\$2,780,174	(283,085)	Possible (3 options)	Unlikely	\$0	\$0	Scalability and Local Contribution under region review; Project to be bundled with \$8 mil SUR project; Further reduction of scope and FA items possible; FOR completed in September; Planned Advertisement in April 2016; Construction completion anticipated in Summer 2017.
Subtotals		\$337,990,970	\$391,986,611	(\$53,995,642)	(\$600,000)	\$6,710,754	\$34,195,161	\$14,296,231	\$1,806,505
		Total Original	Total Forecast	Total Variance	Total Scope Reduction	Total Local Contribution	Total RAMP Contingency	Total CDOT Contribution	Remaining Projected Liability

Legend:

Project Awarded (blue)
Cells updated since last month (yellow)

Per resolution TC-3209, Establishment of the RAMP Program Project Controls, the table above includes those RAMP Public-Public Partnership CDOT administered projects that were un-awarded as of December 2014.



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Program Management Update

January 20, 2016



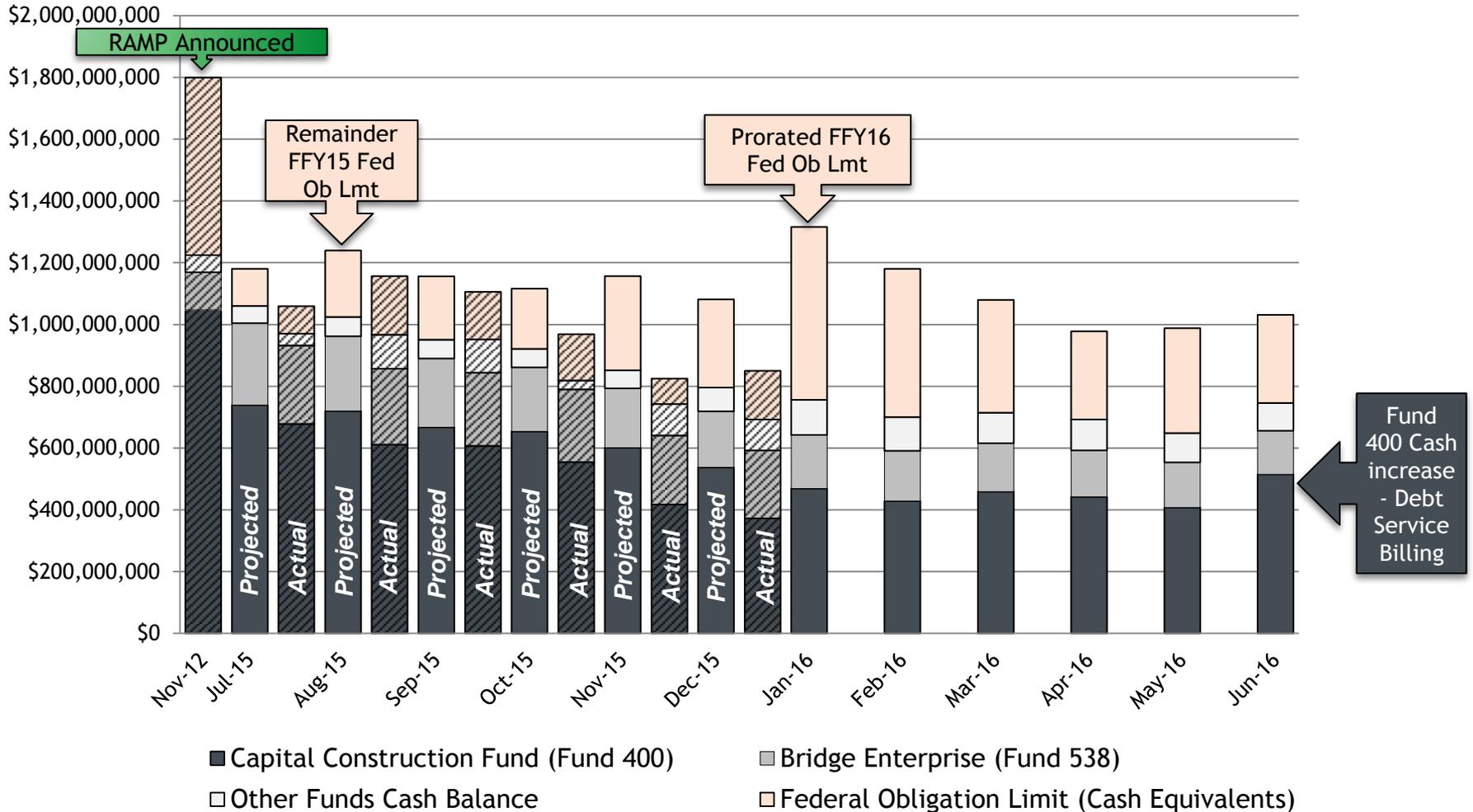
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- Managing within the RAMP Program Controls
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 - (New slides) Metrics to be used by CDOT staff only



Cash & Federal Obligation Target Balance

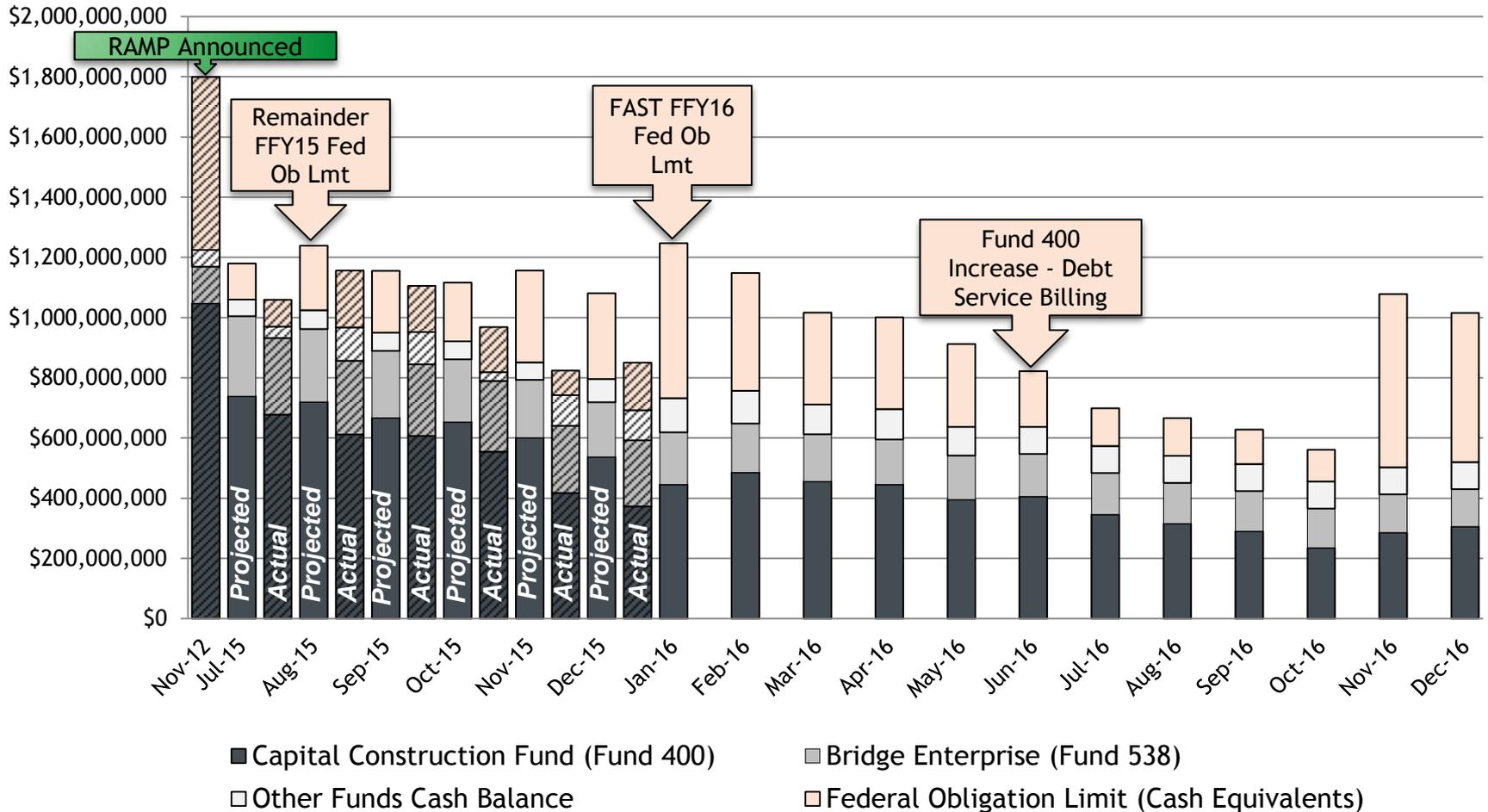
Scenario A - Cash Balance Forecast through July 2016





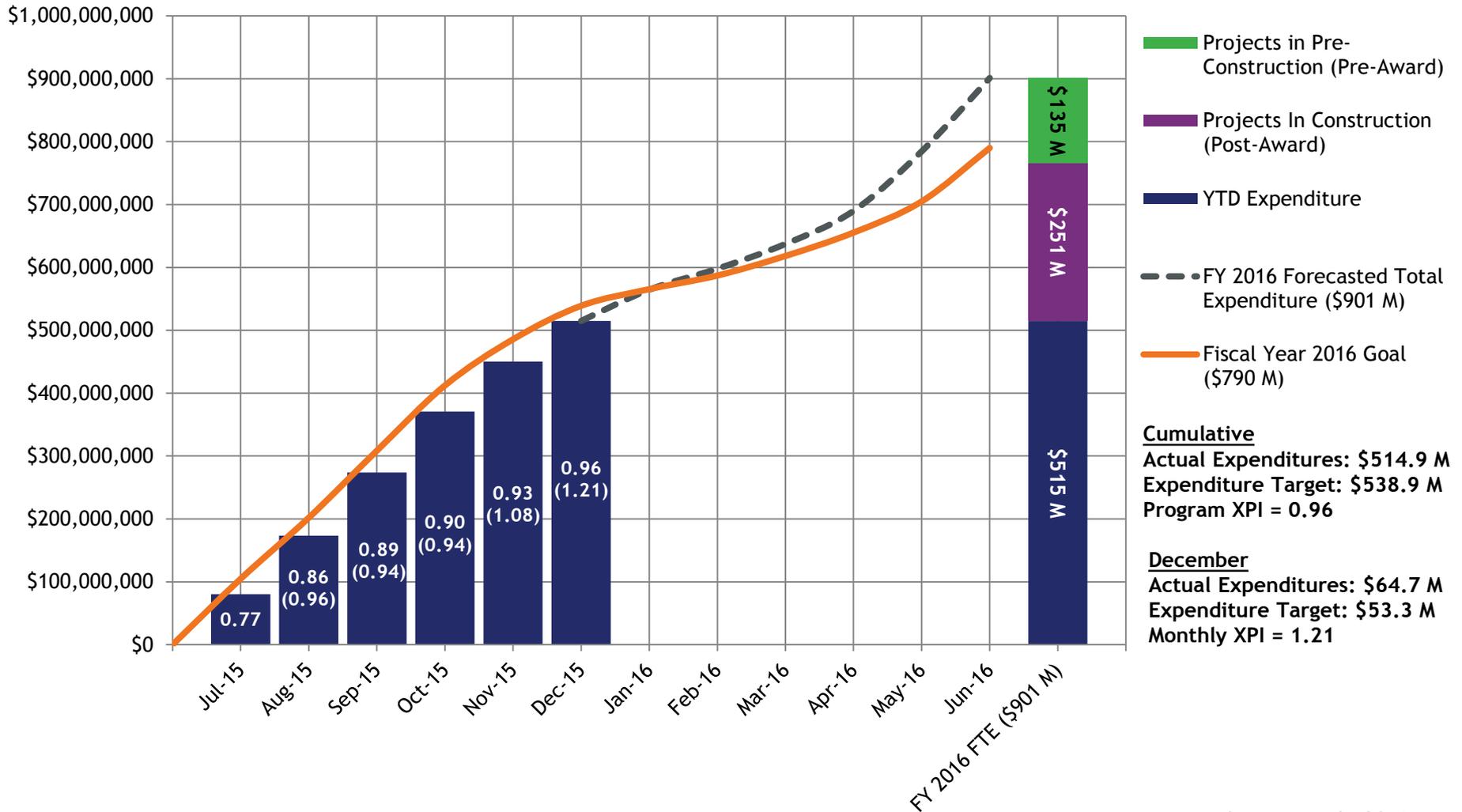
Cash & Federal Obligation Target Balance

Scenario B - Revised Forecast through December 31, 2016
Based on FAST Act



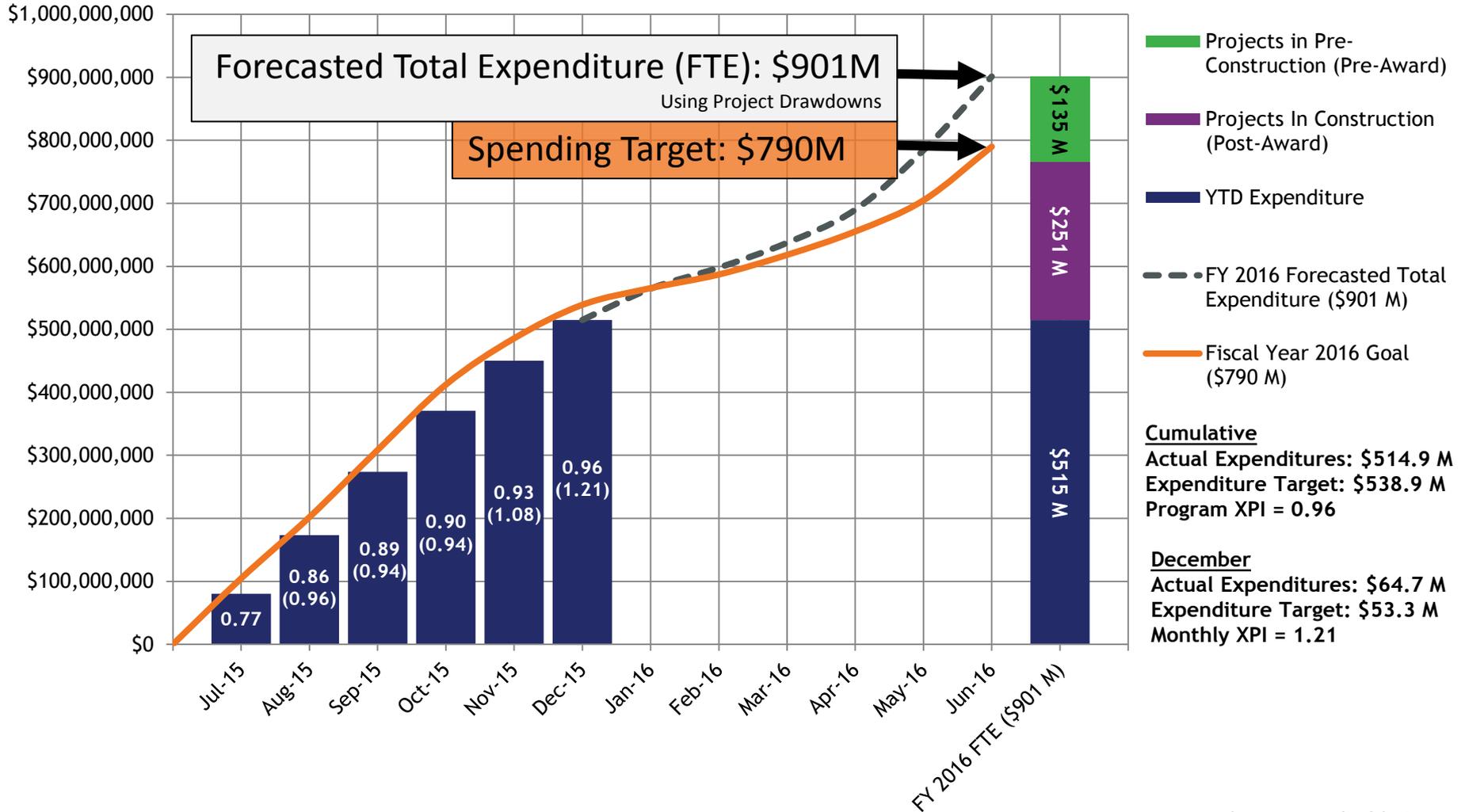


FY 2016 Capital Program Construction Expenditures



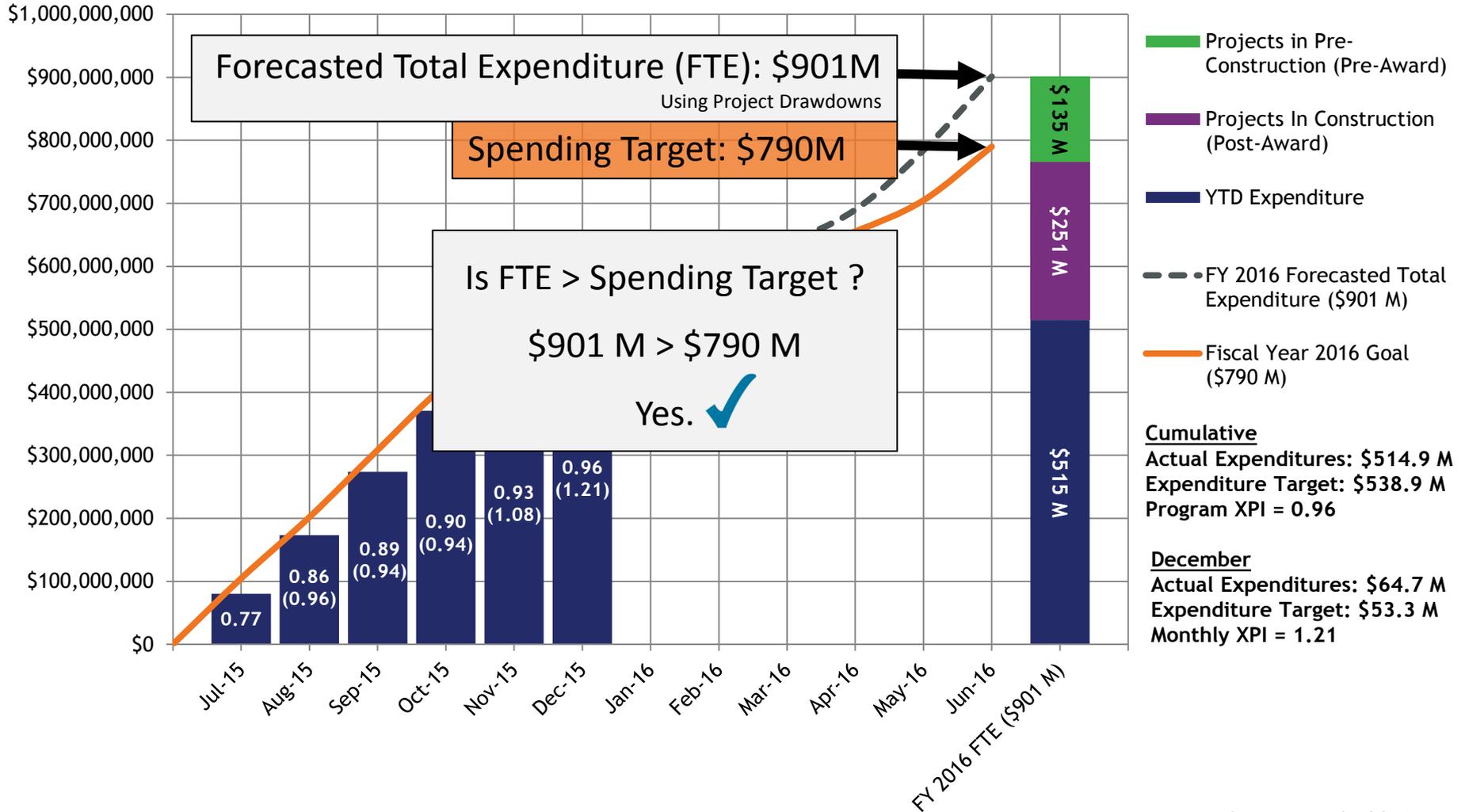


Forecasted Total Expenditure



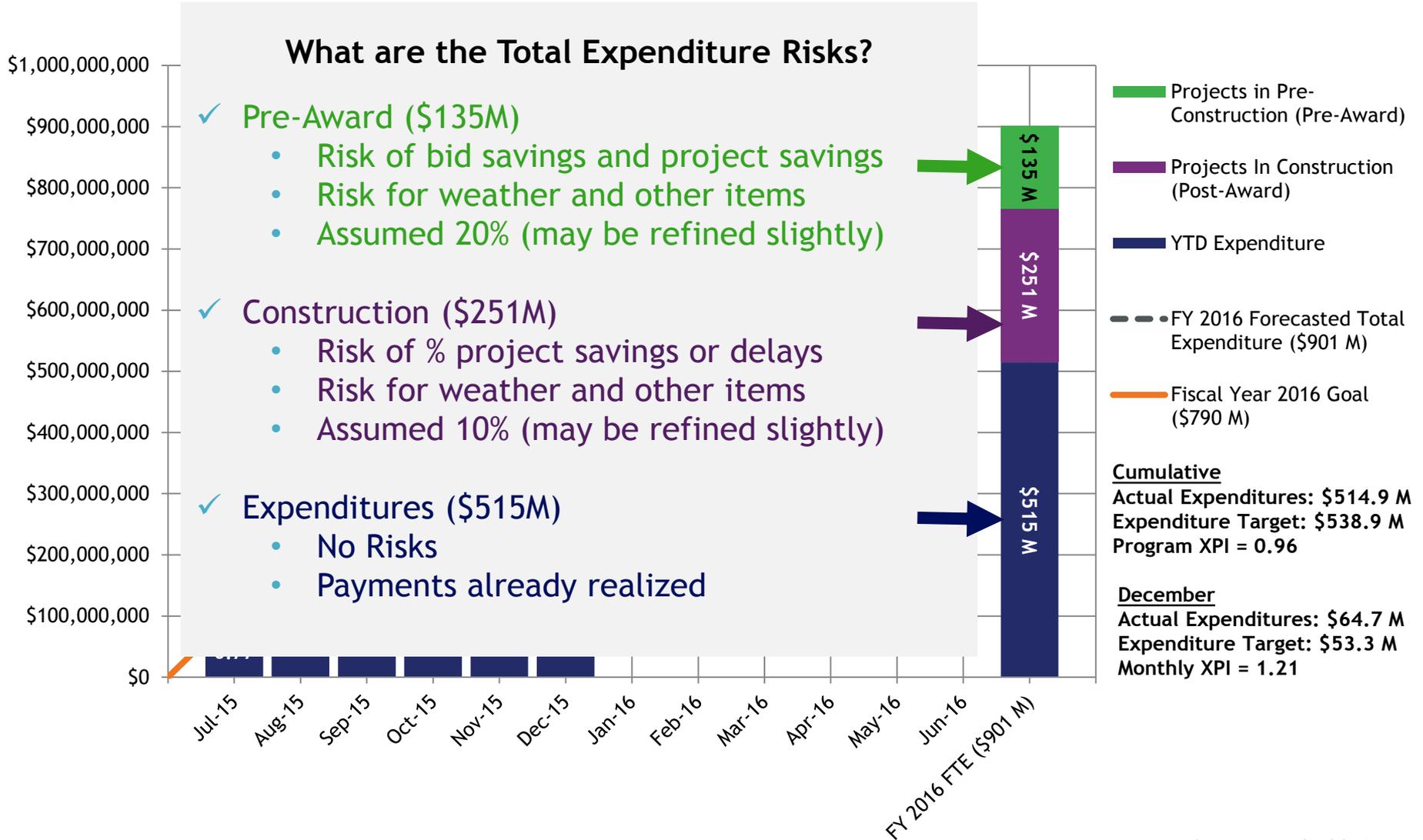


Forecasted Total Expenditure



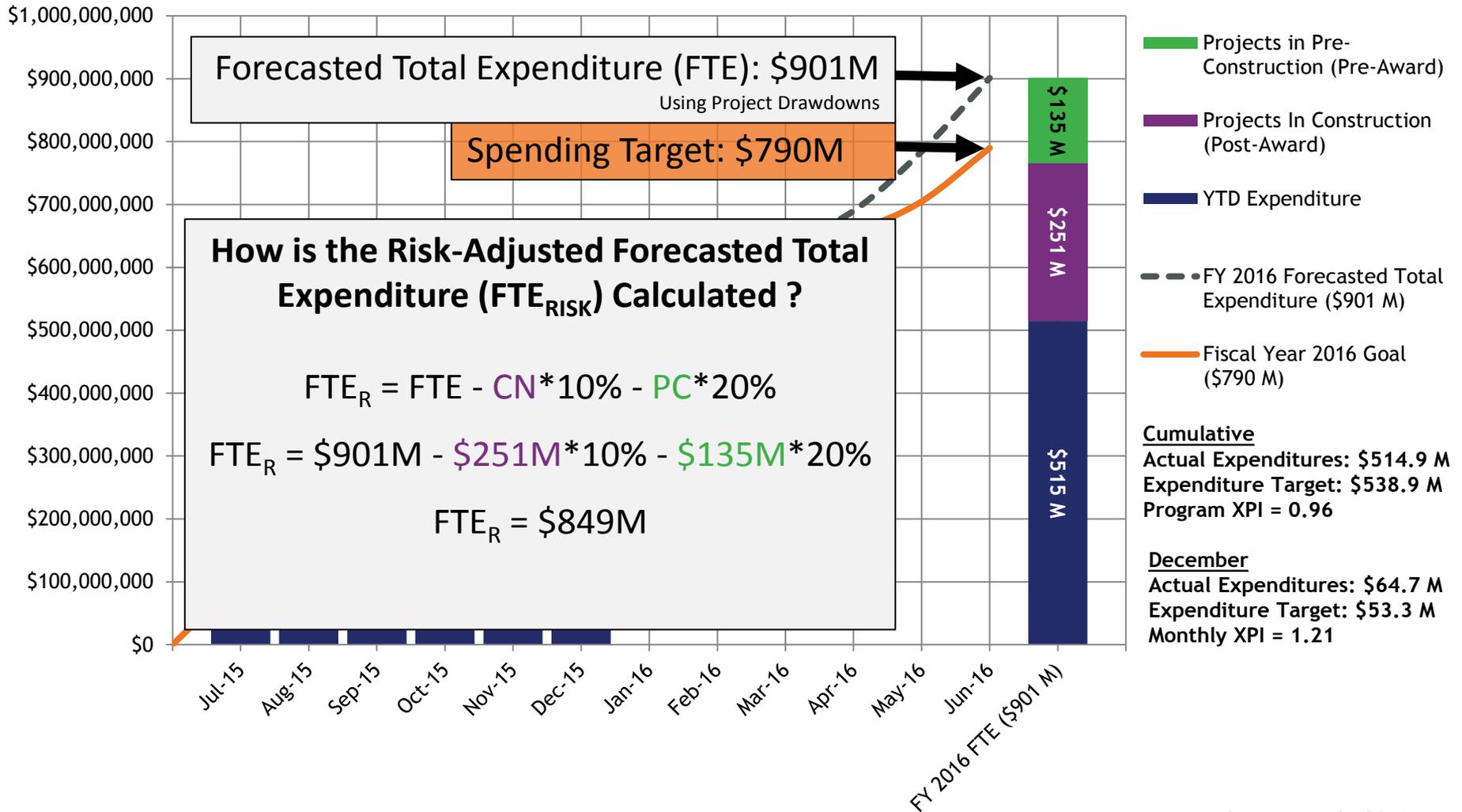


Risk-Adjusted Forecasted Total Expenditure



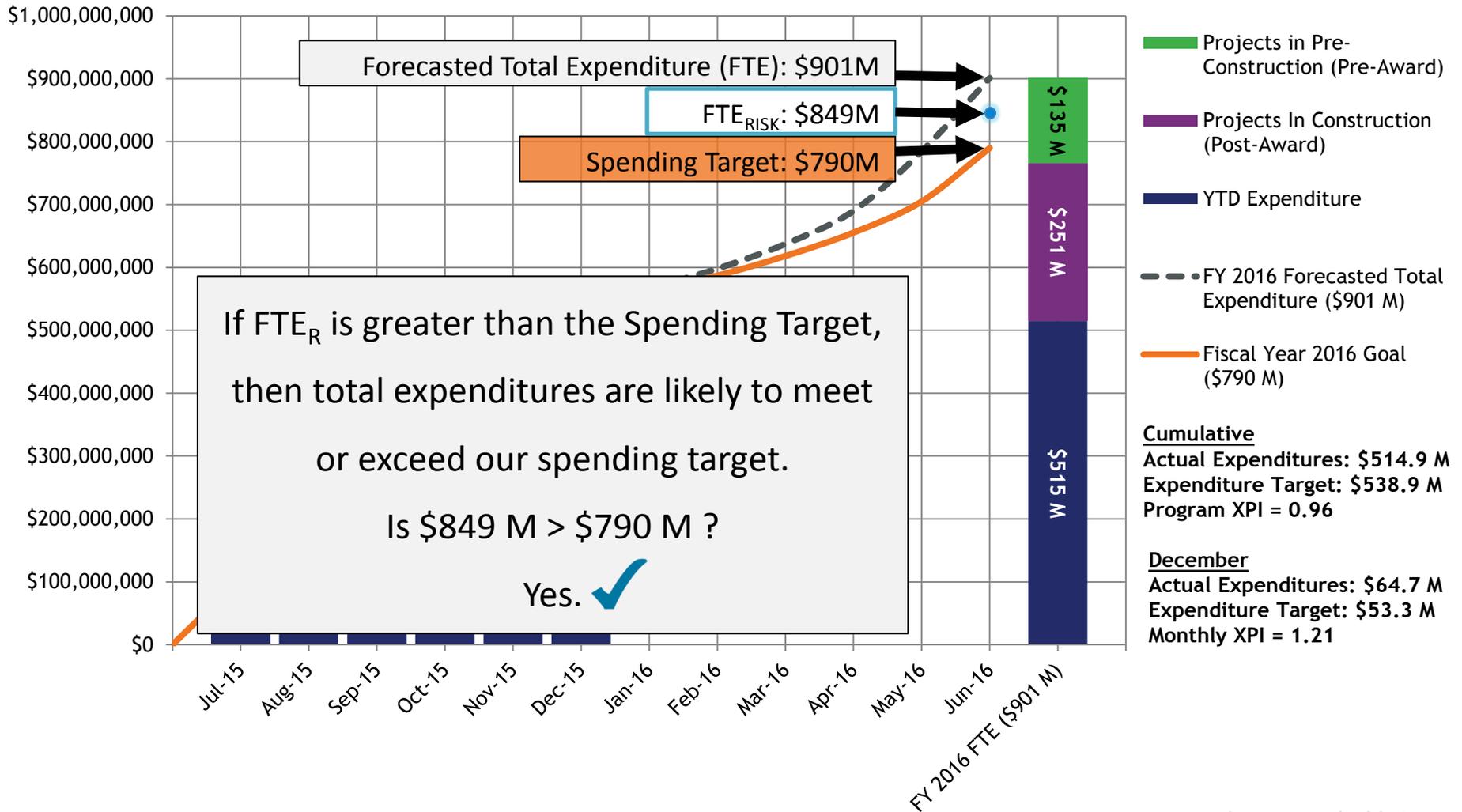


Risk-Adjusted Forecasted Total Expenditure



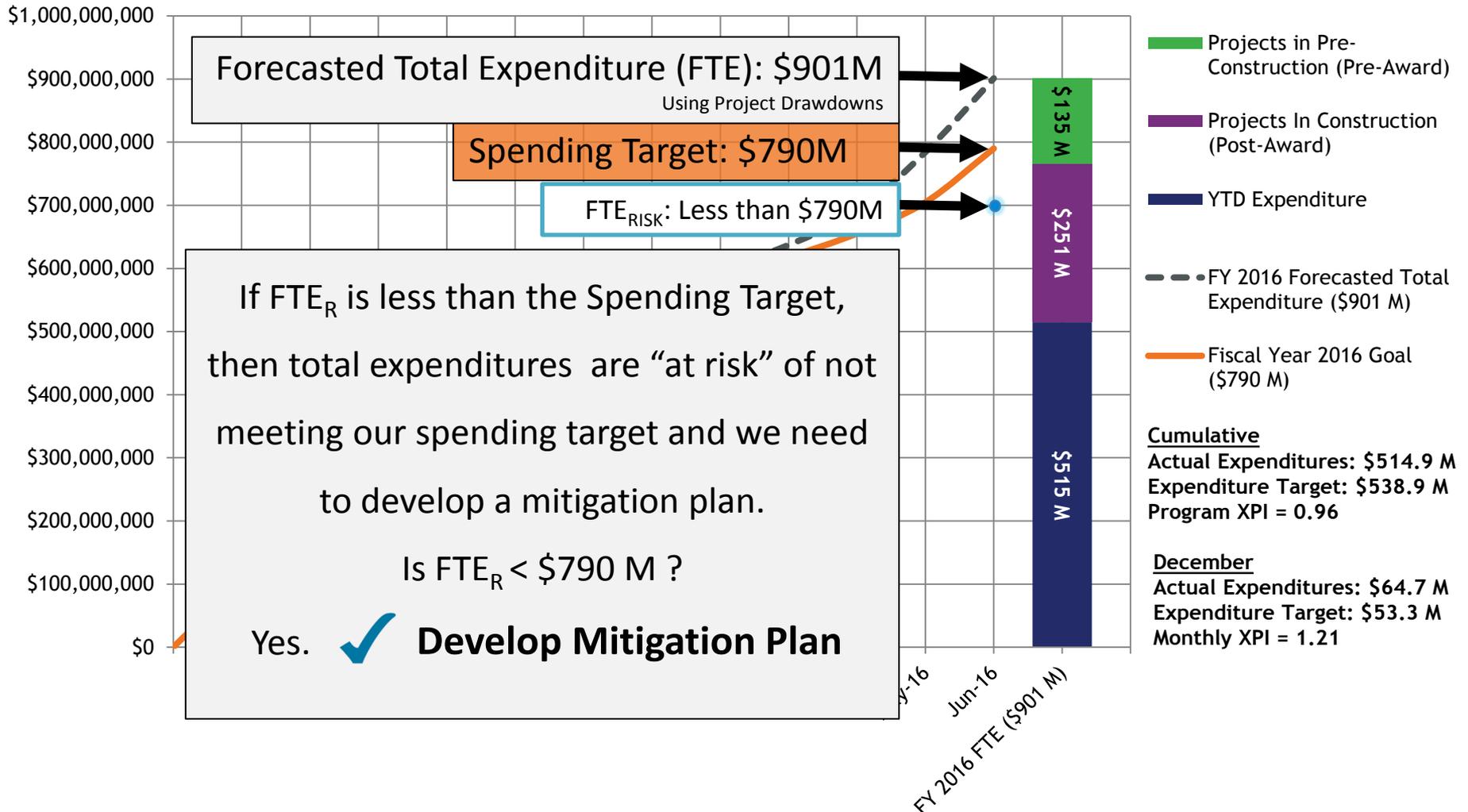


Risk-Adjusted Forecasted Total Expenditure



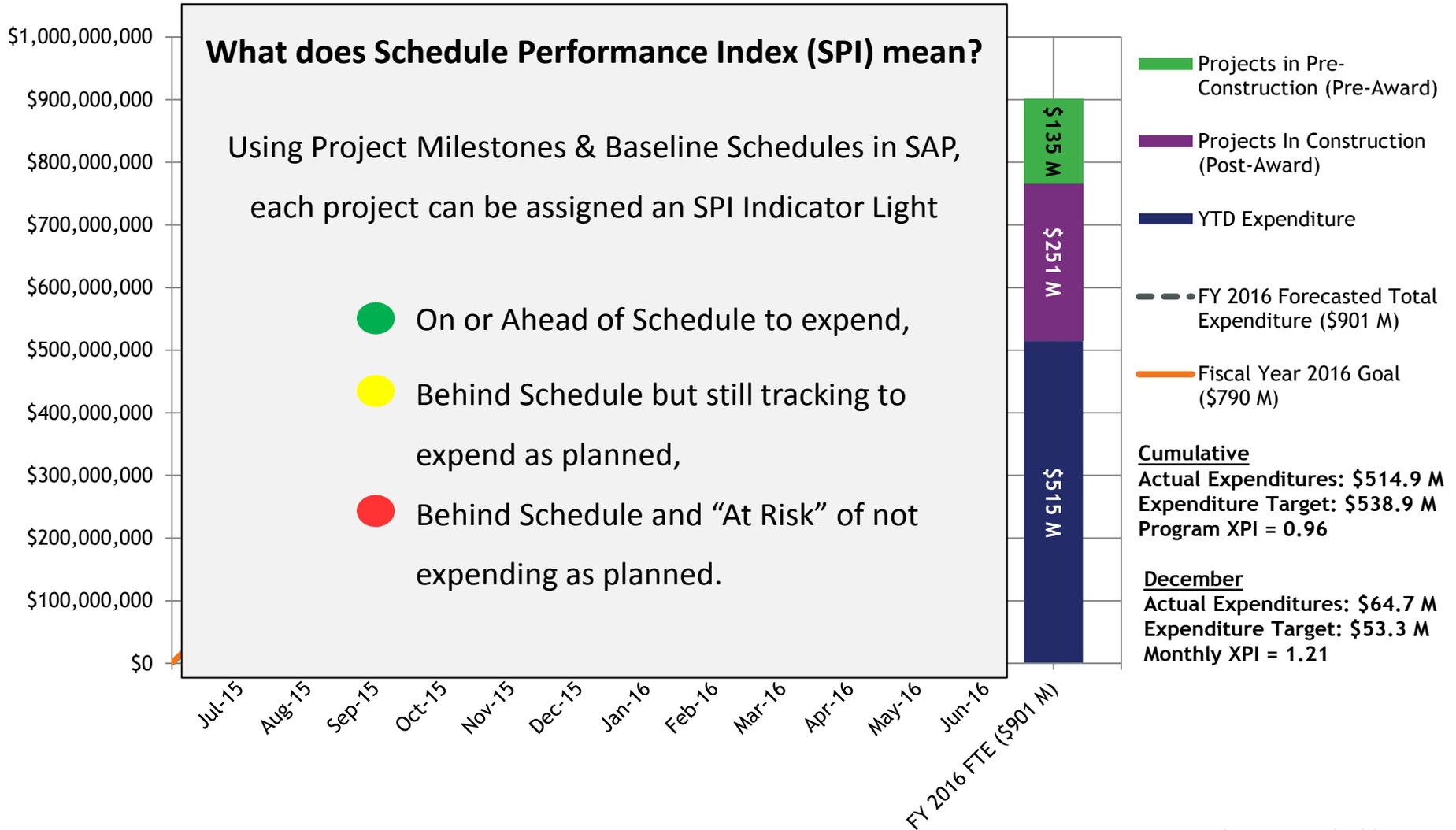


Risk-Adjusted Forecasted Total Expenditure



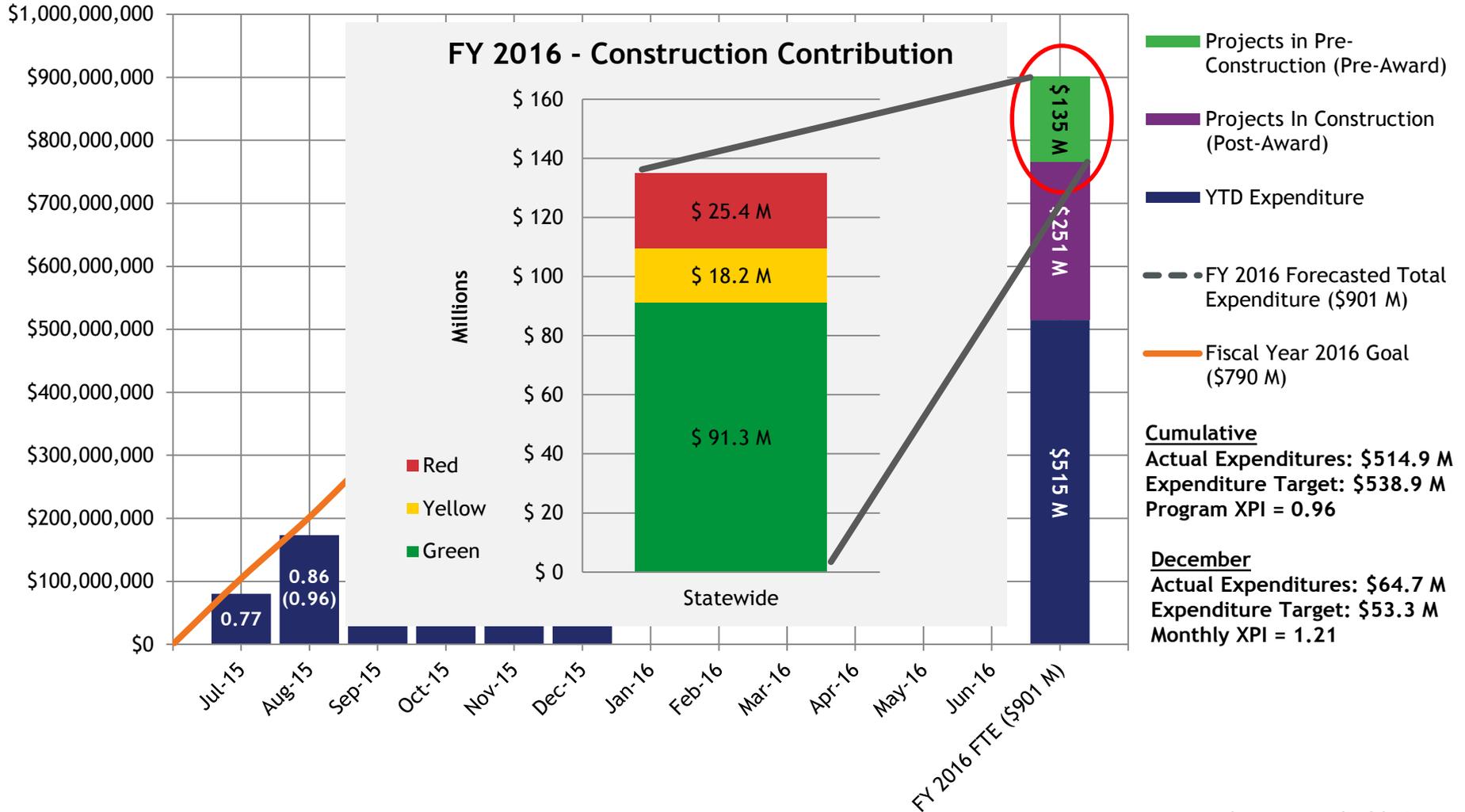


SPI "At Risk" Program Delivery Metric



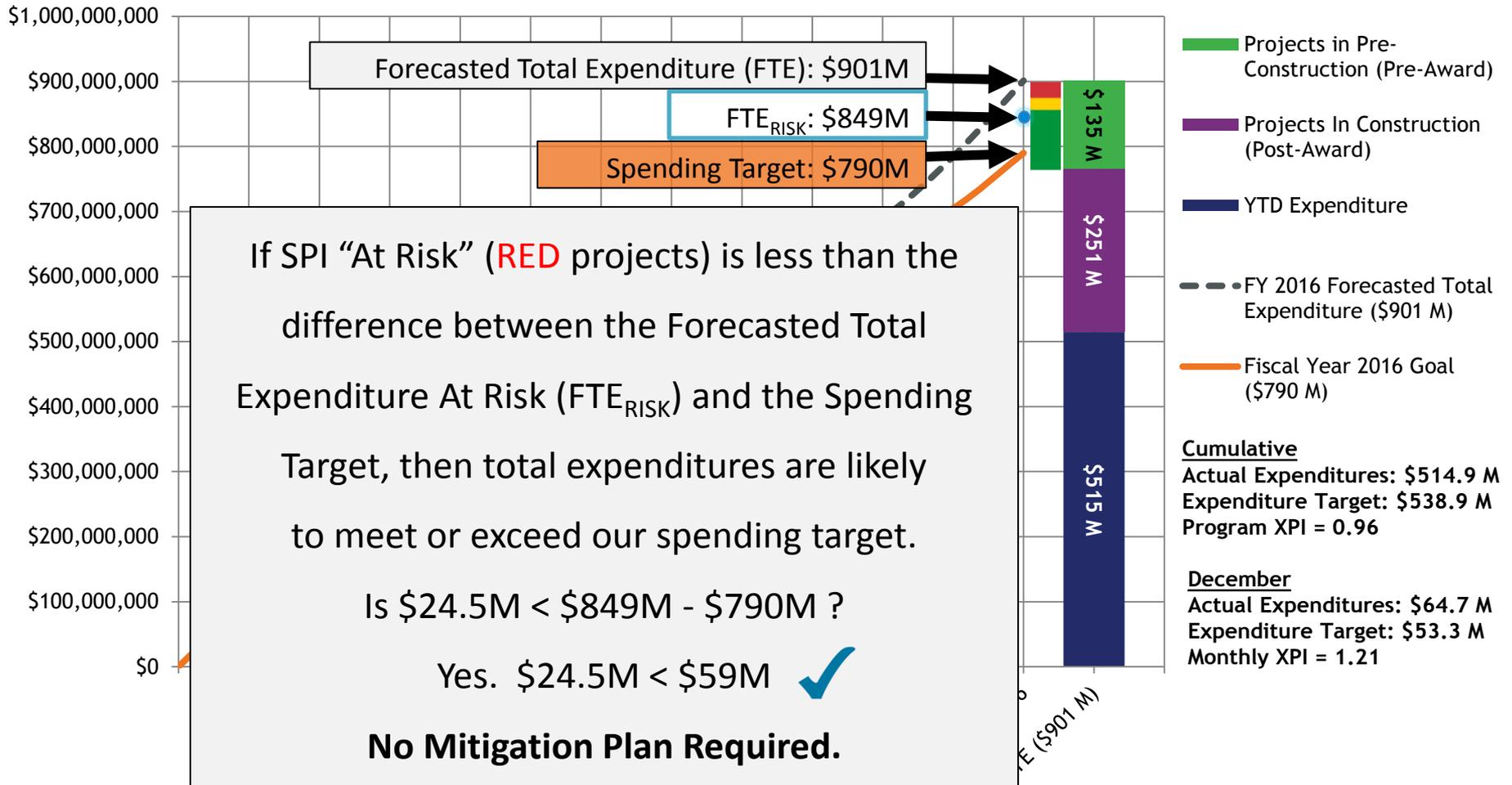


SPI "At Risk" Program Delivery Metric



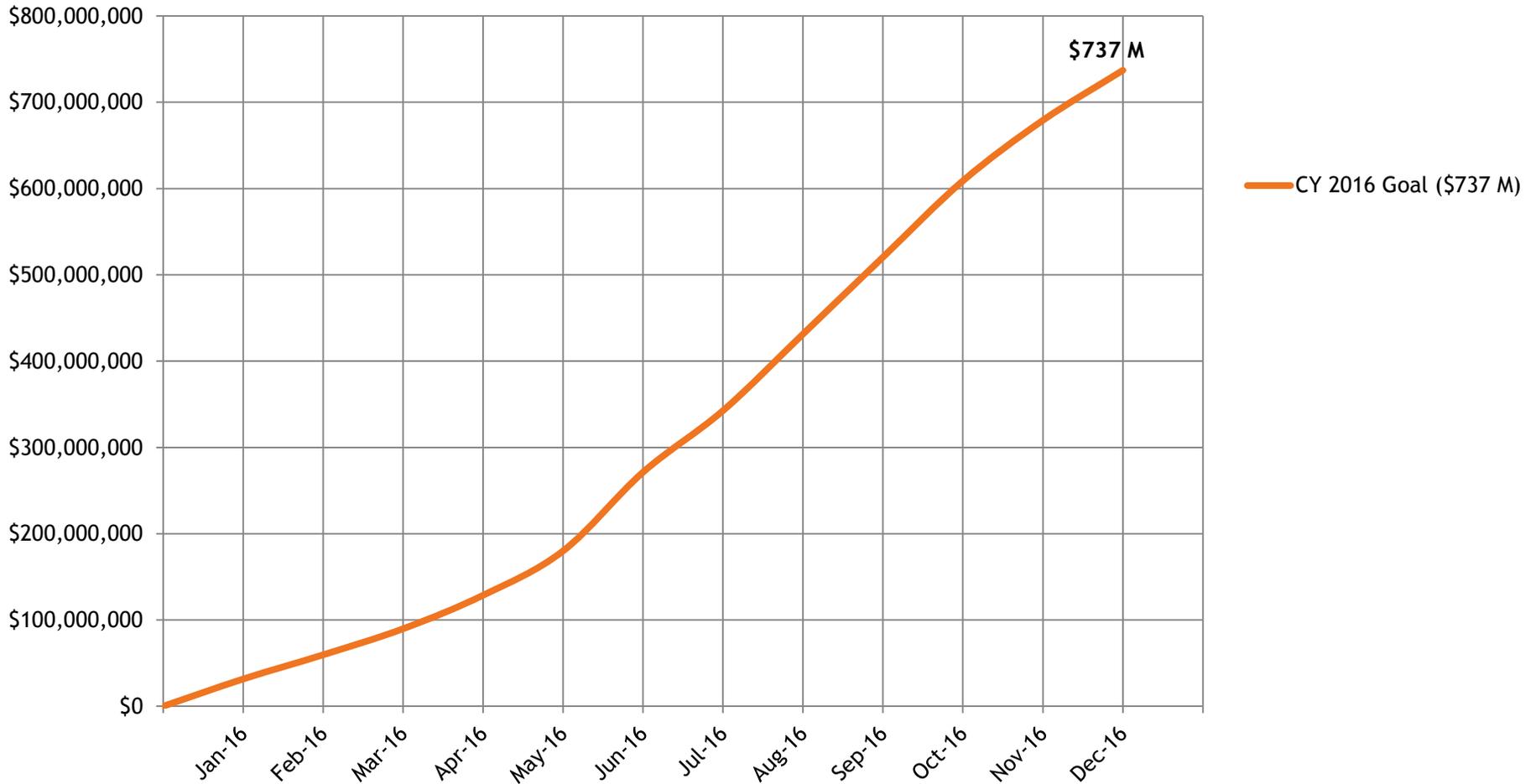


SPI "At Risk" Program Delivery Metric





CY 2016 Capital Program Construction Expenditure Goal





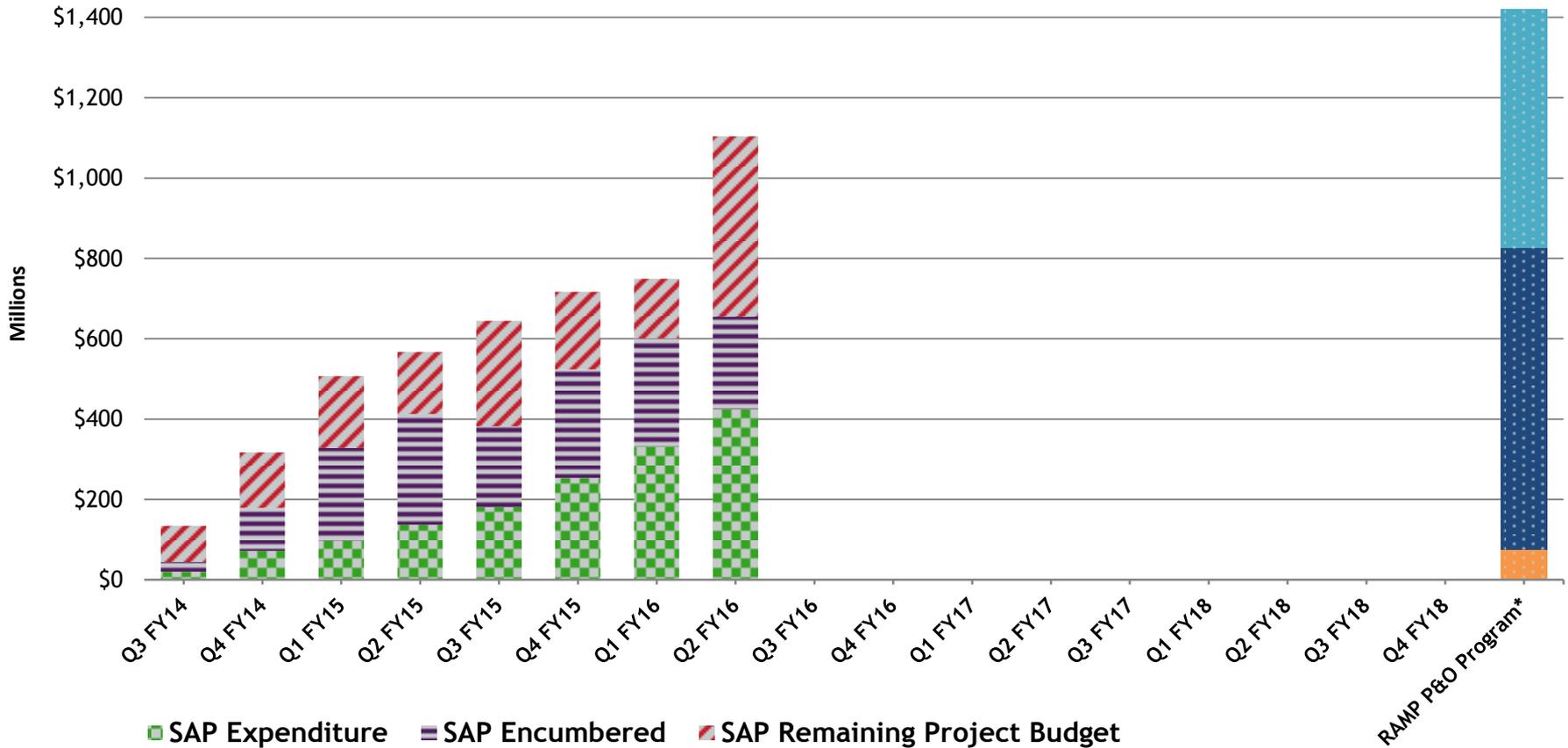
PMO Reporting Overview by Program

Program	Financial Performance (\$Millions)			Precon. Schedule Performance	Quarterly Rotation
	Program Expenditure through 11/20/2015	Program Expenditure through 12/18/2015	\$ Change	SPI	
Flood	\$174.1 ‡	\$179.7 ‡	\$5.6	0.91	Jan. 2016
RAMP P&O (Overall)	\$389.3	\$424.7	\$35.4	0.95	Feb. 2016
RAMP P&O (Local Agency)	\$52.8	\$55.4	\$2.6	0.76	Jan. 2016
RAMP P&O (CDOT)	\$336.5	\$369.3	\$32.8	0.99	Feb. 2016
FASTER and HSIP	\$530.6	\$614.7	\$84.1	*	Feb. 2016
Asset Management	\$1,280.7	\$1,344.1	\$63.4	**	Mar. 2016

- Notes:
1. SPI's shown are for Preconstruction.
 2. * FASTER and HSIP funds are used on projects in multiple programs and as a result, an SPI is not provided for these programs.
 3. ** Asset Management expenditures are a combination of Fiscal Year 2014, 2015, 2016 and include MLOS and Roadway Equipment.
(Note: MLOS and Road Equipment are included in expenditures and as a result, are excluded from SPI calculations)
 4. ‡ Flood totals do not include fiscal year Cost Center expenditures



Overview of RAMP P&O Program



Note: RAMP Allocation does not include in-kind match nor locally administered cash match

■ Other CDOT Funds (\$593M)
■ RAMP Funding Allocation (\$750M)
■ Local Cash Contribution (\$77M)

As of December 18, 2015



Managing within the Established RAMP Program Controls (TC-3209)

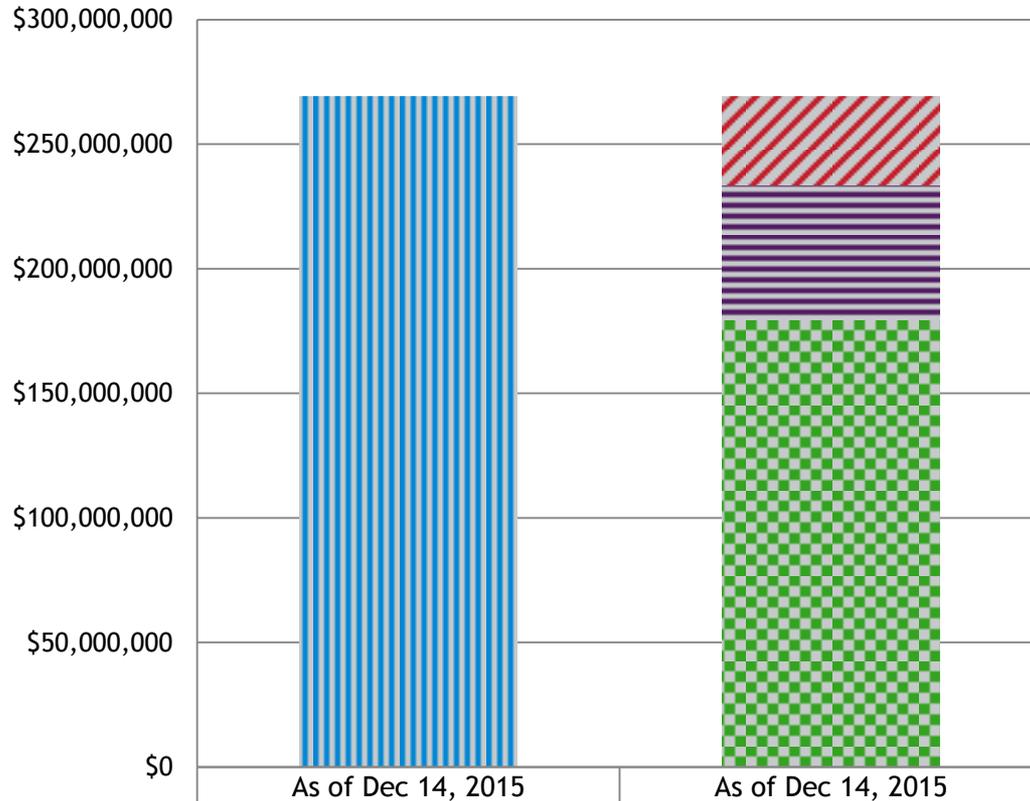
There are no RAMP projects requiring commission action this month.

- ✓ The remaining RAMP Public-Public Partnership Contingency Reserve is \$5,804,839.
- ✓ The remaining RAMP Operations Contingency is \$2,454,472.



Flood Program Summary

Financial Status



Unencumbered		\$35,357,285
Encumbrance		\$54,087,780
Expenditure		\$179,732,762
DDIR Approved Budget	\$269,177,827	

Project Status

(188 Total Projects)

■ Closed ■ Active

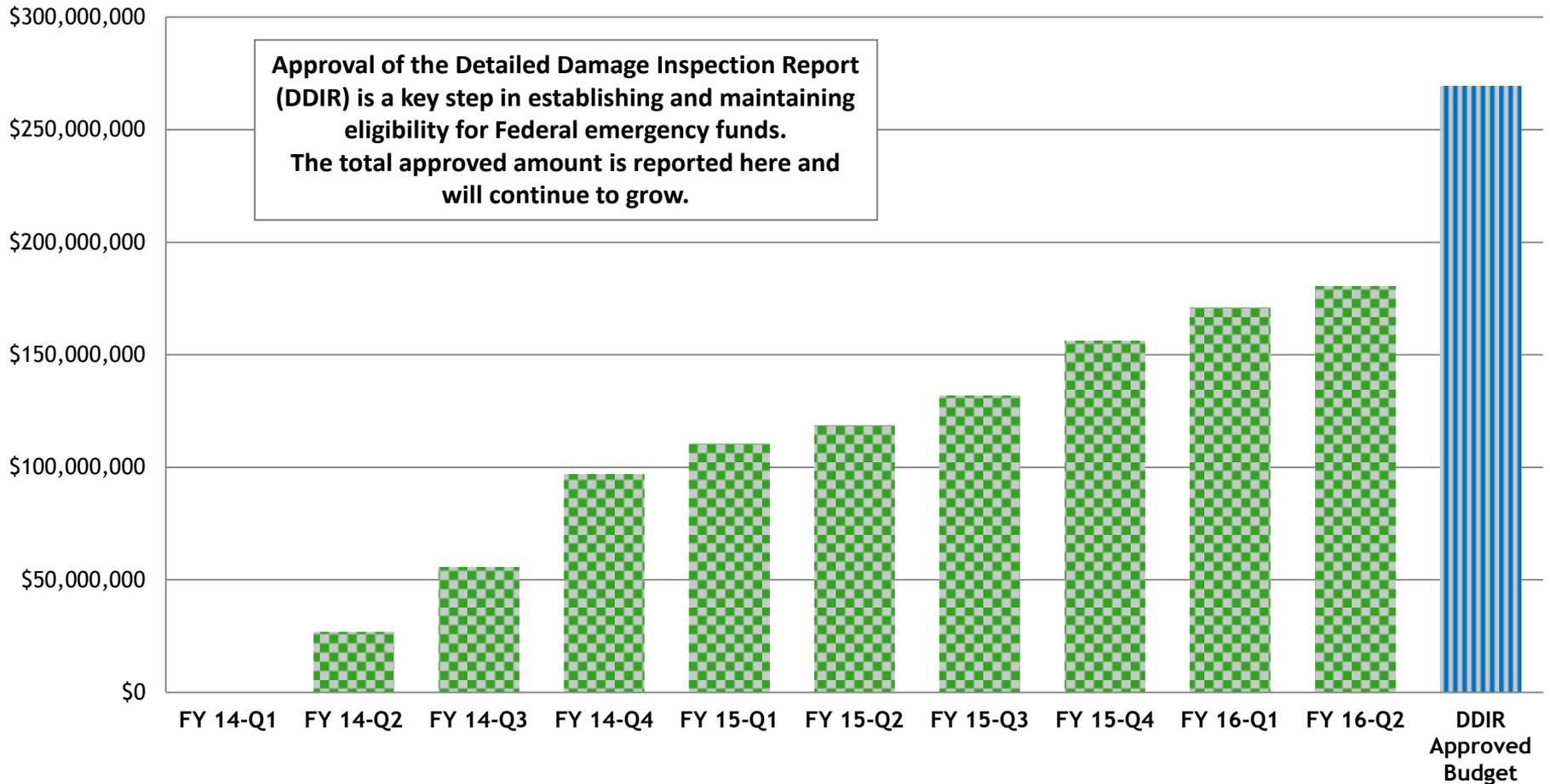


As of Dec 14, 2015



Flood Program Expenditures

Cumulative Actual Project Expenditures (FY14 and FY16 YTD)





Questions or Comments

- Upcoming topics for next month
 - Update on Cash Balance & Federal Obligation Targets
 - Update on Expenditure Performance for FY16 & CY16
 - Update on the RAMP Partnership & Operations Program and Safety programs