



DATE: January 13, 2016

TO: Transportation Commission

FROM: Joshua Laipply, P.E. Chief Engineer; Maria Sobota, CFO; Herman Stockinger, Transportation Commission Secretary

SUBJECT: Department and Bridge Enterprise Compliance with Recommendations of the Colorado Office of the State Auditor “Collection and Usage of the FASTER Motor Vehicle Fees” dated August 2015

Purpose and Action

(1) To request Commission approval of new Policy Directive 704.0 “Policy Governing the Efficient Use of FASTER Revenue”; and (2) request Bridge Enterprise Board of Directors’ approval of new Policy Directive BE16.0 “Oversight of FASTER Funding for State Bridges,” and (3) to provide a status report on the steps the Department has taken to respond to the Colorado Office of the State Auditor “Collection and Usage of the FASTER Motor Vehicle Fees” dated August 2015.

Background

In August 2015, the Colorado Office of the State Auditor issued a Performance Audit titled “Collection and Usage of the FASTER Motor Vehicle Fees” (the “2015 FASTER Audit”). The 2015 FASTER Audit contained 10 recommendations, summarized below. The Department provided responses to each of the recommendations, including dates by which implementation would occur. As provided in greater detail in the enclosed spreadsheet, the Department has completed most of the actions recommended by the 2015 FASTER Audit by the time stated in its responses.

1

Audit Findings Summary

- Recommendation 1, Bridge Enterprise Program: Department and Bridge Enterprise should work together to utilize a documented process to prioritize and select bridge projects for FASTER funding.
- Recommendation 2, Bridge Enterprise Program: Department and Bridge Enterprise should work together to reduce bridge project contingencies and close out projects faster.
- Recommendation 3, Safety Program: Commission should establish policies to clarify the role of the Commission and Department management for FASTER safety, clarify the types of projects or project components eligible for FASTER safety funding, and specify the process used to prioritize and approve projects.
- Recommendation 4, Safety Program: Department staff should develop procedures to ensure legislative requirements and Commission policy are being followed by clarifying types and aspects of projects that are and are not eligible to be funded with FASTER safety funds, establish the criteria to be used when prioritizing and approving projects, and train staff on the new policies and procedures.
- Recommendation 5, Safety Program: Department should create a FASTER Safety Program to provide sufficient oversight of FASTER Safety revenue, designate staff responsibilities, routinely track and monitor aggregate data, update SAP to include specific codes for FASTER, and establish achievable performance goals to measure the impact of FASTER safety revenue.
- Recommendation 6, Transit Program: Department should establish sufficient controls for FASTER transit funds to oversee the program projects and revenue, and routinely reconcile transit revenue, expenditures and other transfers in and out of the transit fund.



- Recommendation 7, Efficiency and Accountability Committee: Department should work with the Commission to re-establish an Efficiency and Accountability Committee or seek a statutory change to repeal the requirement.
- Recommendation 9, Oversize and Overweight Vehicle Surcharges: CDOT should establish adequate accounting controls and recordkeeping to ensure the revenue collected from the oversize and overweight surcharge is accurately collected and distributed; establish an interagency agreement with other agencies that defines roles and responsibilities, and establish a periodic account balance review with department internal accounts.
- Recommendation 8 and 10: Specific to Department of Revenue and Judicial Branch, respectively.

The attached FASTER Audit Spreadsheet provides each verbatim audit recommendation and CDOT response. In addition, the last column on the spreadsheet directs you to where the responsive action taken by the Commission and/or Department is referenced.

Development of Directives

To meet audit recommendations 1 and 2, a new Policy Directive BE16.0 “Bridge Enterprise Management of FASTER Revenue and Selection of FASTER Bridge Projects” has been developed that contains the Bridge Enterprise Board of Directors’ direction to the Bridge Enterprise staff and the Department concerning the use of FASTER revenue for Bridge Enterprise projects. A new Procedural Directive BE16.1 with the same title as the Policy has also been developed which sets forth the processes required to prioritize and select bridge projects for FASTER funding and reduce bridge project contingency and close out projects in a more expedient time frame. It is attached for information only, and will be submitted to the Bridge Enterprise Director following the Bridge Enterprise Board of Director’s approval of Policy Directive BE16.0

2

To meet audit recommendations 3, 4, 5 and 6, a new Policy Directive 704.0 “Policy Governing the Efficient Use of FASTER Revenue” has been developed that contains the Commission’s direction to the Department concerning the use of FASTER funding and the criteria the Department must apply in order to select projects: the FASTER Safety Mitigation Program, the FASTER Safety Asset Management Program, the FASTER Transit Program, and the overall management of FASTER funding by the Office of Financial Management and Budgeting (“OFMB”). Each of these programs/divisions also developed a Procedural Directive which will be submitted to the Executive Director for signature following the Commission’s review and approval of Policy Directive 704.0. These new Procedural Directives are submitted to the Commission for information only as part of the status report. They include:

- Procedural Directive 704.1 “Financial Management of FASTER Revenues”
- Procedural Directive 1504.1 “FASTER Safety Mitigation Program”
- Procedural Directive 1608.1 “FASTER Transit Program”
- Procedural Directive 1608.2 “Asset Management Program use of FASTER Funds”

Finally, to meet audit recommendation 9, the Department has developed processes to more accurately track surcharge revenue internally for oversize overweight permitting of vehicles. It has finalized an Interagency Agreement (“IAA”) together with the Department of Public Safety and the Department of Revenue to more accurately track surcharge revenue between agencies.

Key Benefits

- Transparency with regard to CDOT’s use and reconciliation of FASTER revenue.
- Clear direction from the Commission and the Bridge Enterprise Board of Directors on the criteria that must be used to evaluate all FASTER projects.
- Processes reduced to writing in directives, IAA’s or desk procedures that establish the procedure personnel are required to follow.



- New approach to closing Bridge Enterprise projects in an expedient manner thus releasing funds to be used on other FASTER eligible projects.
- Agreement reached on method of tracking surcharge revenues between Colorado Department of Public Safety, the Department of Revenue, and CDOT.

Next Steps

- Implement any newly developed process improvements including Bridge Enterprise Board of Director’s goal of closing projects sooner and releasing funds for other projects.
- Continue to work with the Legislative Audit Committee on legislation related to the Efficiency and Accountability committee.
- Add financial-based "Lead" measure related to safety projects to Performance Plan.

“Deeper Dive” Details

While the 8.5 x 14 (legal size) spreadsheet provides you a summarized account of how we are addressing the “key” high-level audit recommendations, the information below provides you a “deeper dive” into what each of the Policies and Procedures contain and gives you a bit more context of just what level the Department went to in an effort to develop fully responsive Policies and Procedures.

Bridge Enterprise Program:

Bridge Enterprise Board of Directors (“BOD”):

- Determines criteria for project eligibility (PD BE 16.0)
- Directs staff to evaluate and recommend projects based on a qualitative and quantitative analysis (PD BE16.0)

Bridge Enterprise staff:

- Provides an evaluation summary with the Designated Bridge funding request to the Bridge Enterprise BOD (PD BE16.0)
- Continues to develop improvements on reasonable project contingency fund levels, reviews projects nearing completion in order to close out projects in an expedient manner, and provides regular progress reports to Bridge Enterprise BOD to ensure transparency (PD BE16.0)
- Maintains and updates a prioritized list of structures that meet the criteria for Designated Bridges (PD BE16.1)
- Applies the Bridge Enterprise BOD approved Prioritization Plan tool (quantitative analysis) to prioritize Designated Bridges, followed by a qualitative analysis to further determine the prioritization of Designated Bridges (PD BE16.1)
- Requests funding for projects from the Bridge Enterprise BOD through the budget supplement process (PD BE16.1)
- Works with the Schedule Change Control Board to address underperforming projects (PD BE16.1)
- Evaluates project finances when projects are approximately 90% complete in order to determine what funds are needed to complete the project
- Works with regions to release all remaining budget and encumbrances and reprogram funds for other bridge projects (PD BE16.1)
- Achieves transparency by submitting progress reports to the Bridge Enterprise BOD, providing updates on key program metrics to the Department Communications Office, holding regularly scheduled meetings with stakeholders to discuss project issues, and submitting its annual report to the Bridge Enterprise BOD and the Transportation Committee (PD BE16.1)

Policy Directive 704.0

OFMB

- Commission oversees OFMB’s allocation of FASTER revenue by reviewing and approving the annual budget and budget supplements



- Sets out the allocation of FASTER funding to the DTR, to the FASTER Asset Management Program, the FASTER Safety Mitigation Program and the Bridge Enterprise Program
- Creates the FASTER Safety Mitigation Program
- Defines what types of projects and components are considered to be funded
- Defines eligible FASTER Safety Mitigation Projects as meeting certain criteria set forth in the Policy
- Sets forth the goal of reducing the severity and number of highway crashes and working toward zero deaths for all users
- Establishes the FASTER Safety Mitigation Executive Steering Committee and directs that the Committee review and approve projects to be funded
- Requires that an annual report be completed to assess the effectiveness of the Safety Mitigation Program

Asset Management

- Commission recognizes asset classes with the Asset Management Program which have a clear nexus to safety
- Sets out the eligible asset classes
- Establishes the Asset Management Executive Oversight Committee and directs the Committee to prioritize the eligible asset classes for FASTER revenue

Transit

- Commission determines what types of projects are eligible for FASTER funding and sets out the pools of FASTER revenues
- Sets out criteria that FASTER Transit Projects must meet and directs DTR to follow metrics set forth in PD 1608.1
- Sets out responsibilities for the Transit and Intermodal Committee

Safety: Separated into two categories: FASTER Safety Mitigation and Asset Management

FASTER Safety Mitigation Program:

Commission

- Created Safety Mitigation Program (PD 704.0)
- Clarified definition of “FASTER Safety Mitigation Project” (PD 704.0)

Safety Mitigation Program

- Established “FASTER Safety Mitigation Executive Steering Committee” (PD 1504.1)
- Set out a two-step evaluation method to determine project eligibility (PD 1504.1)
- Established staff requirements and deadlines by which time staff must review and update evaluation metrics, list of potential locations for mitigation for use by regional offices and analysis of crash data for planning budgets (PD 1504.1)
- Established reporting requirements to the FSM Executive Steering Committee (PD 1504.1)
- Set forth requirement for oversight of performance reports (PD 1504.1)
- Instituted monitoring requirements for oversight of program funding (PD 1504.1)
- Established categories of information that must be included in an annual report (PD 1504.1)
- Set out requirements for CDOT OFMB Office and CDOT Regional Offices (PD 1504.1)
- Developed training requirements for FASTER Safety Mitigation (PD 1504.1)

Asset Management Program:

Commission

- Determined asset classes eligible for FASTER funding (geohazards, signals, culverts, tunnels, surface treatment)(PD 1608.2)

Asset Management Program

- Determined prioritization of eligible asset classes (PD 1608.2)
- Spelled out roles and responsibilities of CDOT personnel (PD 1608.2)
- Provided training requirements to be completed by April 2016 (PD 1608.2)



FASTER Transit Program

Commission

- Established criteria by which types of projects and components of projects are considered eligible to be funded with FASTER funding (PD 704.0)
- Directed that criteria must be reconsidered and approved or modified prior to the distribution of FY 2019 FASTER funding (PD 704.0)
- Set forth advisory responsibilities of the Transit and Intermodal Committee (“T&I Committee”) (PD 704.0)

DTR Staff

- DTR Director approves the FASTER Transit Projects following the procedure set forth in Procedural Directive 1608.1 (PD 704.0)
- Must base its selection of FASTER Transit Projects on the metrics set forth in Procedural Directive 1608.1 (PD 704.0 and PD 1608.1)
- Must submit FASTER Transit Projects that exceed the approved project budget by the amount specified in Policy Directive 703.0 for approval to the Commission through the budget supplement set forth in Policy Directive 703.0 (PD 704.0)
- Annually apprise the T&I Committee of the FASTER Transit Projects recommended for FASTER funding for the next fiscal year (PD 704.0)
- Requires that the DTR budget analyst and OFMB track FASTER Transit Projects as set forth in Procedural Directive 704.1 and 1608.1 (PD 704.0)
- Sets out the process to follow for FASTER Transit Project selection, budgeting and contracting (PD 1608.1)
- Specifies monitoring and oversight requirements for FASTER Transit Projects, including performance schedules for each FASTER Transit Project (PD 1608.1)
- Includes Performance Standards regarding the status of FASTER Transit Projects (PD 1608.1)
- Sets out a plan for training on staff roles and SAP/COTRAMS functions (PD 1608.1)

5

Efficiency & Accountability Committee

Since the release of the FASTER Audit in August, 2015, the Legislative Audit Committee has met several times to consider draft legislation related to the E&A Committee. Because of the interest in the Audit Committee to carry legislation related to the E&A Committee in 2016, CDOT staff is working with the committee and legislation bill drafters on the specific language. CDOT expects a bill to be introduced in 2016 to clarify the role of the E&A Committee and perhaps sunset the committee after a certain period of time.

Oversize Overweight Permitting Office

- Prior to June 30, 2015, Accounting completed a reconciliation process that reconciled all errors identified by the state auditor in the prior four years. Accounting has remitted to the State Treasurer surcharge revenue that was due.
- Accounting established an internal process to strengthen internal review of surcharge revenue, including:
 - Reviewing the SAP report on a monthly and quarterly basis which confirms that the surcharges received have been transferred to the State Treasurer, through the Interagency Initiator (“ITI”) and Interagency Acceptance (“ITA”) process in the state’s financial accounting system, called Colorado Operating Resource Engine (“CORE”). Developing a written desk procedure “Permits Surcharges Reconciliation Procedure” for reconciling surcharge revenue recorded by COOPR OSOW Permitting System and SAP system.
 - Independently verifying amounts with the CDOT Permitting Office (daily) and Accounting Office (monthly)



- DAF Business Services is working with DAF Accounting and the Permitting Office to develop an interface system between COOPR and SAP. This interface process should eliminate the chances of human error.
- Accounting continues to work with CDPS and DOR to develop a process of financial oversight and control.
- Accounting has completed an IAA between CDOT, CDPS and DOR.
- By year end FY16, CDOT will have installed kiosks at Port of Entry locations which will allow motor carriers the opportunity to order their own permits independent of Port of Entry operations.

Attachments

Power Point on FASTER Performance Audit

- A. FASTER Audit Spreadsheet
- B. TC Resolution approving Policy Directive 704.0 and Policy Directive 704.0
- C. BE Resolution approving Policy Directive BE16.0 and Policy Directive BD16.0
- D. Information Only: Related Procedural Directives 704.1, 1504.1, 1608.1, 1608.2 and BE16.1





COLORADO

**Department of
Transportation**

Colorado Department of Transportation

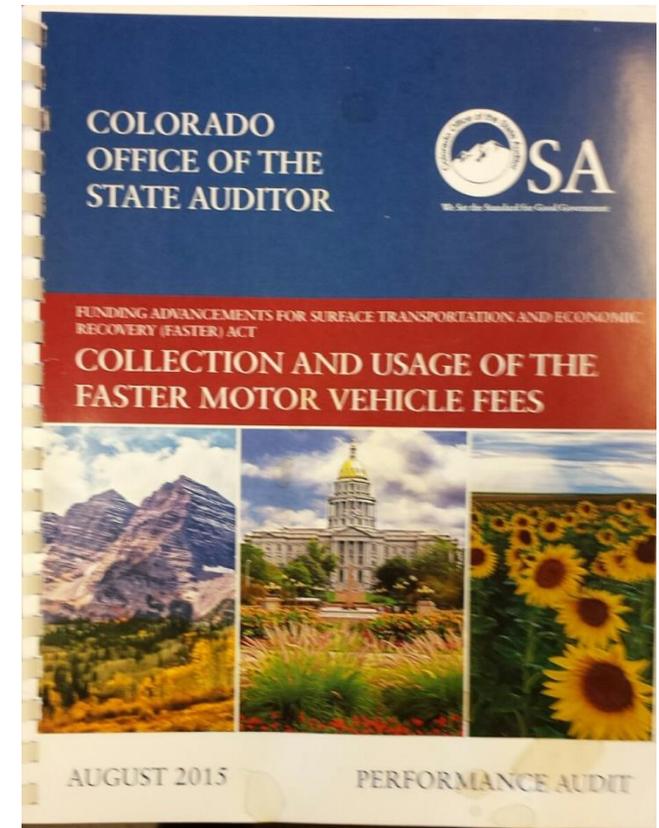
Report on FASTER Performance Audit

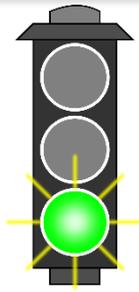
January, 2016



Audit Objectives

- Did CDOT establish controls to ensure the FASTER fee revenue was used and managed effectively and efficiently?
- Did all state agencies receiving FASTER revenue have adequate controls in place to ensure fees were properly assessed, collected and transferred?



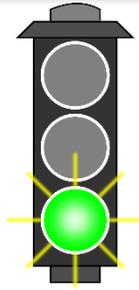


Recommendation #1: Bridge Enterprise Program

Recommendation: Utilize a documented process to prioritize and select bridge projects for FASTER funding.

CDOT Actions: New Policies and Procedures articulate both qualitative and quantitative evaluation methods for project selection.

- Board clarifies that prioritization plan is not a strategic priority list
- Staff reports to Board on why particular projects are proposed to be funded



Recommendation #2: Bridge Enterprise Program

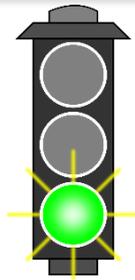
Recommendation: Reduce bridge project contingencies and close out projects faster.

CDOT Actions: Established new written contingency and closeout guidelines.

- Contingency won't exceed 5% unless approved with justification
- Contingency is set with future dollars to ensure current year dollars are fully utilized
- New formal steps for project closeouts to ensure region and BE review of substantially complete projects



COLORADO
Department of
Transportation

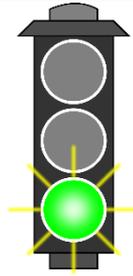


Recommendation #3: Safety

Recommendation: Clarify responsibilities and types of projects eligible; specify the process used to prioritize and approve projects.

CDOT Actions: Policy clarifies that TC determines funding allocations, eligibility and project selection criteria.

- Uses already approved criteria for project selection for safety mitigation projects
- Lists asset management classes (such as geohazards) that are eligible for funding
- Staff selects projects in both categories



Recommendation #4: Safety

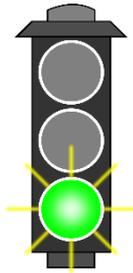
Recommendation: Develop procedures to ensure only eligible projects are funded. Train staff on new policies and procedures (by May, 2016).

CDOT Actions: New written Procedures follow new Policy to ensure only eligible projects are funded.

- Many process steps are laid out to ensure proper process is followed
- *Training is required for HQ and Region staff and on schedule for May completion*



COLORADO
Department of
Transportation



Recommendation #5: Safety

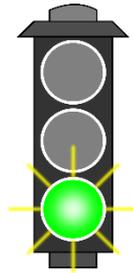
Recommendation: Create a FASTER Safety Program with revenue oversight and staff responsibilities; track and monitor aggregate data; update SAP coding; establish achievable performance goals.

CDOT Actions: Policy creates a FASTER Safety Program.

- Procedure identifies staff responsibilities, revenue and program monitoring; and reporting to TC
- SAP now includes FASTER-specific coding
- *One of two new performance goals have been created and added to Performance Plan (2nd goal on schedule for completion)*



COLORADO
Department of
Transportation



Recommendation #6: Transit

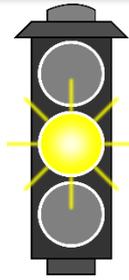
Recommendation: Establish oversight and reconciliation controls for program, projects, revenue and expenditures.

CDOT Actions: Puts existing criteria into Policy; establishes new program steps and monitoring.

- Maintains already-adopted sub-pool structure for how funds are distributed, but puts it in formal Policy
- Establishes project selection criteria by category
- Requires oversight and reconciliation of funds
- New DTR reporting to TC is beginning this month!



COLORADO
Department of
Transportation

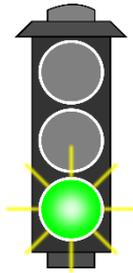


Recommendation #7: Efficiency & Accountability Committee

Recommendation: Re-establish an Efficiency and Accountability Committee (E&A) or seek a statutory change to repeal it.

CDOT Actions: Working with Legislative Audit Committee (LAC) on legislation.

- LAC has met several times to consider draft legislation related to the E&A Committee
- CDOT staff is working with the committee and bill drafters on language to clarify the role of the committee and sunset the committee after a certain period of time



Recommendation #7: Oversize and Overweight Vehicle Surcharges

Recommendation: Ensure accurate revenue collection and distribution; establish an interagency agreement (IAA) with other agencies that defines roles and responsibilities; establish an account balance review with internal accounts.

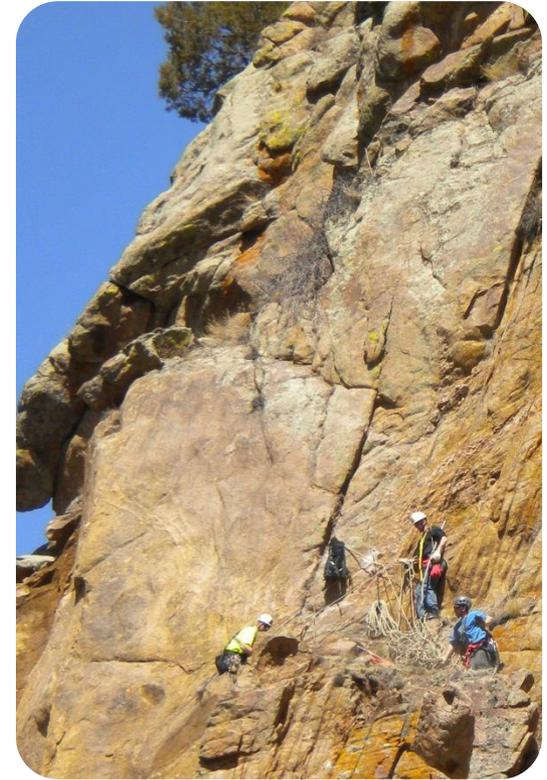
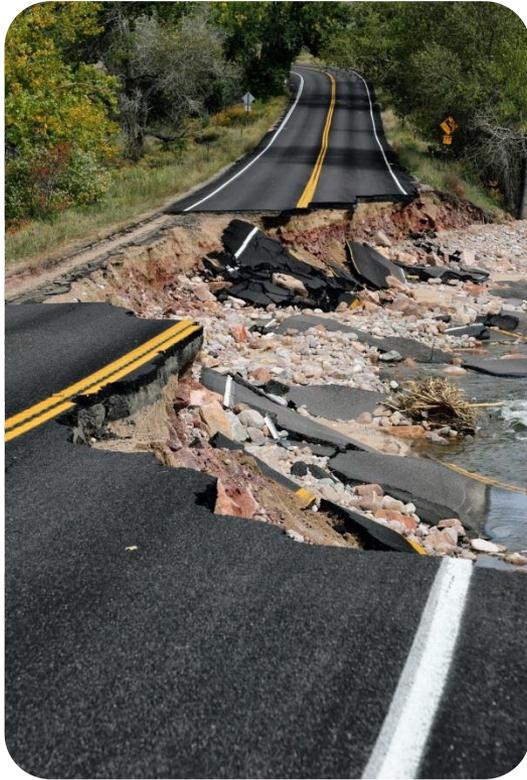
CDOT Actions: Several steps taken to ensure proper accounting and revenue transfer among agencies.

- Procedures for monthly reconciliation and accounting reviews established
- IAA adopted with Dept. of Revenue and Ports of Entry



COLORADO
Department of
Transportation

QUESTIONS?



Attachment A

FASTER Audit Spreadsheet

Findings Re: CDOT and CDOT's Responses to the August 2015 State Auditor Performance Audit on the Collection and Usage of the FASTER Motor Vehicle Fees

Rec. No.	Associated CDOT Program	Audit Findings	CDOT Response	Document Location of CDOT Response
1	Bridge Enterprise	Recommendation 1. Page 32. [CDOT] and the Bridge Enterprise should work together to ensure that the State obtains the greatest benefit in increased bridge safety per FASTER dollar expended by establishing and utilizing a documented process to strategically prioritize and program eligible bridge projects in a thorough and integrated manner. This process should include clearly documenting the rationale for selecting bridges to repair, including instances where bridges that would otherwise appear to be a higher priority for repair are not chosen.	AGREE. IMPLEMENTATION DATE: DECEMBER 2015. We will continue to work with the Bridge Enterprise to improve our process to clearly document our rationale used to strategically prioritize and select bridges to repair. This process will include documenting our rationale when we select bridges outside of prioritization order. Implementation will include issuing a Bridge Enterprise memo stating why the bridge has been programmed and where it falls on the current prioritization plan.	<ul style="list-style-type: none"> •PD BE 16.0 clarifies that the prioritization plan (the quantitative evaluation) is not intended to be a rank order priority list but directs staff to have both a qualitative and quantitative evaluation method and instructs staff to provide the Board with the evaluation summary that led to why a particular project was proposed to be funded. (IV.B-page 2). •PD BE 16.1 further details the analysis that staff undertakes when prioritizing projects (V.B- particularly sections 1, 2, &3.d.f.ii-pages 3 & 6)
2	Bridge Enterprise	Recommendation 2. Page 40. The Colorado Department of Transportation and the Bridge Enterprise should work together to ensure that the State obtains the greatest benefit in increased bridge safety from FASTER dollars available for use by:		
2(A)	Bridge Enterprise	(A) Establishing and implementing a bridge project budgeting process that avoids routinely approving project budgets that are significantly larger than necessary. This may include specifying the contributing factors within projects that will be allowed for setting contingencies, establishing a reasonable standard overall contingency percentage that is applied to all projects, and/or establishing a shared contingency pool at each region that can be used for multiple projects.	A AGREE. IMPLEMENTATION DATE: DECEMBER 2015. Beginning Spring of 2014, we revised our bridge project budgeting process to reduce contingency and incentive budgets for projects. This process allows us to use and manage contingency amounts more effectively and prevent budgets that are significantly higher than project costs. In addition, we are currently developing a new process for our entire program to further minimize over-budgeting of projects and will communicate via the Chief Engineer to all the Regional offices, the Bridge Enterprise Board, and the Office of Financial Management and Budgeting.	<ul style="list-style-type: none"> •PD BE 16.0 Board directs staff to work on development of reasonable project contingency levels, but doesn't provide specific new requirements (IV.C.1- page 2). •PD BE 16.1 provides the procedures to ensure projects have reasonable contingency levels, noting the contingency shall not exceed 5% unless approved with justification, and further states the contingency is set with future dollars to ensure current year dollars are fully utilized in a timely manner (V.B.3.b.2.c.ii and iii- page 7)
2(B)	Bridge Enterprise	(B) Establishing and implementing a bridge project closure process that addresses the FASTER legislative mandate to effectively and efficiently leverage FASTER revenue and strategically and quickly complete bridge projects, rather than only using the requirements for federal funding.	AGREE. IMPLEMENTATION DATE: JUNE 2016. Efficiently closing and completing bridge projects has multiple benefits that includes the ability to more quickly shift much needed resources to other projects. Although we quickly de-budget and unencumber officially closed projects, we need to reduce the time it takes to "officially close" a project. We will identify and implement ways to shorten our close-out process for FASTER projects and work closely with each of the Regions to do so. We will also report this new process to the Bridge Enterprise Board.	<ul style="list-style-type: none"> •PD BE 16.0 Board directs staff to work on closing out projects in a timely manner, but doesn't provide specific new requirements (IV.C.2- page 2). •PD BE 16.1 provides the procedures to ensure projects are closed in a timely manner by require program management staff to "consistently review projects" nearing substantial completion and requiring specific evaluations be done for projects that are 90% complete and require project savings be returned to the BE fund for reprogramming (V.C.3).

Findings Re: CDOT and CDOT's Responses to the August 2015 State Auditor Performance Audit on the Collection and Usage of the FASTER Motor Vehicle Fees

Rec. No.	Associated CDOT Program	Audit Findings	CDOT Response	Document Location of CDOT Response
3	Safety	Recommendation 3. Page 51. The Transportation Commission (Commission) should ensure that FASTER safety revenue is utilized effectively and strategically addresses Colorado's urgent statewide road safety needs by adopting formal, written resolutions that establish overarching policy directives and clarify the roles and responsibilities of the Commission and the Colorado Department of Transportation (CDOT) management. The policy directives should also address the types of projects or project components that are eligible for FASTER safety revenue and the process for prioritizing and approving these projects that CDOT must follow when selecting and approving road safety projects to fund with FASTER safety revenue.	AGREE. IMPLEMENTATION DATE: JANUARY 2016. There continues to be an urgent need to improve highway safety in Colorado. The Transportation Commission and CDOT Management recognized that with its limited resources, asset management for the full state highway system is not only necessary but good business. As a result, in 2014 CDOT implemented an Asset Management program that includes an Oversight Committee, a Working Committee and several task forces. This structure provides the support, guidance and leadership to address how best to utilize CDOT's FASTER funds (and all revenue) and the Commission receives regular updates from these units. Working with CDOT Management, the Commission will implement a new policy directive to ensure eligibility, priority, and approval requirements for FASTER safety projects are addressed. Regular status updates on FASTER safety projects will be presented to the Commission to ensure CDOT follows eligibility, priority, and approval requirements for FASTER safety projects.	<ul style="list-style-type: none"> •PD 704.0 lays out the policy direction from the TC. Specifically, the policy first clarifies that the Commission determines FASTER Safety funding allocations and project selection criteria (V.A.) and then splits the funding for FASTER safety into two categories, the FASTER Safety Mitigation Program (V.A.2- pages 3 & 4) and asset management projects (V.A.3- page 4). •Importantly, the Commission defines an eligible safety project to include all elements of a project, from design to construction (IV- page 8). <ul style="list-style-type: none"> •For safety mitigation projects the Commission sets eligibility criteria for project selection using already existing criteria approved by the Commission and instructs staff to select projects (V.A. 2. c & d- page 3). •For asset management projects, the commission lays out the assets eligible for FASTER funding (geohazards, signals, culverts, tunnels, surface treatment) and declares that all aspects except inspections in each category are eligible to be funded, and instructs staff to prioritize the eligible assets (V.A.3. b & c- page 4).
4	Safety	Recommendation 4. page 52. The Colorado Department of Transportation (CDOT) should ensure that FASTER safety revenue is used consistently according to legislative requirements and Transportation Commission policy directives by:		
4(A)	Safety	(A) Developing and implementing written policies and procedures that staff are required to adhere to and procedural directives that (1) define which types and aspects of projects, including non-construction aspects, are and are not eligible to fund with FASTER safety revenue, and (2) establish the criteria and process to be used when prioritizing and approving eligible projects.	AGREE. IMPLEMENTATION DATE: JANUARY 2016. We will develop a written procedural directive that outlines the requirements for defining which types and aspects of projects are eligible to fund with FASTER safety revenue. This directive will also include the criteria and process to be used when prioritizing and approving eligible projects.	<ul style="list-style-type: none"> •While PD 704.0 lays out the TC policy, two corresponding Procedural Directives instruct the department. •PD 1504.1 relates to the FASTER Safety Mitigation Program. Types of projects eligible (IV) and a more detailed prioritization and selection process is covered (V.B.- pages 2-5) •PD 1608.2 relates to the Asset Management Program and (V.B-D- pages 2-5) lays out prioritization of the asset classes (geohazards, signals, culverts, tunnels, surface treatment).
4(B)	Safety	(B) Providing training on the developed policies and procedures to all staff members responsible for identifying and managing road safety projects funded with FASTER safety revenue.	AGREE. IMPLEMENTATION DATE: MAY 2016. Once the procedural directive is complete, we will work with all Regions, the Chief Engineer and the Chief Financial Officer to communicate these requirements and provide the necessary training to ensure compliance.	<ul style="list-style-type: none"> •PD 1504.1 lays out training that is intended to happen upon adoption of the PD for safety mitigation projects (V.D.- page 6). •PD 1608.2 does the same for asset management projects The Asset Management PD does something similar. (V.F.- page 7).
5	Safety	Recommendation 5. page 65. The Colorado Department of Transportation (CDOT) should provide sufficient oversight of FASTER safety revenue to ensure that it is budgeted effectively and in accordance with legislative intent by:		

Findings Re: CDOT and CDOT's Responses to the August 2015 State Auditor Performance Audit on the Collection and Usage of the FASTER Motor Vehicle Fees

Rec. No.	Associated CDOT Program	Audit Findings	CDOT Response	Document Location of CDOT Response
5(A)	Safety	(A) Creating a FASTER Safety Program, with appropriate policies and procedures, and designating specific staff the responsibility for managing and monitoring the use of all FASTER safety revenue.	AGREE. IMPLEMENTATION DATE: JANUARY 2016. Establishing this program will be a coordinated effort between the Chief Engineer, the Chief Financial Officer (CFO), the Transportation Systems, Management and Operations Division, the Regional offices and the Transportation Commission, and will include designating the staff responsible for managing and monitoring the program. The new process will be documented through policies and procedures and include: • how we will track and monitor FASTER safety revenue and expenditures; • how the codes in SAP will be populated to identify FASTER safety projects; • performance metrics and goals to measure the impact of FASTER safety revenue.	<ul style="list-style-type: none"> •PD 704.0 (V.A.1- page 2) lays out OFMB financial responsibilities to ensure each program is provided the appropriate funding, the funding is reconciled and tracked from project start to finish (V.A.1). •PD 704.0 also creates the FASTER Safety Program (V.A.2.a) and puts the FASTER Safety Mitigation Executive Steering Committee in charge of project selection (V.A.2.f). •PD 1504.1 further lays out responsibilities for the FASTER Safety Mitigation Program and staff roles and responsibilities (V.C- pages 3-5). •PD 1608.2 provides staff responsibilities for the Asset Management Program (V.D.- pages 5-6).
5(B)	Safety	(B) Routinely tracking and monitoring aggregate data on FASTER safety projects. CDOT should use these data to ensure that the amount of FASTER safety revenue budgeted to projects is proportionate to the amount of safety work on a project.	AGREE. IMPLEMENTATION DATE: JANUARY 2016. Currently, on a monthly basis, revenue and expenditures are monitored by the CFO and the Chief Engineer offices. At least quarterly, the Chief Engineer together with the CFO will review actual aggregated FASTER safety expenditures for all projects against the projected FASTER safety revenue. Significant variances will be addressed and the resolution documented. Projects and safety improvements are selected based upon criteria in the FASTER Safety Program Guidelines and the review and approval process will ensure that the safety improvement will be funded proportionately to the safety improvement. This process will be institutionalized with Commission adoption of the policy by January 2016.	<ul style="list-style-type: none"> •Procedures to track and monitor aggregate data for FASTER safety projects can be found in the OFMB PD 704.1 (entire document), which lays out the broad distribution and tracking of FASTER funds. The Commission defines an eligible safety project to include all elements of a project, from design to construction (IV- page 2). The Commission does not seek to determine a proportional amount of safety work on every project, but instead provides the category/phases of projects where use of FASTER funding is deemed by the Commission to be appropriate. This criteria is repeated in both the FASTER Safety Mitigation an Asset Management directives.
5(C)	Safety	(C) Updating SAP to include specific coding that is unique to FASTER safety revenue and follows the funds from receipt through budgeting and project expenditure in a manner that provides the capability of compiling accurate and complete reports.	AGREE. IMPLEMENTATION DATE: MARCH 2016. Implementing this recommendation will be under the Chief Engineer through the Regional Transportation Directors, the Transportation Systems, Management and Operations (TSMO) Division, the Project Engineers and the Regional Program Manager Offices (PMO). For all projects with identified uses of FASTER safety revenues, TSMO will identify and quantify safety-related benefits. Once guidelines are developed, the Office of Financial Management and Budget will provide training to ensure that the correct program code is populated and identifies in SAP that the project has specific safety components. Each Regional Transportation Director will review and verify that projects funded with FASTER safety dollars have quantifiable safety related benefits.	<ul style="list-style-type: none"> •PD 704.1 lists the new SAP codes so staff may properly code and track FASTER funds (V.G- pages 7-9)
5(D)	Safety	(D) Establishing sufficient achievable performance measures and goals to measure the impact that FASTER safety revenue has had on highway safety and routinely collecting adequate data.	AGREE. IMPLEMENTATION DATE: JANUARY 2016. We will develop Commission-adopted policy and program guidelines and procedures that will establish program objectives and goals to be achieved and the subsequent performance measures that measure the impact that the FASTER Safety Program has on improving safety. The guidelines will identify the measures definitions, the data process for the measures, and reporting process.	<ul style="list-style-type: none"> •CDOT has updated its "Lead" measures for FASTER in the CDOT Performance Plan to better measure the impact of the FASTER Safety Mitigation Program revenue on highway safety by adding a "lead" measure related to the goal that 80% of projects selected with Faster Safety Mitigation Program funds be at locations with a Level of Safety Service (LOSS) of 3 or 4 to ensure projects have the highest impact on safety. •The Performance Plan will add another "lead" measure early next year related to the timely expenditure of FASTER Safety funds. (Page 12 CDOT FY '15-16 Performance Plan). •Additionally, PD 1504.1 (V.C.2.i- page 4) and 1608.2 (V.E.- page 6) require annual reports of the program's status and effectiveness.

Findings Re: CDOT and CDOT's Responses to the August 2015 State Auditor Performance Audit on the Collection and Usage of the FASTER Motor Vehicle Fees

Rec. No.	Associated CDOT Program	Audit Findings	CDOT Response	Document Location of CDOT Response
6	Transit	<p>Recommendation 6. Page 77 The Colorado Department of Transportation (CDOT) should ensure that state transit funds are used effectively and in accordance with legislative requirements and intent by providing oversight and establishing sufficient controls within the Transit and Rail Division related to transit revenue and projects and by implementing the CDOT Internal Audit Division July 2014 recommendations. This should include establishing, implementing, and requiring staff to follow written policies and procedures that specify oversight activities for FASTER transit revenue and projects, and routinely reconciling transit revenue, expenditures, and other transfers in and out of the transit fund.</p>	<p>AGREE. IMPLEMENTATION DATE: JULY 2016. We continue to improve our procedures and implement the CDOT Internal Audit Division July 2014 recommendations to ensure that state transit funds are used effectively and in accordance with legislative requirements. Our improvements include documenting these procedures and requiring staff to provide adequate oversight of Transit revenue, the allocation of this revenue and tracking expenditures. In addition, working with the Office of Financial Management and Budget we will establish sufficient controls within the Transit and Rail Division including routinely reconciling transit revenue, expenditures, and other transfers in and out of the transit fund.</p>	<ul style="list-style-type: none"> •PD 704.0 put in Policy the already adopted sub-pool structure for how funds are distributed (V.A.4- pages 4-5). The same section highlights commission direction on project criteria, selection, and reporting expectations. •Oversight and reconciliation of funds are dealt with in several Procedural Directives. 704.1 (V. A-D- pages 3-6) details high level oversight and reconciliation issues. •PD 1608.1 lays out a host of responsibilities related to the FASTER Transit program (V. C-F- pages 6-10), including contracting , monitoring and performance reporting responsibilities.
6	Transit	<p>CDOT Internal Audit 2014: Reporting Recommendation: The DTR Director should develop, implement and enforce policies and procedures related to tracking FASTER Transit projects. These procedures need to include a process that will guide DTR staff on how to obtain this information and reconcile to verify accuracy and completeness. At a minimum, the procedures should:</p> <ul style="list-style-type: none"> • Define who is responsible for pulling the data and how often it is pulled. • Train staff on how to pull the needed data. • Define who is responsible for reviewing the report. 		<ul style="list-style-type: none"> •In addition to the information provided in Recommendation 6, above; •PD 1608.1 states that DTR staff will pull and report on quarterly data (V.C.3) , but the document also details roles of OFMB, Procurement & Contract Services and others. •PD 1608.1 requires new DTR staff be trained on SAP and data functions within 3 months of hiring, and existing staff shall receive training as needed (V.G, page 11). <p>Oversight and reconciliation of funds are dealt with in several Procedural Directives. 704.1 (V. A-D- pages 3-6) details high level oversight and reconciliation issues.</p> <ul style="list-style-type: none"> •PD 1608.1 requires reports to the DTR Director, T&I Committee, and TRAC, specifically regarding specific projects, current status, milestones reached and underperforming projects (V.F.1.e- page 9-10)
7	E&A Committee	<p>Recommendation 7: Page 81. The Colorado Department of Transportation (CDOT) should work with the Transportation Commission to re-establish and re-implement an "efficiency and accountability committee" as directed by statute, to ensure statutory compliance and effective management of FASTER, and other revenue that it receives. Alternatively, if CDOT believes this committee is no longer necessary or is fulfilled through other means, it should seek statutory change to repeal the requirement.</p>	<p>Agree. Implementation Date: January 2016. The initial intent of this committee was to ensure statutory compliance and effective management of FASTER revenue. In 2011 we created the Office of Process Improvement with the primary goal much the same as the Efficiency & Accountability Committee (E&A). With support from the Transportation Commission, we implemented several major LEAN process improvements related to truck permitting, right-of-way permits, transit improvements, and many others. We also moved forward innovation and efforts to bring more money to construction-a Key purpose for the E&A. Most notable was improved cash and project management, allowing 1.5 billion of additional transportation projects without additional revenue. Those efforts did not exist in 2009 when the E&A was created. With such significant and successful efforts being put forward internally, the E&A meetings soon consisted of CDOT presentations. Subsequently, the E&A Committee decided CDOT had already taken appropriate steps towards being a more efficient and accountable department, and no recommendations were warranted. It seemed by the E&A that its time and effort spent on the committee was no longer necessary and it had fulfilled its statutory intent. CDOT plans to pursue a change to this statutory requirement in 2016.</p>	<p>Since the release of the FASTER Audit in August, 2015, the Legislative Audit Committee has met several times to consider draft legislation related to the E&A Committee. Because of the interest in the Audit Committee to carry legislation related to the E&A Committee in 2016, CDOT staff is working with the committee and legislation bill drafters on the specific language. CDOT expects a bill to be introduced in 2016 to clarify the role of the E&A Committee and perhaps sunset the committee after a certain period of time.</p>
8	DOR Finding		N/A	N/A

Findings Re: CDOT and CDOT's Responses to the August 2015 State Auditor Performance Audit on the Collection and Usage of the FASTER Motor Vehicle Fees

Rec. No.	Associated CDOT Program	Audit Findings	CDOT Response	Document Location of CDOT Response
9	OSOW Records	<p>Recommendation 9 Page 101 The Colorado Department of Transportation (CDOT) should establish and implement adequate accounting controls and recordkeeping to ensure that all revenue collected from the FASTER oversize and overweight surcharge is accurately and appropriately transferred to the correct state accounts, by:</p>	<p>The initial intent of this committee was to ensure statutory compliance and effective management of FASTER revenue. In 2011 we created the Office of Process Improvement with the primary goal much the same as the Efficiency & Accountability Committee (E&A). With support from the Transportation Commission, we implemented several major LEAN process improvements related to truck permitting, right-of-way permits, transit improvements, and many others. We also moved forward innovation and efforts to bring more money to construction- a key purpose for the E&A. Most notable was improved cash and project management, allowing \$1.5 billion of additional transportation projects without additional revenue. Those efforts did not exist in 2009 when the E&A was created. With such significant and successful efforts being put forward internally, the E&A meetings soon consisted of CDOT presentations. Subsequently, the E&A Committee decided CDOT had already taken appropriate steps towards being a more efficient and accountable department, and no recommendations were warranted. It seemed by the E&A that its time and effort spent on the committee was no longer necessary and it had fulfilled its statutory intent. CDOT plans to pursue a change to this statutory requirement in 2016.</p>	
9(A)	OSOW Records	<p>(A) Establishing and utilizing an overall process for recordkeeping that accurately captures all FASTER surcharges assessed and all revenue collected.</p>	<p>A AGREE. IMPLEMENTATION DATE: JUNE 30, 2015. CDOT will implement an overall process for recordkeeping performing monthly reconciliations between COOPER (Bentley's replacement), SAP for all permits and surcharge revenue collected.</p>	<p>DAF Accounting Office has developed a written desk procedure called the "Permits Surcharges Reconciliation Procedure" for reconciling surcharge revenue recorded by COOPR OSOW Permitting System and SAP system. This is done monthly by an Accountant II and reviewed by their supervisor. The Permitting Office reconciles the collections on a daily basis for permits issued. The Accounting Office independently reconciles the same collections on a monthly basis. This monthly process ensures all data is being recorded accurately. DAF Business Support Services is working with DAF Accounting and the Permitting Office to develop an interface system between COOPR and SAP. This interface process should eliminate the chances of human error.</p>
9(B)	OSOW Records	<p>(B) Establishing and utilizing reconciliation processes that ensure yearend accounting information for the surcharge revenue is accurate and that transactions and adjustments are reflected appropriately. This includes establishing a written interagency agreement with the other state agencies involved in collecting this surcharge that defines each agency's role and responsibilities and specifies how and when surcharge revenue data will be maintained and shared.</p>	<p>B AGREE. IMPLEMENTATION DATE: JUNE 30, 2015. CDOT will work with the AG's office on creating an interagency agreement for CDOT and the other state departments involved with the collection of FASTER surcharge revenue identifying all responsibilities and roles for each agency/department. CDOT will establish a reconciliation process to ensure that yearend accounting information for the surcharge revenue is accurate, transactions and adjustments are reflected appropriately, and financial balances are properly classified.</p>	<p>Prior to June 30, 2015, Accounting completed a reconciliation process that reconciled all errors identified by the state auditor in the prior four years. Accounting has remitted to the State Treasurer surcharge revenue that was due. Also, going forward for the coming fiscal year, Accounting is working with CDPS and DOR to develop a process of financial oversight and control among the different agencies' reporting systems. See Ports of Entry FASTER Surcharge reconciliation worksheet titled FY 2016 Wheels and Coopers Reconciliation. Accounting Office is currently working with CDPS and DOR to develop and IAA memorializing the responsibilities of each agency regarding the surcharge revenue. Additionally, in an attempt to improve permit transactions at Ports of Entry facilities, CDOT will be installing kiosks which will allow motor carriers the opportunity to order their own permits independent of Port of Entry operations. These will be credit card transactions only which go directly into COOPR, bypassing Port of Entry processes. CDOT intends to have deployment complete by the end of FY2016.</p>

Findings Re: CDOT and CDOT's Responses to the August 2015 State Auditor Performance Audit on the Collection and Usage of the FASTER Motor Vehicle Fees

Rec. No.	Associated CDOT Program	Audit Findings	CDOT Response	Document Location of CDOT Response
9(C)	OSOW Records	(C) Establishing and utilizing a periodic account balance review process to ensure that all FASTER surcharge revenue within CDOT's internal accounts has been forwarded to the Department of the Treasury.	C AGREE. IMPLEMENTATION DATE: JUNE 30, 2015. CDOT will perform a quarterly review of all FASTER surcharge revenue collected by all agencies and ensure all FASTER surcharge revenue is transferred to State Treasury.	Accounting reviews the SAP report on a monthly and quarterly basis. See screen print of SAP FASTER surcharge data. The monthly review confirms that the surcharges received have been transferred to the State Treasurer, through the Interagency Initiator ("ITI") and Interagency Acceptance ("ITA") process in the state's financial accounting system, called Colorado Operating Resource Engine ("CORE").
10	Judicial Finding		N/A	

Attachment B

TC Resolution Approving Policy Directive 704.0 and Copy of Policy Directive 704.0

Resolution # TC-

Adoption of Policy Directive 704.0 “Policy Governing the Efficient Use of FASTER Revenue.”

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

WHEREAS, in 2009, the General Assembly passed the Funding Advancements for Surface Transportation and Economic Recovery (FASTER) Act, § 43-4-801, *et seq.*, C.R.S.; and

WHEREAS, the FASTER Act was intended to provide funding for the repair and replacement of structurally deficient and functionally obsolete bridges and improve highway safety in the state;

WHEREAS, the FASTER Act, § 43-4-811, C.R.S. allocated additional FASTER funding for FASTER Transit Projects; and

WHEREAS, the Colorado Office of the State Auditor conducted an audit regarding the use of FASTER funding by state agencies including CDOT, and published its recommendations in an audit entitled “Collection and Usage of the FASTER Motor Vehicle Fees” dated August 2015; and

WHEREAS, the State Auditor’s findings 1 through 7, 9 and 10 concern CDOT’s processes and controls for the use of FASTER funds for eligible projects; and

WHEREAS, the Commission, by adopting Policy Directive 704.0, intends to provide sufficient guidance to the Department on the allocation of FASTER funding and set forth criteria the Department must follow to select eligible projects in order to effectively and efficiently use FASTER revenue; and

WHEREAS, Policy Directive 704.0 directs the Department to implement the respective processes for the use of FASTER funding, which include the Department’s management of FASTER funding (Procedural Directive 704.1), the processes for use of FASTER safety funds (Asset Management - Procedural Directive 1608.2 and Safety Mitigation – Procedural Directive 1504.1), and the use of funds for FASTER Transit

Projects (Procedural Directive 1608.1); and

WHEREAS, Policy Directive 704.0, taken together with the accompanying Procedural Directives, meets the recommendations of the FASTER audit and ensures the effective and efficient use of FASTER funds; and

NOW THEREFORE BE IT RESOLVED, the Commission herein approves Policy Directive 704.0 “Policy Governing the Efficient Use of FASTER Revenue.”

Transportation Secretary
Herman Stockinger

Date

COLORADO DEPARTMENT OF TRANSPORTATION		<input checked="" type="checkbox"/> POLICY DIRECTIVE <input type="checkbox"/> PROCEDURAL DIRECTIVE
Subject Policy Governing the Efficient Use of FASTER Revenue		704.0
Effective	Supersedes n/a	Originating Office OFMB/TSM&O/DTD/DTR

I. PURPOSE

The purpose of this Policy Directive is to allocate FASTER funding and set forth the criteria the Department must follow to select eligible projects in order to effectively and efficiently use FASTER revenue.

II. AUTHORITY

Transportation Commission pursuant to § 43-1-106(8)(h), C.R.S.

§ 43-4-801, et seq., C.R.S. “Funding Advancement for Surface Transportation and Economic Recovery” “FASTER”

§ 43-4-206(3), C.R.S.

§ 43-1-117.5, C.R.S.

§ 43-4-811, C.R.S.

§ 43-1-1104(1)(b), C.R.S.

III. APPLICABILITY

This Policy Directive applies to all divisions, offices and regions of the Colorado Department of Transportation, and where applicable, to the Bridge Enterprise and the High Performance Transportation Enterprise.

IV. DEFINITIONS

“Asset Management Executive Oversight Committee” shall mean an advisory committee comprised of members of CDOT executive management who advise on the Asset Management Program.

“DTR” shall mean the Division of Transit and Rail established pursuant to § 43-1-117.5, C.R.S. within the Colorado Department of Transportation.

“FASTER Safety Project” shall mean a construction, reconstruction, or maintenance project that enhances the safety of a state highway and may include all aspects of delivering a safety mitigation project: planning, financing, study, analysis, designing, engineering, mitigation, acquisition, contracting, installation, and construction activities that result in repair, reconstruction, new construction, maintenance, or operation of a highway to enhance safety. The definition of FASTER Safety Project shall apply to all road or road related improvements set forth in § 43-4-803(14), C.R.S.

Subject Policy Governing the Efficient Use of FASTER Revenue	704.0
---	--------------

This definition shall include projects referred to as “FASTER Safety Asset Management Project” and “FASTER Safety Mitigation Project.”

“FASTER Safety Mitigation Executive Steering Committee” shall mean an advisory committee comprised of members of CDOT executive management who will review and approve FASTER Safety Mitigation projects.

“Statewide Transit Project” shall mean a Transit Project or Transit Related Project that provides services or benefits to a substantial portion of the state.

“Transportation Commission” or “Commission” shall refer to the Commission established pursuant to § 43-1-106, C.R.S.

“Transit and Intermodal Committee” or “T&I Committee” shall mean the committee comprised of members of the Transportation Commission with oversight of the Division of Transit and Rail.

V. POLICY

A. The Transportation Commission (hereinafter “Commission”) shall determine the funding allocation and criteria by which projects eligible for FASTER funding are selected.

1. Office of Financial Management and Budget (“OFMB”) Oversight of FASTER Revenues

- a) The Commission shall oversee OFMB’s allocation of FASTER revenue by reviewing and approving the annual budget and budget supplements pursuant to § 43-1-105(8)(h), C.R.S.
- b) The OFMB shall allocate and reconcile FASTER revenue provided to the Department of Transportation. The allocation shall be made to the following programs:
 - (1) Pursuant to § 43-4-811, C.R.S., \$5 million annually to the DTR to provide grants to local governments for local transit projects;
 - (2) Pursuant to § 43-4-206(3), C.R.S., \$10 million annually to statewide transit projects administered by the DTR;
 - (3) Pursuant to direction of the Commission, a portion of FASTER Safety revenue shall be allocated to safety-related Asset Management program; and
 - (4) Pursuant to direction of the Commission, the FASTER Safety Mitigation Program shall receive the balance of the FASTER Safety fund after distribution to the FASTER Transit Program and Asset Management program.
 - (5) All FASTER Bridge Safety surcharge revenues shall be distributed to the Statewide Bridge Enterprise.
- c) The OFMB shall use the process and methodology set forth in Procedural Directive 704.1 “Financial Management of FASTER Revenues” to accurately and efficiently track FASTER revenues from revenue forecasting, annual budget setting, program allocation, project budgeting,

Subject Policy Governing the Efficient Use of FASTER Revenue	704.0
---	--------------

project funding and expenditure to reconciliation.

d) The OFMB shall continue to utilize both SAP (CDOT's financial management system) and CORE (the state financial management system) to account for all FASTER revenues received, allocated and budgeted throughout CDOT.

e) For all projects using FASTER funding, if the project exceeds the approved budget by the amount specified in Policy Directive 703.0, the process set forth in Policy Directive 703.0 must be followed.

2. FASTER Safety Mitigation Projects

a) The Commission herein creates the CDOT FASTER Safety Mitigation Program which is charged with improving highway safety through the use of FASTER Safety funds in accordance to § 43-4-802(2)(b), C.R.S.

b) The Commission determines what types of projects and components of projects are considered eligible to be funded. Construction, reconstruction or maintenance projects that enhance the safety of a state highway by reducing the severity and number of highway crashes are considered eligible projects for the FASTER Safety Mitigation Program. The Commission further determines that eligible project components may include all aspects of delivering a safety mitigation project: planning, financing, study, analysis, designing, engineering, mitigation, acquisition, contracting, installation, and construction activities that result in repair, reconstruction, new construction, maintenance, or operation of a highway to enhance safety.

c) The Commission further defines eligible FASTER Safety Mitigation Projects as projects that meet the following criteria:

- (1) Applicant is either a CDOT region or an eligible public entity with authority to enter into a contract with CDOT;
- (2) Sufficient information is provided in the application for analysis of the program criteria;
- (3) The application demonstrates that the proposed project addresses a safety need related to Colorado's state transportation system; and
- (4) The proposed project meets the minimum benefit-to-cost ratio as determined by the FSM Executive Steering Committee.

d) The Commission directs the FASTER Safety Mitigation Program to select FASTER eligible projects with the goal of reducing the severity and number of highway crashes and working toward zero deaths for all users.

Subject Policy Governing the Efficient Use of FASTER Revenue	704.0
---	--------------

- e) The Commission further directs that the FASTER Safety Mitigation Program use the metrics set forth in Procedural Directive 1504.1 to develop the projects for inclusion in the Statewide Safety Mitigation Plan.
- f) The Commission herein directs the FASTER Safety Mitigation Executive Steering Committee to review and approve projects to be funded under this program.
- g) The FASTER Safety Mitigation Program with the support of the Division of Accounting and Finance shall compile an annual report and provide it to the FASTER Safety Mitigation Executive Steering Committee and the Commission in order to assess the effectiveness of the FASTER Safety Mitigation Program.

3. FASTER Safety Asset Management Projects

- a) The Commission herein recognizes that a number of CDOT asset classes within the Asset Management Program have such a clear nexus to safety that it is appropriate for an amount of FASTER Safety funds to be utilized to fund projects within those asset classes.
- b) Eligible asset classes to use FASTER Safety funds include Geohazards, Signals, Culverts, Tunnels, and Surface Treatment. All projects that meet the definition of FASTER Safety Project are eligible for funding. Inspection programs within the asset classes are not eligible for FASTER Safety funds.
- c) The Commission herein directs the Asset Management Executive Oversight Committee to prioritize the eligible asset classes for FASTER Safety Asset Management Program funds.
- d) CDOT Division of Transportation Development with the support of the Division of Accounting and Finance will compile an annual report and present it to the Asset Management Executive Oversight Committee and the Commission in order to assess the effectiveness of the FASTER Safety Asset Management Program.

4. FASTER Transit Projects

- a) The Commission, having oversight of the DTR, determines what types of projects and components of projects are considered eligible to be funded.
- b) The Commission directs that the Department fund FASTER Transit Projects from the “local” or “statewide” pool of FASTER revenues based on the following sub-pool structure.

Local Pool

\$4.1 Million small agency¹ capital expenses
\$0.9 Million large urban² capital expenses

¹ This excludes Mountain Metropolitan Transportation in Colorado Springs, Transfort in Fort Collins, and RTD in the Denver Metro area.

² This includes only Mountain Metropolitan Transportation in Colorado Springs, Transfort in Fort Collins.

\$5.0 Million Local Pool

Statewide Pool

\$1.0 Million for DTR Administration, Planning, Technical Assistance
 \$3.0 Million for CDOT Interregional Express (IX) Bus Service (aka Bustang)
 \$1.0 Million Operating Assistance for Other Regional / Interregional Bus Service
 \$3.0 Million for large urban capital expenses (RTD)
 \$2.0 Million Statewide Competitive Capital Pool

\$10.0 Million Statewide Pool

- c) Pursuant to Resolution TC#3167, the funding criteria set forth above must be reconsidered and approved or modified prior to the distribution of FY 2019 FASTER funding. The DTR shall recommend continuation or modification of the statewide and local pool allocations set forth above on or before April 30, 2017.
- d) The Commission further directs that eligible FASTER Transit Projects must meet the following criteria:

Statewide Pool	Local Pool
Extent to which project provides statewide or interregional services or benefits.	Criticality
Extent to which project is multimodal in nature.	Financial capacity
Extent to which project provides regional services or benefits.	Financial need
Criticality	Project impacts
Financial capacity	Readiness
Financial need	
Project impacts	
Readiness	

- e) The Commission directs the DTR to base its selection of FASTER Transit Projects on the metrics set forth in Procedural Directive 1608.1.
- f) The DTR Director shall approve the FASTER Transit Projects following the procedure set forth in Procedural Directive 1608.1.
- g) Procedural Directive 704.1 outlines CDOT’s management of FASTER Transit funding. For projects that exceed the approved project budget by the amount specified in Policy Directive 703.0, DTR shall submit the FASTER Transit Project to the OFMB, which will then include the project in the budget supplement request and submit it to the Commission utilizing the process set forth in Policy Directive 703.0.

Subject Policy Governing the Efficient Use of FASTER Revenue	704.0
---	--------------

- h) The Transit and Intermodal Committee (“T&I Committee”) shall advise the DTR on any proposed changes to the FASTER Transit metrics.
- i) The T&I Committee shall review quarterly reports submitted by DTR which contain the expenditures and status of all FASTER funded projects and the reconciliation of FASTER funding.
- j) DTR shall annually apprise the T&I Committee of the Transit Projects recommended for FASTER funding for the next fiscal year.
- k) DTR shall submit any proposed changes in funding for FASTER Transit Projects to the OFMB, which shall include the request in the budget supplement pursuant to Policy Directive 703.0.
- l) FASTER Transit Projects shall be tracked by the DTR budget analyst and the OFMB in SAP as set forth in Procedural Directive 704.1 and 1608.1. The Commission directs DTR staff to work with the OFMB to routinely reconcile transit revenue expenditures and other transfers in and out of the Transit Fund.

VI. IMPLEMENTATION PLAN

- A. This Policy Directive shall be effective immediately upon signature.
- B. Each Originating Office shall provide within one week of the effective date a copy of this Policy Directive to all employees within their respective division/office. The Directive shall also be disseminated to all members of Executive Management Team to be provided to all staff impacted by its requirements.

VII. Review Date

This Policy Directive shall be reviewed on or before April 2017.

Herman Stockinger
Transportation Commission Secretary

Date

Attachment C

Bridge Enterprise Resolution Approving Policy Directive 16.0 and Copy of Policy Directive 16.0.0

Resolution # BE-

Adoption of Policy Directive BE16.0 “Oversight of FASTER Funding for State Bridges”

WHEREAS, in 2009, the General Assembly passed the Funding Advancements for Surface Transportation and Economic Recovery (FASTER) Act, § 43-4-801, *et seq.*, C.R.S.; and

WHEREAS, one component of the FASTER Act was the creation of the Statewide Bridge Enterprise, § 32-4-805(2), C.R.S. whose business purpose is to finance, repair, reconstruct, and replace any designated bridge in the state; and

WHEREAS, the FASTER Act also imposed a bridge safety surcharge to defray the costs of completing designated bridge projects due to limited availability of state and federal funding and the need to accomplish the financing, repair, reconstruction, and replacement of designated bridges as promptly and efficiently as possible; and

WHEREAS, the Colorado Office of the State Auditor conducted an audit regarding the use of FASTER funding by state agencies including CDOT, and published its findings in an audit entitled “Collection and Usage of the FASTER Motor Vehicle Fees” dated August 2015; and

WHEREAS, the State Auditor’s recommendations 1 and 2 specifically concern the Bridge Enterprise; and

WHEREAS, Policy Directive BE16.0 is intended to meet audit recommendation 1 by utilizing a documented process to strategically prioritize and program eligible bridge projects in a thorough and integrated manner, including documenting the rationale for selecting bridges to repair; and

WHEREAS, Policy Directive BE16.0 is intended to meet audit recommendation 2 by working with the Department to establish and implement a bridge project budgeting process that avoids routinely approving project budgets that are significantly larger than necessary; and

WHEREAS, Policy Directive BE16.0 is further intended to meet audit recommendation 2 by establishing and implementing a bridge project

closure process that addresses the FASTER legislative mandate to effectively and efficiently leverage FASTER revenue and strategically and quickly complete bridge projects; and

WHEREAS, Policy Directive BE16.0, taken together with the accompanying Procedural Directives BE16.1 and 704.1, meets the recommendations of the FASTER audit by memorializing processes to ensure the effective and efficient use of FASTER funds; and

NOW THEREFORE BE IT RESOLVED, the Bridge Enterprise herein approves Policy Directive BE16.0 “Oversight of FASTER Funding for State Bridges.”

Transportation Secretary
Herman Stockinger

Date

Statewide Bridge Enterprise		<input checked="" type="checkbox"/> POLICY DIRECTIVE <input type="checkbox"/> PROCEDURAL DIRECTIVE
Subject Oversight of FASTER Funding for State Bridges		Number BE16.0
Effective	Supersedes	Originating Office Statewide Bridge Enterprise

I. PURPOSE

Pursuant to § 43-4-805(2)(b), C.R.S., the business purpose of the Bridge Enterprise is to finance, repair, reconstruct, and replace any designated bridge in the state and, as agreed upon by the Transportation Commission (“Commission”), or the Colorado Department of Transportation (“Department”) to the extent authorized by the Commission, to maintain the bridges it finances, repairs, reconstructs, and replaces.

It is the intent of the Bridge Enterprise Board of Directors to ensure that the State obtains the greatest benefit in increased bridge safety per FASTER dollar spent by establishing and utilizing a documented process to strategically prioritize and program bridge projects in a thorough and integrated manner.

The Bridge Enterprise Board of Directors, through its oversight of the Bridge Enterprise Program, will use FASTER funding effectively and efficiently to facilitate the financing, repair, reconstruction, and replacement of designated bridges as promptly and efficiently as possible.

II. AUTHORITY

Statewide Bridge Enterprise Board of Directors established pursuant to § 43-4-805, C.R.S.

Statewide Bridge Enterprise established pursuant to § 43-4-805(2), C.R.S.

§ 48-4-801 to 805, C.R.S. “Funding Advancements for Surface Transportation and Economic Recovery Act of 2009” “FASTER Act”

23 CFR 650 subpart C National Bridge Inspection Standards, March 1 2009

Recording and Code Guide for the Structure Inventory and Appraisal of the Nation’s Bridges, FHWA, Report No. FHWA-PD-96-001 <https://www.fhwa.dot.gov/bridge/nbi/library.cfm>

III. APPLICABILITY

This Policy Directive shall apply to the Statewide Bridge Enterprise as well as all Divisions, Regions, and Offices of the Colorado Department of Transportation.

IV. POLICY

A. Project Eligibility. The Bridge Enterprise Board of Directors shall make the most strategic use of available FASTER funds using the following criteria to determine which statewide bridges should be Designated Bridges and eligible to receive FASTER funds.

1. A sufficiency rating of less than 50, which means the bridge is “poor”; and
2. The status must be functionally obsolete and/or structurally deficient.

B. Project Selection. Designated Bridges are eligible for FASTER funding and will be evaluated by Bridge Enterprise staff on both a qualitative and quantitative basis. The quantitative prioritization plan is not intended to be a rank order strategic priority list in which Designated Bridges should be funded. Strategic bridge priorities are determined through a combination of both the qualitative and quantitative analysis. At the time of the funding request, an evaluation summary will be provided to the Bridge Enterprise Board. Staff will follow _____ Procedural Directive BE 16.01 when evaluating and recommending projects for funding to the Bridge Enterprise Board.

C. Project Execution and Transparency. The Bridge Enterprise Board provides staff with the following additional guidance to Bridge Enterprise and CDOT staff for the project execution and reporting stages.

1. Continue to provide guidelines to project engineers and seek other process improvements for the development of reasonable project contingency fund levels in order to make best use of funds available.
2. Work with CDOT project staff to review projects nearing completion so that the projects may be closed out in a timely manner and excess project funds shall be returned for funding to other priority projects.
3. Provide regular progress reports to the Bridge Enterprise Board at regular meetings and develop other methods to insure transparency of Bridge Enterprise decisions and progress.

V. IMPLEMENTATION PLAN

This Policy Directive shall be effective upon signature.

Subject Oversight of FASTER Funding for State Bridges	Number BE16.0
---	-------------------------

VI. REVIEW DATE

This Policy Directive shall be reviewed on or before January 2021.

Herman Stockinger
Secretary, Bridge Enterprise Board of Directors

Date of Approval

Attachment D

Transportation Commission / Bridge Enterprise Board of Directors Meeting January 21, 2016

New Procedural Directives Submitted for Information Only

Regarding 2015 FASTER Audit

1. Procedural Directive 704.1 “Financial Management of FASTER Revenues”
2. Procedural Directive 1504.1 “FASTER Safety Mitigation Program”
3. Procedural Directive 1608.2 “Asset Management Program use of FASTER Funds”
4. Procedural Directive 1608.1 “FASTER Transit Program”
5. Procedural Directive BE16.1 “Bridge Enterprise Management of FASTER Revenue and Selection of FASTER Bridge Projects”

**1. Information Only:
Procedural Directive 704.1
“Financial Management of FASTER
Revenues”**

COLORADO DEPARTMENT OF TRANSPORTATION		<input type="checkbox"/> POLICY DIRECTIVE <input checked="" type="checkbox"/> PROCEDURAL DIRECTIVE
Subject Financial Management of FASTER Revenues		Number 704.1
Effective	Supersedes n/a	Originating Office Office of Financial Management and Budget (OFMB)

I. PURPOSE

The purpose of this Procedural Directive is to provide transparency regarding the Colorado Department of Transportation’s use of FASTER revenues by setting forth the Office of Financial Management and Budget’s internal processes to allocate and reconcile FASTER funding.

II. AUTHORITY

Executive Director pursuant to § 43-1-105, C.R.S.

§ 43-4-801, et seq., C.R.S. “Funding Advancement for Surface Transportation and Economic Recovery” “FASTER”

III. APPLICABILITY

This Procedural Directive applies to all divisions, offices and regions of the Colorado Department of Transportation, and where applicable, to the Bridge Enterprise and the High Performance Transportation Enterprise.

IV. DEFINITIONS

“APRJ” shall mean “Apportionment to Project” and is the SAP transaction document type for budgeting to a project.

“APRV” shall mean “Apportionment to Provider” and is the SAP transaction document type for establishing the apportionment ledger balance.

“Asset Class” shall mean a set of fixed assets having similar characteristics and attributes that differentiate them from others by kind, type, or function.

“Asset Management Program” shall mean a collection of programs, established to identify and perform preventive treatments to improve asset condition on a long-term basis. The provider code for FASTER Safety in these programs is FAB411.

“Bridge Enterprise Program” also known as “Statewide Bridge Enterprise Program” and constitutes the primary use of the FASTER Bridge Enterprise Surcharge revenues. The program code in SAP is

Subject Financial Management of FASTER Revenues	Number 704.1
--	-------------------------------

represented by the acronym SSR. The provider code is associated with this revenue source and program is FAB538.

“COMD” shall mean “Commission Detail” and is the SAP transaction document type for allocating revenues to Cost Centers.

“CORE” shall mean the “Colorado Operations Resource Engine” which is the Colorado statewide financial system of record.

“Cost Center” shall mean a cost accumulator to track non-project staff, capital, and operating expenses. A portion of FASTER transit budget and FASTER Bridge Enterprise is apportioned to several cost centers. A cost center budget is established at the beginning of each fiscal year.

“FAB411” shall mean the SAP Functional Area code for FASTER Safety, including the \$10M annual set aside for State Transit and funds used for asset management.

“FAB480” shall mean the SAP Functional Area code for FASTER Transit and Rail Local set aside (\$5M annual).

“FAB538” shall mean the SAP Functional Area code for FASTER Surcharge for the Bridge Enterprise.

“FASTER” shall mean the Funding Advancement for Surface Transportation and Economic Recovery Act, which was established by Senate Bill 09-108 and codified at § 43-4-801, *et seq.*, C.R.S.

“Local Transit Program” shall mean a \$5M annual allocation using FASTER revenues beginning in Fiscal Year 2010 for Locally Administered Transit related activities. The program code for this funding is TRG and the provider code is FAB480.

“OFMB” shall mean the Office of Financial Management and Budget within the Colorado Department of Transportation.

“OLIM” shall mean “Obligation Limitation” and is the SAP transaction document type for establishing the obligation limitation balance.

“OPRJ” shall mean “Obligation to Project” and is the SAP transaction document type for obligating a project.

“Project” shall mean one or more treatments falling within categories such as safety mitigation, inspection, replacement, rehabilitation, and/or repair.

“Project Budget” shall mean the amount of funds allotted to a project for the purposes of delivering a specific scope of work. This amount establishes authority to encumber and expend funding.

Subject Financial Management of FASTER Revenues	Number 704.1
--	-------------------------------

“REGP” shall mean “Regional Pool” and is the SAP transaction document type for allocating revenues to program pools using a document type.

“Safety Mitigation Program” shall mean the program established under Policy Directive 704.0, Section V.A.2. The program code in SAP is represented by the acronym FSA. The provider code is FAB411.

“SAP” shall mean CDOT’s system of record for financial budget, accounting and project systems information.

“SAP Functional Area” is also known as the “Provider Code” and shall mean the Functional Area Code field in SAP which represents distinct funding sources, historically known to CDOT as “apportionment providers.” The format for the coding is “FAB####”. The code is found in many CDOT reports including ZF70, ZF95, FMEDDW and is validated using the Apportionment to Provider “Z4” ledger to ensure that the provider is not over-obligated in aggregate above the total revenues.

“Transit Program” also known as the “Statewide Transit and Rail Program” and shall mean the program receiving a \$10M annual sub-allocation of FASTER safety revenues beginning in Fiscal Year 2010 for transit-related activities including the implementation of CDOT’s new bus program titled “Bustang.” The program codes for the FASTER Transit Program are STL, HP2, and BUS. The provider code for this program is FAB411, as it is technically a suballocation of the FASTER Safety revenue stream.

“Transportation Commission” or “Commission” shall mean the Transportation Commission established pursuant to § 43-1-106, C.R.S.

V. PROCEDURE

A. Governing Documents Regarding CDOT’s Use of FASTER Revenues

1. Procedural Directive 704.1 “Financial Management of FASTER Revenues” must be read together with the Transportation Commission’s Policy Directive 704.0.
2. This Procedural Directive must also be read together with the Procedural Directives relating to FASTER funded programs, including those governing the Division of Transit and Rail, the Safety Mitigation and Asset Management Program, and the Bridge Enterprise Program. These Procedural Directives must also be read together with Policy Directive 703.0, which outlines the Commission’s Policy regarding the funding of CDOT projects and programs, as well as Policy Directive 14.0, which provides an overall framework for the transportation planning process.

B. Annual Revenue Forecasting and Allocation Process

1. Revenue Forecast for FASTER Funds

Subject Financial Management of FASTER Revenues	Number 704.1
--	-------------------------------

a) The CDOT Revenue Analyst is responsible for producing long range annual revenue forecasts and updating these forecasts throughout the fiscal year.

b) Revenue forecasts are produced using a model that uses historical revenue information, national economic data, state population data, and several other data points in order to produce the most current forecast of annual revenues. *See* CDOT Long Term Revenue Model Training Document.

c) CDOT uses these revenue forecasts to produce several documents, including its Annual Budget Allocation Plan, Long Range Transportation Plans, the Statewide Transportation Improvement Program, and the Statewide Federal Transit Plan.

As part of the overall revenue forecasting process, the CDOT Revenue Analyst develops a forecast for FASTER revenue. The Revenue Analyst forecasts all FASTER fees that the State of Colorado will collect using its long term revenue model, rather than forecasting only what CDOT will receive. Out of six fees that are collected as part of the FASTER legislation, the Colorado Bridge Enterprise receives 100% of the Bridge Safety Surcharge. CDOT Receives 60% of the revenues collected from the remaining five. The CDOT revenue analyst uses these respective percentages to forecast the total FASTER revenues that the Colorado Bridge Enterprise and CDOT will receive for a given year. Once these FASTER revenues have been forecasted, the Revenue Analyst allocates them, following the resource allocation process described in section C.

C. Allocation of Revenues to Programs and Cost Centers

1. Prior to OFMB formally allocating its forecasted revenues for the upcoming fiscal year, it submits a final Budget Allocation Plan to the Transportation Commission for their approval.
2. The Commission-approved Budget Allocation Plan is then submitted to the Governor’s Office of State Planning and Budgeting.
3. Once the Transportation Commission has approved the final Budget Allocation Plan, OFMB allocates the approved revenues to the appropriate program pool or cost center, including the various FASTER funds through the SAP system, prior to the start of the State fiscal year (July1 – June 30).
4. In addition to the CDOT SAP system, all FASTER funds are represented in the Long Bill on the Construction, Maintenance and Operations and Bridge Enterprise lines. These amounts are automatically booked into the Statewide Financial System (CORE) at the beginning of the fiscal year as part of the Long Bill booking. The OFMB Annual Budget Analyst is responsible for ensuring that these amounts are booked correctly. While CDOT maintains its own internal financial system (SAP), all Department revenues and expenditures in SAP must be reconciled in

Subject Financial Management of FASTER Revenues	Number 704.1
--	-------------------------------

CORE. The annual budget analyst must ensure that all revenues represented in SAP are reconciled with CORE.

5. FASTER revenues follow this resource allocation process, but are also allocated more specifically than most revenues that CDOT receives each year. As described in section B, the CDOT Revenue Analyst forecasts the total FASTER revenues that the State of Colorado will receive, including the 100% of the Bridge Safety Surcharge to the Colorado Bridge Enterprise and 60% of the remaining FASTER revenues that go to CDOT. That 60% to CDOT is then allocated to several programs. \$15 million dollars is immediately allocated to the Division of Transit and Rail (DTR) in the form of FASTER State and Local Transit Grants. As determined in the CDOT Annual Budget, FASTER Safety funds may be allocated to the Asset Management Program in priority order as follows (inspection programs in each class are not eligible for FASTER funding):

- a. Priority 1 – Geohazards
- b. Priority 2 – Signals
- c. Priority 3 – Culverts
- d. Priority 4 – Tunnels
- e. Priority 5 – Surface Treatment

The remaining amount of FASTER Safety funds after suballocation is then allocated to the FASTER Safety Mitigation Program.

D. Reconciliation of FASTER Revenues

1. At the end of each fiscal year, the CDOT Revenue Analyst reconciles the revenue forecasts to actual revenues that the Department receives from motor vehicle registrations, motor fuel taxes, grants, permits, other fees, and any other revenues that it may receive throughout the fiscal year. The Office of the State Treasurer, FHWA, and the CDOT Division of Accounting and Finance (“DAF”) provide the CDOT Revenue Analyst with final revenues for the fiscal year. The CDOT Revenue Analyst compares these to the forecast that was used at the beginning of the fiscal year in the resource allocation process described in section C. Specific to FASTER revenues, the Office of the State Treasurer provides CDOT with the Highway User’s Tax Fund Report, which details all of the FASTER Revenues collected by the state as well as the 60% distribution to CDOT. With regard to the Bridge Safety Surcharge as mentioned in C.6., CDOT receives data detailing the Bridge Safety Surcharge collections from CORE. The Revenue Analyst works with the Bridge Enterprise accounting staff to confirm that the amount received in SAP matches the amount detailed in CORE.

2. OFMB provides the Transportation Commission with a revenue reconciliation report that provides a comparison between forecasted and actual revenues for the given fiscal year. OFMB also provides the Transportation Commission with recommendations with regard to the use of any surplus or deficits in funds that may exist.

Subject Financial Management of FASTER Revenues	Number 704.1
--	-------------------------------

3. Surpluses and deficits are addressed differently based on whether they are flexible or inflexible types of funding.

a) Flexible funds are funds that may be used for any type of project. Surpluses of flexible funds are distributed per the approval of the Transportation Commission. Options include increasing various CDOT programs, the Transportation Commission Contingency Relief Fund, or to supplement programs with reduced revenues.

b) Inflexible funds are funds that have specific uses identified by statute or FHWA requirements. FASTER funds are considered inflexible, as the FASTER legislation specifies that these types of funds may only be used on eligible projects in the FASTER programs. Any surplus of inflexible funds goes directly to the program pool or cost center that funds are allocated to during reconciliation to ensure that FASTER funds are always utilized in a manner consistent with FASTER legislation.

4. OFMB distributes allocations to FASTER programs (transit, bridge, safety mitigation and Asset Management Program) based on the direction approved by the Transportation Commission following a similar methodology to the resource allocation process that occurs before the start of the fiscal year. This process typically occurs after the close of the fiscal year being reconciled and therefore the adjustments are made to funding pools and cost centers of the next fiscal year. The Revenue Analyst works with the Annual Budget Analyst and the Federal Aid and Project Budget Analyst to make these adjustments.

5. OFMB notifies the program pool and cost center managers and business associates of these adjustments and works with the Division of Transportation Development (DTD) to notify MPOs, TPRS, and any other planning partners of funding adjustments as a result of the end of fiscal year revenue reconciliation.

6. The OFMB Annual Budget Analyst also reconciles the spending authority as represented in the Statewide Financial System (CORE) with actual revenues, including those of the FASTER programs.

7. At the close of each fiscal year, the Annual Budget Analyst will coordinate with the Headquarters Business office, the Federal Aid and Project Budget Analyst and staff from DTR to ensure that FASTER Transit funds as allocated and expended in SAP are reconciled to total FASTER Transit revenues.

Subject Financial Management of FASTER Revenues	Number 704.1
--	-------------------------------

E. Program Planning

The project planning processes for the Transit, Safety Mitigation, Asset Management, and the Bridge Enterprise programs utilizing FASTER revenues are set forth in the respective Procedural Directives.

F. Project Execution

1. STIP Programming. Step 2 of the following process applies to projects requiring transfer to regions prior to project budgeting. For projects in which the budgeting is coordinated at the CDOT Headquarters, skip to step 3.
2. As regionally designated projects are identified by the program manager, based on the criteria established by the Commission as qualifying for funding, a workflow process known as the Funding Action Request (FAR) is submitted based on preliminary estimates:
 - a) Region personnel discuss project with Program Manager;
 - b) FAR created in SharePoint by the regional business office;
 - c) Submitted to OFMB for review;
 - d) OFMB conducts SAP transaction type REGP to formally move the funds from the Statewide Pool to a Regional Pool.
3. Once in the regional pool, the Regional Planner adds the project to the Statewide Transportation Improvement Program (STIP), which is approved by OFMB STIP Manager. Within the STIP SAP application, Business Managers and Region Planners must: a) reference a STIP number; b) use the appropriate funding program (such as FSA for FASTER Safety projects), and c) use the fund type of FAS. These items provide additional data that assists in identifying FASTER funds within the STIP. The funds are now available to budget to a project.

G. Budgeting Funds to Projects

1. Once funds have been allocated to CDOT program pools and then added to the STIP, the funds are available to budget to projects. A project budget is used to control costs intended to deliver a specific scope of work as intended during the project set up. Budget actions are created by regional business offices and submitted to OFMB for review and approval. Budgeting of the following programs are executed by either the regional or headquarters business staff.

Subject Financial Management of FASTER Revenues	Number 704.1
--	-------------------------------

a) FASTER SAFETY (FSA) are typically budgeted by regional business office staff to qualifying projects, referencing the FSA in the SAP Fund Center coding string. The Functional Area code FAB411 is associated with these funds when budgeting to a project.

b) FASTER Transit (STL) are typically budgeted by headquarters business office staff to qualifying projects as directed by the Division of Transit and Rail, referencing the STL in the SAP Fund Center coding string. The Functional Area code is also FAB411 and is associated with these funds when budgeting to a project.

c) FASTER Transit Local Grants (TRG) are typically budgeted by headquarters business office staff to qualifying projects as directed by the Division of Transit and Rail, referencing the TRG in the SAP Fund Center coding string. The Functional Area code is FAB480 and is associated with these funds when budgeting to a project.

d) FASTER Bridge Safety Surcharge (SSR) are typically budgeted by the Bridge Enterprise Budget Analyst to qualifying projects as directed by the Bridge Enterprise staff and Board, referencing the SSR in the SAP Fund Center coding string. The Functional Area code is FAB538 and is associated with these funds when budgeting to a project. Furthermore, the Bridge Enterprise is a separate Fund and requires unique Fund Code 538.

e) The Asset Management Programs' allocation of FASTER Safety funds is determined during Annual Budget preparation as detailed in the Asset Management use of FASTER Funds Procedural Directive 1608.2 and the Allocation of Revenue section in this Procedural Directive. The Office of Financial Management and Budget monitors the usage of FASTER funds in the Asset Management Programs and conducts project level budgetary transactions to ensure that the appropriate level of FASTER funds are being budgeted and obligated in SAP based on a priority order. The priority order is a strategic prioritization of asset classes and their relationship to the safety benefit associated with those projects.

f) During Asset Management Program allocation, individual projects are not identified as FASTER eligible. Beginning in FY2015 OFMB retroactively reclassified Federal or HUTF dollars in favor of FASTER Safety funds (identified in projects with the FAB411 functional area code) up to the total budget of the asset class based on priority order of funding. This reclassification is necessary in order to demonstrate the budgeting and expense of FASTER funds in AM Programs. The reclassifications are performed manually by OFMB using the SAP Budgeting Work Bench (transaction FMBB).

Subject Financial Management of FASTER Revenues	Number 704.1
--	-------------------------------

OFMB uses SAP to identify how individual Asset Management projects and programs are currently budgeted and make transactions as necessary:

- (1) Compare the FASTER allocations to these asset classes with the current overall project budget using transaction code ZF70;
- (2) Sort and analyze the data by project and specific asset classes to see the current types of funding budgeted in each project and the amounts associated with those types;
- (3) Determine necessary transactions to adjust project level budgets in order to comply with Asset Management use of FASTER Funds Procedural Directive 1608.1;
- (4) Perform budget actions using SAP transaction code FMBB to convert the necessary funding, making sure to utilize the correct FASTER Safety provider code “FAB411” when entering the compensatory funds to replace those funds that were reduced.
- (5) A quarterly analysis is submitted to the Performance and Asset Management Branch Manager which reflects the adjusted project budgets which utilize FASTER funds.

2. OFMB compares the project budget amount to the estimate and reviews SAP data (such as Functional Area and Fund Center coding) for consistency with project and budget action details. OFMB gives a cursory review of the project scope for adequate detail.
3. OFMB validates the budget action with Policy Directive 703.0 guidelines to determine the level of approval authority required, Staff level, Executive Management level, or Transportation Commission level.
4. Once a budget action is approved, the project is either immediately available for obligation and expenditure, or if the project also contains Federal funding it may be forwarded to FHWA for review and authorization prior to making funds available for expenditure.

H. Project Obligations

1. Project Obligation is the formal commitment of funds by either CDOT or FHWA prior to expending the funding. This process is typically referred to when projects require FHWA funding and is the basis of FHWA giving concurrence to the project and provide authorization to proceed with expenditures that can then be reimbursed by FHWA to CDOT.

Subject Financial Management of FASTER Revenues	Number 704.1
--	-------------------------------

2. For projects funded wholly with state funds, including FASTER funds, the obligation process typically occurs immediately after the project budget is approved.
3. For projects funded with FHWA and state funds, including FASTER funds, the obligation does not occur until FHWA also gives their concurrence in the Federal financial system “FMIS”.
4. The obligation process within SAP is the formal point where a specific funding source is validated for availability prior to being expended. SAP maintains the Z4 and Z5 ledgers which will prevent obligating funds above a revenue stream as booked by the revenue analyst. For example, if the sum of multiple years of revenues for a program is \$100M, the sum of the project obligations in all historical projects to date cannot exceed that amount. Funds not obligated in previous years, or de-obligated from projects during closure are made available to new projects.
5. SAP OPRJ documents consume funds against the previously established ledger balances set out by the APRV and OLIM entries as previously described.
6. Technical Note: Funds budgeted from future years are not “obligated” until that associated year has been opened. Until then they are considered “Advance Constructed” ADVC and do not consume against the APRV or OLIM ledger balances. Upon entering the fiscal year associated with the budgeted funds, the project is converted from Advance Construction to Obligated.

I. Project Expenditures

1. Project expenditures such as employee time charges or payments to consultants and/or contractors are coded by personnel into SAP against the project. Validations are made to the funding availability, with some exclusions, at an aggregate level. If funds are available, a payment is made and funds are consumed from the project.
2. The coding of an expenditure and the availability validation occurs at an aggregated level of funding, meaning SAP does not assign the expenditure to a specific type of funding, such as FASTER or Federal or state Highway User Tax Funds. As coded in SAP, using the Commitment Item types coded as “4XXXXXXXXXX” you cannot see what type of funds are intended to pay for this specific expenditure item.
3. Once an expenditure item is processed a subsequent automated transaction in SAP will assign these Commitment Item types through a billing process which does assign an equal amount to a specific functional area or “provider code”. This process validates the funding types and amounts budgeted to the project and assigns costs up to the amount obligated for a specific fund type, by referencing a “Funding Priorities table” in SAP that was established for each project. This assignment of costs to various Federal, State or Local costs will subsequently

Subject Financial Management of FASTER Revenues	Number 704.1
--	-------------------------------

generate a “billing” transaction which will assign a Commitment Item code of “7XXXXXXXXXX”. For Federal funds this occurs daily. For State and Local funds this occurs monthly.

4. Discounting brief timing differences, in SAP the sum of all expenditure “4XXXXXXXXXX” type transactions will equal the sum of all billing “7XXXXXXXXXX” transactions.

5. Project modifications, such as funding transfers or adjustments, and closure activities can impact the amounts “billed” to a specific provider either upward (new billing) or downward (credit billing).

J. Cost Center Expenditures

1. The Annual Budget Analyst shall be responsible for the correct allocation of funds to the FASTER Statewide Transit and Bridge Enterprise cost centers and ensure that cost center balances are reconciled to program pools. FASTER Transit and FASTER Bridge Enterprise will have separate appropriation codes in SAP and CORE to prevent comingling of funds.

2. SAP Availability Controls prevent posting expenditures to cost centers beyond available budget. Payroll expenditures, however, are not subject to availability control. FASTER cost center expenditures will be monitored by the Annual Budget Analyst, the Enterprise Analyst and the Business Office during the course of the fiscal year to ensure that expenditures do not exceed available budgets.

K. Cost Center Fiscal Year Close

1. The Annual Budget Analyst will ensure that year-end cost center balances (unspent funds) for all FASTER cost centers (including FASTER Statewide Transit and FASTER Bridge Enterprise) are rolled forward into their respective cost centers for the next fiscal year and allow them to be subsequently expended.

L. Project Completion

1. Projects requiring additional funds prior to project close shall request funding using the same Program Planning and Project Execution processes detailed above, including the Policy Directive 703.0 review.

2. Projects being closed with surplus funds are debudgeted and funds are returned to the originating program to be made available for subsequent programming and budgeting to another project. If necessary, a pool transfer is executed to return the funds from the regional controlled pool to the headquarters/statewide pool.

Subject Financial Management of FASTER Revenues	Number 704.1
--	-------------------------------

3. FASTER projects being closed require the same documentation required for all projects, including the completion of forms 950 and 1212 by the regional personnel and are processed by OFMB for closure in SAP and FMIS systems as necessary. Prior to official close, projects are validated to ensure that all accounting and finance related activities are completed including expenditure, billing, and asset settlement.

4. The Program Management Office is evaluating methods to expedite project closure and minimize project contingency balances. The FASTER programs will incorporate these changes as they are implemented.

5. If FASTER funds are utilized to fund a Bridge or FASTER Safety Project that is later determined to have not been a Designated Bridge or that does not ultimately result in a project, the FASTER revenue must thereafter be returned to the FASTER pool.

VI. DOCUMENTS REFERENCED IN THIS DIRECTIVE

FASTER Funding and Planning Workflow

CDOT Long Term Revenue Model Training Document

Appendix A “FASTER Financial Management Process

VII. IMPLEMENTATION PLAN

OFMB’s use of technology through SAP and CORE provides a high level of transparency and accountability. OFMB continues to develop methods by which projects across all programs may be measured so that the effectiveness of FASTER funding may be monitored.

Training will be provided to CDOT staff regarding the procedures outlined in the directive, including the project budgeting processes and proper SAP transaction coding.

This Procedural Directive shall be effective upon signature.

VIII. REVIEW DATE

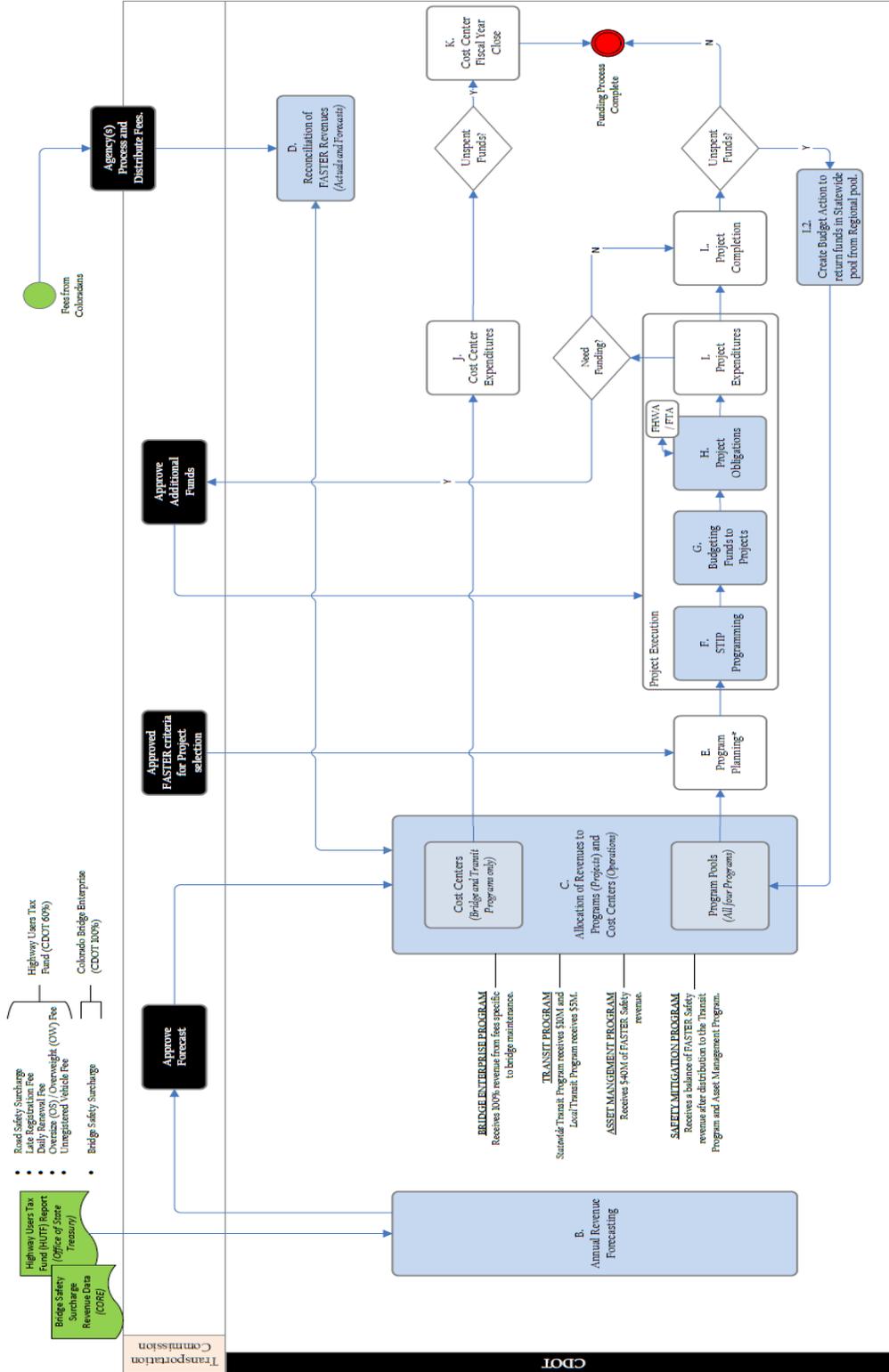
This Procedural Directive shall be reviewed on or before January 2021.

 Executive Director

 Date of Approval

FASTER Program – Financial Management Process (Level 1)

Purpose: To display a high level current state of OFMB's tracking of the spending of FASTER Program fees to complete transportation improvements.



**2. Information Only:
Procedural Directive 1504.1
“FASTER Safety Mitigation Program”**

COLORADO DEPARTMENT OF TRANSPORTATION		<input type="checkbox"/> POLICY DIRECTIVE <input checked="" type="checkbox"/> PROCEDURAL DIRECTIVE
Subject FASTER Safety Mitigation Program		1504.1
Effective	Supersedes n/a	Originating Office TSM&O / Safety and Traffic Engineering

I. PURPOSE

The purpose of this Procedural Directive is to set forth the processes by which FASTER revenues are allocated to FASTER eligible safety projects, and to provide transparency on the oversight and management of FASTER safety programs.

II. AUTHORITY

Executive Director pursuant to § 43-1-105, C.R.S.

§ 43-4-801, et seq., C.R.S. “Funding Advancement for Surface Transportation and Economic Recovery” “FASTER”

III. APPLICABILITY

This Procedural Directive applies to all divisions, regions and offices of the Colorado Department of Transportation.

IV. DEFINITIONS

“FASTER Safety Mitigation (“FSM”) Program” shall mean the CDOT Program charged with improving highway safety through the use of FASTER Safety funds in accordance to § 43-4-802(2)(b), C.R.S.

"FASTER Safety Mitigation Project" or "FSM Project" shall mean a construction, reconstruction, or maintenance project that enhances the safety of a state highway and may include all aspects of delivering a safety mitigation project: planning, financing, study, analysis, designing, engineering, mitigation, acquisition, contracting, installation, and construction activities that result in repair, reconstruction, new construction, maintenance, or operation of a highway to enhance safety. The definition of FASTER Safety Mitigation Project shall apply to all road or road related improvements set forth in 43-4-803(14), C.R.S.

“FASTER Safety Mitigation Executive Steering Committee” or “FSM Executive Steering Committee” shall mean an advisory committee comprised of members of CDOT executive management who will review and approve FASTER Safety Mitigation projects.

“Highway” for purposes of this Procedural Directive shall mean a road and related improvements and services. A highway may consist of improvements and services, including, but not limited to, paving, grading, landscaping, curbs, gutters, culverts, sidewalks, bikeways, lighting, bridges, overpasses, underpasses, rail crossings, shoulders, frontage roads, access roads, interchanges, drainage facilities, transit lanes and services, park-and-ride facilities, traffic demand management facilities and services, other multimodal improvement and services, toll collection facilities, service areas, administrative or maintenance facilities, gas, electric, water, sewer, and other utilities located or to be located in the right-of-way of the highway, and other real or personal property, including easements, right-of-way, open space, and other interests therein, related to the financing, construction, operation, or maintenance of the highway. [§ 43-4-803(14), C.R.S.].

V. PROCEDURE

A. Program Objectives

1. The FSM Program shall deliver FASTER Safety eligible projects with the goal of reducing the severity and number of highway crashes, and working toward zero deaths for all users.
2. As a means to achieve the program objectives, the FSM Program shall apply the process below established by the Transportation Commission in Policy Directive 704.0.

B. FSM Project Eligibility and Selection Process

1. The FSM Program will use a two-step evaluation method to determine if a project is eligible for FSM program funding.
 - a) The FSM Project must meet the eligibility criteria established by the Transportation Commission and set forth in Policy Directive 704.0; and
 - b) The FSM Project must be evaluated by the FSM Program staff using the following metrics:
 - (1) Reduce existing crashes. Mitigate a documented crash problem and/or addresses predominate crash pattern(s).
 - (2) Reduce existing crash severity. Mitigate a documented severe crash problem and/or addresses predominate severe crash pattern(s).
 - (3) Address system weaknesses. Reduce the risk of crashes, especially life-changing crashes, and/or reduce exposure to segment and/or intersection crash risks.

(4) Enhance other highway features and/or functions. Enhance traffic operations, communication, implement new technologies, and extend design life.

(5) Provide proven safety measures for a systematic/preventative location. Mitigate predicted crash types for a facility and/or improve engineering standard conformance for the project location.

(6) Improve pedestrian/bicycle safety. Mitigate documented pedestrian/bicycle crashes, remove pedestrian/bicycle traffic from shared way, link existing pedestrian/bicycle facilities, and/or implement Public Right-Of-Way Accessibility Guidelines (PROWAG).

(7) Leverage funding opportunities with an existing project. Address safety recommendations and/or incorporate safety improvements with limited independent utility into other CDOT projects.

(8) Encourage cooperative efforts with local agencies to improve safety. Encourage local agency participation, coordinate with local transportation planning documents, and/or encourage local agency maintenance.

C. FSM Program Roles and Responsibilities

1. The FSM Executive Steering Committee. The FSM Executive Steering Committee shall:

- a) Review and approve the FSM Program metrics for project selection;
- b) Review program budgets, performance, schedules, project selection, program goals and objectives, and program delivery;
- c) Review and approve the statewide FSM Project plan; and
- d) Provide guidance to the FSM Program staff as needed.

2. The FSM Program Staff. The FSM Program staff shall:

- a) Develop, review and update the metrics set forth above every 3 to 5 years;
- b) Provide a list of potential locations for mitigation for use in project identification by regional offices (refreshed every 4 to 5 years);
- c) Analyze crash data for development of regional planning budgets (every 4 years);

- d) Provide technical evaluations for FSM program eligibility, approve applications, and compile FSM project lists for each CDOT Region, and assemble and maintain a statewide FSM plan reflecting all CDOT Regional FSM plans.
- e) Respond to program funding variations, changes in project scopes and schedules, bid adjustments, and emerging safety needs;
- f) Monitor and report to the FSM Executive Steering Committee on program goals and objectives, project selection, budgets, performance schedules, milestones, and program delivery;
- g) Initiate and update procedure/analyses of metrics, technical measures, and annual schedule of activities for the FSM program;
- h) Include in performance reports appropriate performance measures that are achievable and help meet the program's objectives;
- i) Monitor FSM program funding, and include in an annual report of the FSM Program status and effectiveness including:
 - (1) FSM Program performance measures;
 - (2) FSM Project selection;
 - (3) FSM Project delivery;
 - (4) FSM Program funding; and
 - (5) Program effectiveness, including analysis of before-and-after studies.

3. CDOT Regional Offices shall:

- a) Identify locations for potential projects considering statewide crash analysis, develop scope of projects to mitigate road safety issues, and complete applications utilizing local input;
- b) Work with local partners to analyze and identify potential FSM projects using: identification of correctible crash pattern(s) through statewide crash data analysis, and/or confirmation of locally observed road safety issue(s) and risk factor(s) through engineering analysis;
- c) Prepare applications for resulting candidate FSM projects to be submitted to the CDOT Headquarters Traffic and Safety Engineering Branch (make consistent with FSM Program staff' language, use one or the other) for evaluation;

- d) Prioritize FSM projects within the respective region which are compiled by the FSM Program for programming and implementation;
 - e) Prioritize approved FSM projects for implementation considering technical evaluation results, funding needs, time needed for project development, and other relevant considerations, and develop a plan for submittal to FSM program staff;
 - f) Review the statewide approved plan list;
 - g) Coordinate budget requests with the CDOT Headquarters Office of Financial Management and Budget (“OFMB”) on individual FSM projects;
 - h) Implement and deliver FSM projects within the respective region;
 - i) Monitor delivery of projects on the statewide FSM plan and take the following actions if needed:
 - (1) Changes in scope or increase in funding in accordance with PD 703.0: For all projects using FASTER funding, if the project exceeds the approved budget by the amount specified in Policy Directive 703.0, the process set forth in Policy Directive 703.0 must be followed. The respective CDOT regional office will request a change and reevaluation of the FSM project from the FSM Program. The FSM Program will work with OFMB to include the request to the Commission in a budget supplement. Return to Procedural Directive step D.4.
 - (2) Changes in project schedule. The respective CDOT regional office will make the necessary adjustments to the regional plan and submit the revisions to the FSM Program to update the statewide plan. Return to Procedural Directive step D.5.
 - (3) If FASTER revenue is utilized to fund a component of a FASTER Safety Project but does not ultimately result in a project, the FASTER revenue must thereafter be returned to the FASTER pool.
4. CDOT Headquarters Office of Financial Management and Budget shall:
- a) Monitor budgets and expenditures;
 - b) Transfer funds; and
 - c) Work with the FSM Program and regional business offices regarding funding needs and/or changes.

<p style="font-size: small; margin: 0;">Subject</p> <p style="margin: 0;">FASTER Safety Mitigation Program</p>	<p style="font-size: small; margin: 0;">Number</p> <p style="margin: 0;">1504.1</p>
---	--

5. Transportation Planning Regions (TPRs) and Metropolitan Planning Organizations (MPOs) shall:

- a) Provide input regarding safety priorities and locations in the development of FSM Projects by utilizing available data; and
- b) Collaborate with CDOT Regional Offices in identification and development of safety driven projects for application to the FSM program.

D. Training

- 1. While the FSM Program provides detailed training on the application process in the FSM Program Protocol, the FSM Program staff will also use available technological resources and CDOT continuing education resources to improve training and make it more available to CDOT’s regional staff.
- 3. Training on every stage of an FSM Project funded with FASTER dollars -- from the application process to project monitoring and oversight -- will ultimately result in the more effective use of FASTER FSM funding.
- 4. CDOT Headquarters Traffic and Safety Engineering Branch (ie. FSM Program Manager) will provide ongoing training pertinent to respective stakeholders mentioned above in the FSM process.

VI. DOCUMENTS REFERENCED IN THIS DIRECTIVE

The FSM Program Protocol

Appendix A “FASTER Safety Mitigation Program Planning Process”

VII. IMPLEMENTATION PLAN

This Procedural Directive shall be effective upon signature.

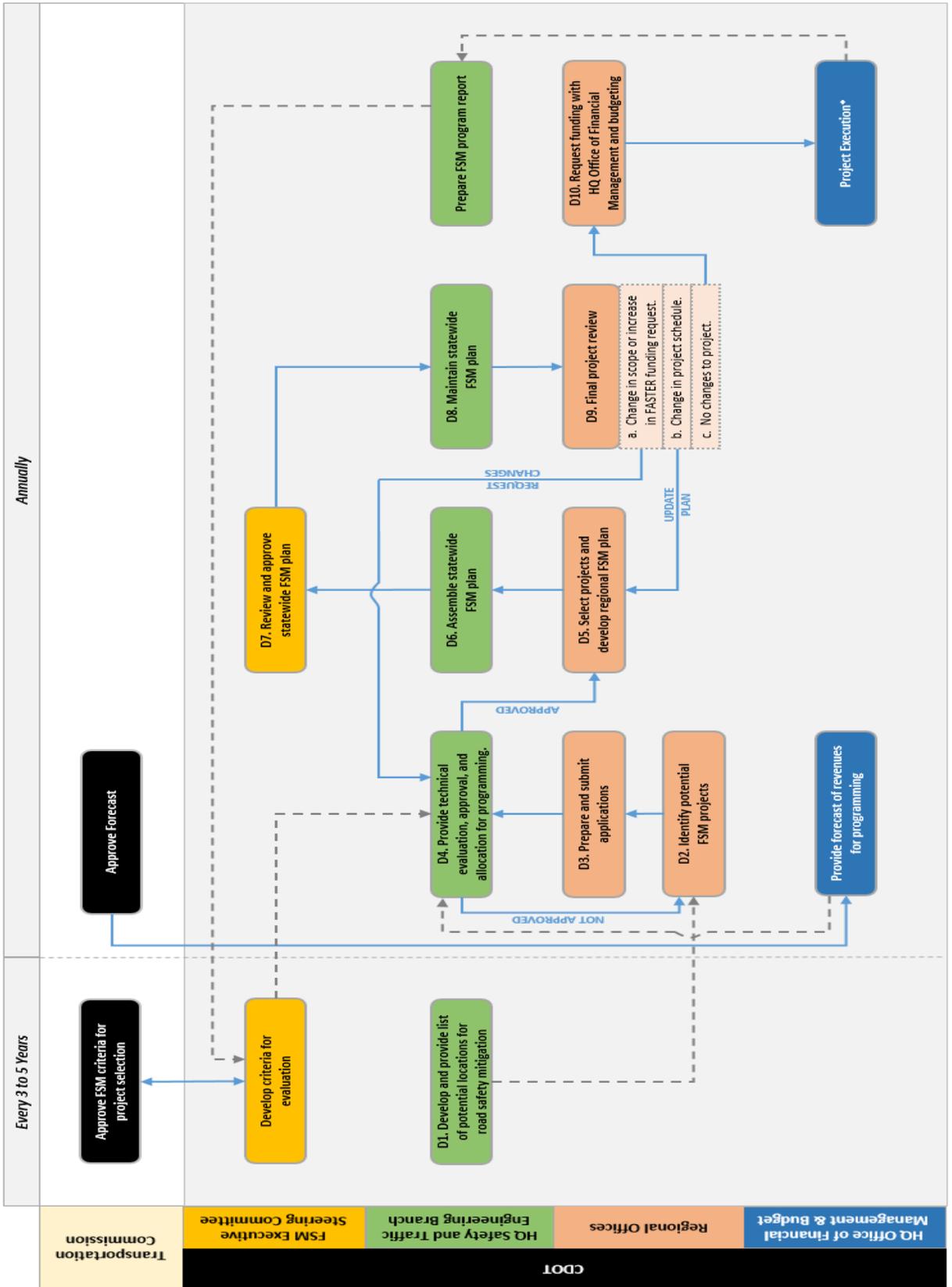
VIII. REVIEW DATE

This Procedural Directive shall be reviewed on or before January 2021.

Executive Director

Date of Approval

FASTER Safety Mitigation Program Planning Process



**3. Information Only:
Procedural Directive 1608.2
“Asset Management Program use of FASTER Funds”**

COLORADO DEPARTMENT OF TRANSPORTATION		<input type="checkbox"/> POLICY DIRECTIVE <input checked="" type="checkbox"/> PROCEDURAL DIRECTIVE
Subject Asset Management Program use of FASTER Funds		1608.2
Effective	Supersedes n/s	Originating Office Division of Transportation Development / Asset Management Program

I. PURPOSE

CDOT maintains a robust asset management program, and many of the projects funded through the program have significant safety benefits. The purpose of this Procedural Directive is to set forth the processes by which FASTER revenues are allocated to FASTER eligible asset management projects, and to provide transparency on the oversight and management of FASTER safety programs.

II. AUTHORITY

Executive Director pursuant to § 43-1-105, C.R.S.

§ 43-4-801, et seq., C.R.S. “Funding Advancement for Surface Transportation and Economic Recovery” “FASTER”

III. APPLICABILITY

This Procedural Directive applies to all divisions, regions and offices of the Colorado Department of Transportation.

IV. DEFINITIONS

“Asset Class” shall mean a set of fixed assets having similar characteristics and attributes that differentiate them from others by kind, type, or function.

“Asset Management Executive Oversight Committee” shall mean an advisory committee comprised of members of CDOT executive management who advise on the Asset Management Program.

“Asset Management Program” shall mean a collection of programs established to identify and perform preventive treatments to improve asset condition on a long-term basis.

“FASTER Safety Asset Management Project” shall mean a construction, reconstruction, or maintenance project that enhances the safety of a state highway and may include all aspects of delivering a safety mitigation project: planning, financing,

Subject Asset Management Program use of FASTER Funds	Number 1608.2
--	-------------------------

study, analysis, designing, engineering, mitigation, acquisition, contracting, installation, and construction activities that result in repair, reconstruction, new construction, maintenance, or operation of a highway to enhance safety. The definition of FASTER Safety Asset Management Project shall apply to all road or road related improvements set forth in § 43-4-803(14), C.R.S.

“Highway” for purposes of this Procedural Directive shall mean a road and related improvements and services. A highway may consist of improvements and services, including, but not limited to, paving, grading, landscaping, curbs, gutters, culverts, sidewalks, bikeways, lighting, bridges, overpasses, underpasses, rail crossings, shoulders, frontage roads, access roads, interchanges, drainage facilities, transit lanes and services, park-and-ride facilities, traffic demand management facilities and services, other multimodal improvement and services, toll collection facilities, service areas, administrative or maintenance facilities, gas, electric, water, sewer, and other utilities located or to be located in the right-of-way of the highway, and other real or personal property, including easements, right-of-way, open space, and other interests therein, related to the financing, construction, operation, or maintenance of the highway. [§ 43-4-803(14), C.R.S.].

“Project list” shall mean a list of projects or treatments that have been approved by the Executive Director (or designee), Deputy Executive Director (or designee), Chief Engineer, and Chief Financial Officer.

“Treatment” shall mean the type of improvement action to be taken to address a highway, safety, or asset management need.

“Treatment list” shall mean a list of treatments that are recommended for inclusion in projects.

V. PROCEDURE

A. Program Objectives

1. Asset classes eligible for FASTER funding will use asset management principles to reduce the risk of:
 - a) Total highway crashes; and
 - b) Severity of highway crashes

B. Eligibility for Use of FASTER Funding

1. The Transportation Commission has identified asset classes that are eligible for using FASTER funds. These asset classes have such a clear safety nexus that any project identified and funded within that asset class is eligible for FASTER Safety funding. Some asset programs include an inspection component. Inspections are not considered eligible for FASTER funds.

Subject Asset Management Program use of FASTER Funds	Number 1608.2
--	-------------------------

2. Due to the recognized safety benefits of these asset classes, projects identified within these classes are eligible for FASTER funding. The projects within these asset classes are selected based on criteria specific to each asset class as part of the Asset Management Program.

3. The eligible asset classes include:

a) Geohazards

(1) Projects include treatments that reduce the risk of rockfalls, rockslides, debris flows, landslides, embankment distress, and sinkhole hazards on the highway. Geohazard projects reduce the risk of crashes and severity of crashes by stabilizing the slope and protecting the roadway from debris on the road, and other associated roadway hazards.

b) Signals

(1) Projects include repair or replacement of traffic signal boxes, controllers, assemblies and other associated infrastructure. Signal projects replace assets that are in deteriorating condition, or do not meet current placement standards as identified in the FHWA *Manual on Uniform Traffic Control Devices*. Repairing or replacing signal asset components reduce the risk of crashes and severity of crashes at intersections by ensuring the continued operation of the signal to safely manage traffic.

c) Culverts

(1) Projects include repair or replacement of culverts in critical condition (Critical Culverts). A critical culvert is a culvert that is in poor condition as identified using the FHWA *Culvert Inspection Manual*, and many factors can contribute to a culvert failure. Safety risks of a failed culvert include structural collapses, sink holes, and overtopping during storm events. The failure of a culvert can lead to washing out of the roadway above the culvert, which could lead to additional asset failure. Critical culvert repair projects reduce the risk of crashes and severity of crashes by avoiding water overtopping the roadway or the washing out of the roadway.

d) Tunnels

(1) Projects include repair and replacement of tunnel assets related to fire and life safety. Safety threats inside tunnels include fire, smoke, spillage of hazardous substances, and explosions. These can be caused by events involving defects in the tunnel driving environment, tunnel structure,

Subject Asset Management Program use of FASTER Funds	Number 1608.2
--	-------------------------

vehicles, or human error. Tunnel projects ensure safety and reduce the risk of fatal and severe crashes by:

- (a) Preventing accidents by installation of illumination, lane usage, signaling systems and detection systems; and
- (b) Mitigating the consequences of accidents by implementing fire protection requirements for structures; and
- (c) Facilitating escape by use of egress signage, walkways, handrails in tunnels, tunnel markings and emergency lighting and power; and
- (d) Facilitating rescue by use of cameras, radio installation for rescue services, reliability of electrical installations, and other components for tunnel operations centers.

e) Surface Treatment

(1) Projects include treatments that improve pavement condition and pavement edge drop-off. Pavement condition is measured by the International Roughness Index (IRI) and measured level of pavement distress (e.g. rutting or cracking). Studies have shown that road roughness and distress affects vehicle behavior, braking, steering and ride increasing the risk of crashes. Specifically, reduced roadway distress leads to improved roadway safety. Surface Treatment projects reduce the risks of crashes and severity of crashes by:

- (a) Improving pavement edge drop-off through Safety Edge installation.
- (b) Treating IRI above 95 inches per mile and rut depths above 10mm (~ ½ ") which directly impacts safety performance.

C. Funding Prioritization for Asset Classes

1. Asset classes eligible for FASTER Safety funds can be entirely funded by FASTER up to the total portion of FASTER Safety funding directed to the Asset Management program.
2. In order to strategically prioritize the FASTER Safety funding that flows into the asset management program, the Asset Management Executive Oversight Committee shall prioritize eligible asset classes for FASTER Safety Asset Management funding as detailed in the below list. The asset classes in this list are identified as eligible for FASTER Safety Asset Management funding in Procedural Directive 704.1.

Subject Asset Management Program use of FASTER Funds	Number 1608.2
--	-------------------------

- a) Priority 1 – Geohazards
- b) Priority 2 – Signals
- c) Priority 3 – Culverts
- d) Priority 4 – Tunnels
- e) Priority 5 – Surface Treatment

3. If FASTER revenue is utilized to fund a component of a FASTER Safety Project but does not ultimately result in a project, the FASTER revenue must thereafter be returned to the FASTER pool.

D. Roles and Responsibilities

1. The Asset Management Executive Oversight Committee shall:
 - a) Prioritize the asset classes for FASTER Safety Asset Management funding;
 - b) Review Annual Report for FASTER Safety Asset Management; and
 - c) Provide guidance as needed.
2. The Headquarters Division of Transportation Development shall:
 - a) Manage and implement the Asset Management Program;
 - b) Implement the process for project list approval;
 - c) Lead the project selection process;
 - d) Provide guidance as needed; and
 - e) Train staff as described in Section F.
3. The Executive Director (or designee), Deputy Executive Director (or designee), Chief Engineer, and Chief Financial Officer shall:
 - a) Approve the project lists; and
 - b) Provide guidance as needed.

Subject Asset Management Program use of FASTER Funds	Number 1608.2
--	-------------------------

4. Asset Class Managers shall:
 - a) Provide list of treatments for use in project identification by regional offices by fiscal year for four-year rolling program by June 15;
 - b) Respond to program funding variations, changes in project scopes and schedules, bid adjustments, and emerging safety needs; and
 - c) Review, approve, and update project lists as needed.

5. CDOT Regional Offices shall:
 - a) Identify locations for potential projects using treatment lists, and develop scope of projects;
 - b) Implement and deliver projects;
 - c) Coordinate budget requests with the CDOT Headquarters Office of Financial Management and Budget on projects; and
 - d) Ensure delivery of program by monitoring milestones, program spending, and project expenditures.

6. CDOT Headquarters Office of Financial Management and Budget shall:
 - a) Monitor budgets and expenditures;
 - b) Transfer funds; and
 - c) Train staff as described in Section F.

7. CDOT Headquarters Program Management Office shall:
 - a) Monitor and report on program budgets, performance, schedules, program goals and objectives, and program delivery; and
 - b) Communicate on status of program delivery to staff.

- E. Program Monitoring, Measurements, and Reporting
 1. CDOT Division of Transportation Development with support of the Division of Accounting and Finance will compile an annual report on the status of FASTER Safety Asset Management eligible asset classes and effectiveness focusing on the following components:

Subject Asset Management Program use of FASTER Funds	Number 1608.2
--	-------------------------

- a) Program performance measures;
- b) Project selection;
- c) Project delivery; and
- d) Program funding.

F. Training

1. The Asset Management Program, with the assistance of the Office of Financial Management and Budget will provide training and documentation to regional and HQ staff on how to ensure the proper coding of SAP budget actions to reflect the use of FASTER Safety funds in asset programs and how to utilize SAP reporting capabilities to identify projects that are utilizing the FASTER Safety funds, including identifying budget, obligation and expenditure.
2. Initial training must be completed by April, 2016 and performed periodically to ensure applicable headquarters and regional personnel are informed about and understand the procedures contained in this Directive.

VI. DOCUMENTS REFERENCED IN THIS DIRECTIVE

Manual on Uniform Traffic Control Devices

Culvert Inspection Manual

VII. IMPLEMENTATION PLAN

This Procedural Directive shall be effective upon signature.

VIII. REVIEW DATE

This Procedural Directive shall be reviewed on or before January 2020.

Executive Director

Date of Approval

**4. Information Only:
Procedural Directive 1608.1
“FASTER Transit Program”**

COLORADO DEPARTMENT OF TRANSPORTATION		<input type="checkbox"/> POLICY DIRECTIVE <input checked="" type="checkbox"/> PROCEDURAL DIRECTIVE
Subject FASTER Transit Program		1608.1
Effective	Supersedes n/a	Originating Office Division of Transit and Rail

I. PURPOSE

The purpose of this Procedural Directive is to set forth the Division of Transit and Rail’s processes for the effective and transparent use of FASTER revenue.

II. AUTHORITY

Executive Director pursuant to § 43-1-105, C.R.S.

§ 43-4-206(3), C.R.S.

§ 43-1-117.5, C.R.S.

§ 43-4-811, C.R.S.

§ 43-1-1104(1)(b), C.R.S.

III. APPLICABILITY

This Procedural Directive applies to the Division of Transit and Rail (“DTR”) and the Divisions, Regions and Offices of the Colorado Department of Transportation, as well as grant partners who apply for and/or receive FASTER transit funding.

IV. DEFINITIONS

“CASTA” shall mean the “Colorado Association of Transit Agencies.”

“DTR” shall mean the Division of Transit and Rail established pursuant to § 43-1-117.5, C.R.S.

“FASTER Transit Project” shall mean a Transit Project funded with FASTER revenues that directly impacts the provision of public or specialized transportation services. FASTER Transit Projects shall also include projects that are indirectly related to the provision of public transportation services but that show a positive impact to ridership and/or multimodal connectivity, including but not limited to the

<p>Subject</p> <p>FASTER Transit Program</p>	<p>1608.1</p>
---	----------------------

planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit-related projects. § 43-4-206(3), C.R.S.

“Interregional Transit Project” shall mean a project that provides services or benefits in more than one CDOT region or more than one Transportation Planning Region (TPR) which operates over a long distance, has infrequent stops, and serves outside the transit provider’s normal taxing jurisdiction.

“Local Transit Project” shall mean a project that provides services or benefits within a local area.

“Open Door Specialized Transportation” shall mean a service available to any elderly and disabled person and is not limited to a particular clientele or facility.

“Regional Transit Project” shall mean a project that provides services or benefits within one TPR but which serves more than two municipalities and traverses more than approximately 25 miles, or that serves a significant portion of a region by connecting multiple communities.

“Statewide Transit Project” shall mean a project that provides services or benefits to a substantial portion of the state.

“Transit” shall mean public transportation by any mode, including bus, rail, or advanced guideway systems, or bicycle or pedestrian access to transit facilities.

“Transit and Intermodal Committee” or “T&I Committee” shall mean the committee comprised of members of the Transportation Commission with oversight of the Division of Transit and Rail.

“Transit and Rail Advisory Committee” or “TRAC” shall mean the advisory committee comprised of stakeholder members appointed by the Executive Director pursuant to § 43-1-1104(1)(b), C.R.S.

V. PROCEDURE

A. Program Objectives

1. The Division of Transit and Rail’s objective is to assist with the planning, maintenance, development, operation, implementation, and integration of transit into the statewide transportation system. The Division of Transit and Rail (“DTR”) shall ensure

<p>Subject</p> <p>FASTER Transit Program</p>	<p>1608.1</p>
---	----------------------

that state transit funds are used effectively and in accordance with legislative requirements and intent by providing oversight and establishing sufficient controls within the DTR related to FASTER transit revenue and projects.

2. As a means to achieve these program objectives, the DTR shall apply the criteria established by the Transportation Commission in Policy Directive 704.0 to all eligible FASTER Transit Projects.

B. FASTER Transit Project Eligibility and Prioritization Process

1. The DTR will use the following evaluation method to determine if a project is eligible for FASTER Transit program funding.

a) FASTER Transit Project must meet the eligibility criteria established by the Transportation Commission and set forth in Policy Directive 704.0; and

b) The FASTER Transit Project must be evaluated by the DTR staff using the following metrics:

(1) For Replacement of Rolling Stock:

Metric 1: Age, Mileage, Usage, Readiness: Higher mileage vehicles will be scored higher than lower mileage units;

Metric 2: Higher scoring will be awarded to applicants that can demonstrate a good state of repair through effective, documented, formal preventive maintenance programs or Transit Asset Management programs, and to those that have and follow a capital replacement plan;

(2) For Expansion of Rolling Stock:

Metric 1: Demonstrated Need and Readiness: Higher scoring will be awarded to projects that clearly demonstrate the need for the expanded service or facility in terms of documented ridership studies and community support, that demonstrate an effective business case and can demonstrate they are truly ready to go;

Metric 2: Special Considerations: For vehicle requests, applicants with a lower fleet spare ratio, who have a capital replacement plan/asset management plan, who can show strong institutional commitment, and who can show a strong financial commitment (higher local match

Subject FASTER Transit Program	1608.1
---	---------------

ratio), will be scored more strongly.

(3) For Facilities, Design, and Equipment:

Metric 1: Readiness and Demonstrated Timetable: Higher priority will be given to those that are shovel ready (NEPA clearance finalized, at least 30% design completed, and site location selected and purchased), and to the completion of existing projects.

Metric 2: Project Purpose, Cost Savings, and Efficiency: Higher priority will be given to those projects that: have a high degree of support; defensible business case, and support or provide significant transit operational and utilization benefits.

Metric 3: Special Considerations. Higher scoring in this area will be given to those projects that demonstrate they were developed in partnership with the local community. In the case of requests for the expansion of existing facilities, higher scoring will be applied if the project demonstrates the need for the facility and for growth in the program it supports. Agencies that adequately demonstrate institutional commitment, funding, financial capacity, and capability to sustain the service and project over time will be also be scored more strongly.

(4) For Regional Operating Assistance:

Metric 1: Project Readiness: Higher priority will be given to projects that: demonstrate the ability to be implemented quickly; have a strong demonstrated need; operate across more than one CDOT engineering or planning region; operate outside a single agency taxing district, have infrequent (widely-spaced) stops; are included in the Regional Plans and/or the Statewide Transit Plan, and have strong forecast ridership / utilization.

Metric 2: Budget and Business Plan: Higher priority will be given to those projects that: have strong local support and/or multi-agency participation; could respond well if state funding were to decrease; address broader transportation outcomes such as solving congestion or achieving operational efficiencies, and make connections to major activity centers.

Subject FASTER Transit Program	1608.1
---	---------------

(5) For Planning Studies

Metric 1: Project Purpose and Demonstrated Need: The project does not qualify for FTA Section 5303 or 5307 (in urbanized areas) or 5304 funding, is relevant to other transit agencies in the state, has been vetted with the local transit provider, and the study is ready to proceed upon award.

c) Eligible Recipients. Projects proposed by local public and private nonprofit entities and tribal governments that offer either public transportation or Open Door Specialized Transportation may be funded by the Local pool or Statewide pool of FASTER funding. Projects proposed by state agencies can only be funded by the statewide share. While all local agency projects are eligible to receive FASTER funding, those applicants that do not directly provide transit services must apply for FASTER funds through the transit provider that serves their jurisdiction.

d) Eligible Projects. FASTER funding may be used for any items defined as capital expenses by the Federal Transit Administration, including:

- (1) Rolling stock (buses, vans, train cars, gondola cabins);
- (2) Transit stations, transfer facilities, bus storage and/or maintenance facilities;
- (3) Multimodal facilities; i.e., facilities that accommodate some combination of services of multi-regional or statewide significance;
- (4) Park-and-ride facility construction or improvements;
- (5) Technology improvements that enable enhanced transit services in high priority corridors, including signal prioritization and ITS;
- (6) Technology improvements that significantly improve the coordination of human services transportation by means of mobility management tools;
- (7) HOV, HOT, queue jump, and bus pull-out lanes, Bus Rapid Transit projects, and bus lanes;
- (8) Bike racks, lockers and bike parking at multimodal stations;

Subject FASTER Transit Program	1608.1
---	---------------

(9) Enhanced modal connections, including but not limited to trails, sidewalks and bike lanes leading to major transit stations, provided they have a transit connection and enhance transit ridership.

(10) Planning projects, transit technical assistance, service planning, research projects and special studies; however, no more than 10% of the total available FASTER funding will be made available for such purposes, because planning funds are available through FTA Section 5303 or 5307 (in urbanized areas) or Section 5304 funding (rural areas).

C. DTR Program Roles and Responsibilities

1. DTR Director Responsibilities

a) The DTR Director shall approve FASTER Transit Projects based on the criteria established by the Transportation Commission and set forth in Policy Directive 704.0 and using the metrics set forth above to select and prioritize the projects.

2. Transit and Rail Advisory Committee

a) Pursuant to § 43-1-1104(2), C.R.S., the Transit and Rail Advisory Committee shall provide advice to the DTR on the needs of the transportation systems in Colorado and shall review and comment on all regional transportation plans submitted for the transportation planning regions.

b) The Transit and Rail Advisory Committee shall advise the DTR on proposed changes to the metrics for FASTER Transit Projects and apprise the Transit and Intermodal Committee of any recommended changes to the metrics.

3. DTR Staff

a) DTR staff shall submit quarterly reports to the Transit and Intermodal Committee (“T&I Committee”) setting forth the expenditures and status of all FASTER Transit Projects and the reconciliation of FASTER funding.

b) DTR staff shall manage all projects except that management of some construction projects may be shared with the CDOT regions, as set forth in greater detail in the DTR Grant Partners Manual. The grant coordinators shall serve as

Subject FASTER Transit Program	1608.1
---	---------------

the grant partner liaisons and project managers in geographically assigned areas. They also shall monitor projects that are managed by the regions.

c) The DTR staff shall conduct calls for projects and recommends the eligible project list to the DTR Director.

d) The DTR Budget Analyst shall be responsible for managing and monitoring the flow of the FASTER funds, such as annual revenue, roll forwards and transfers, expenditures, and coordination with HQ/regions business managers, OFMB and region planners on funding transfers. The DTR Budget Analyst is also responsible for generating regular financial reports on the status of FASTER Transit funds, and recommending and implementing general controls.

D. Project Selection

1. The DTR staff shall conduct a consolidated call for capital projects generally in the fall of each calendar year.

2. The DTR staff shall conduct a call for operating projects generally in the spring of each calendar year.

3. The calls for projects shall include the instructions for submitting applications for eligible capital, regional operating assistance projects, and planning studies. The instructions shall include all pertinent information (available funding amounts, project eligibility, selection criteria, schedule, etc.) needed for an applicant to effectively submit an application.

4. Once project applications have been received, DTR staff shall review the applications to ensure that the project meets the criteria established by the Commission. Any applicant not meeting the criteria will be contacted by DTR and given the opportunity to respond to the finding of ineligibility.

5. DTR shall assemble a team made up of CDOT staff (from DTR, the Policy and Government Relations Office, CDOT Division of Transportation Development, the CDOT Civil Rights and Business Resource Center, and other stakeholders), which may include representatives outside CDOT. This team evaluates and scores applications using the metrics set forth above in V.B.

6. The team recommends a list of projects to the DTR Director, which will include the team's rationale and detailed justifications for its recommendations.

Subject FASTER Transit Program	1608.1
---	---------------

7. The DTR Director shall review the recommendations and confer with the Executive Director, Deputy Executive Director or Chief Engineer of CDOT.

8. Thereafter, the DTR Director shall issue a final determination of which FASTER Transit Projects will receive FASTER funding.

E. Budgeting and Contracting of Transit Projects

1. After project selection is complete, if it is determined that DTR will manage the project, then the DTR project manager shall work with the DTR budget analyst and the CDOT business office(s) to build the project in SAP, including STIP/TIP, and budgeting.

2. If it is determined that a CDOT region will manage a construction project on behalf of DTR, the DTR budget analyst will work with the regions and OFMB to have the fund transferred to the region.

3. OFMB and business office(s) shall budget the project in SAP. See Procedural Directive 704.1. If the FASTER Transit Projects exceeds the approved budget by the amount specified in Policy Directive 703.0, the process set forth in Policy Directive 703.0 must be followed.

4. DTR shall formalize the FASTER Transit Projects by initiating the contract or grant agreement (or amendment) process for the grant partner.

5. The CDOT project manager shall generate the first draft of the scope of work and provide it to the grant partner. A final scope will be negotiated. The scope of work shall include sufficient detail and follow the template included in the DTR Standard Operating Protocol.

6. The Project manager shall initiate a shopping cart in the SAP financial system.

7. The CDOT business office and the DTR budget analyst shall conduct a multi-layer check and balance system to ensure that shopping carts are approved with the correct fund source, in the correct amounts.

8. The CDOT Procurement and Contract Services Office shall issue the contract or grant agreement to the grant partner. The document shall include the relevant required state and federal clauses (if applicable). The CDOT Procurement and Contract Services Office shall provide the contract or grant agreement for signature to the grant partner.

<p>Subject</p> <p>FASTER Transit Program</p>	<p>1608.1</p>
---	----------------------

9. The contract or agreement is then returned to the CDOT Procurement and Contract Services Office to be executed by all necessary parties, including the CDOT controller (or the State Controller and Attorney General, if required) and the DTR Director (or Executive Director or designee, if required).

10. Once executed, the CDOT Procurement and Contract Services Office shall then upload the executed document in the Supplier Relationship Management (SRM) system and notifies DTR the grant has been executed.

11. DTR then notifies the grant partner that the contract or agreement has been executed, and provides the grant partner with a copy of the contract or agreement along with a notice to proceed.

F. Implementing, Monitoring and Completing the Project

1. Monitoring Requirements

a) As a term of the agreement, the grant partner must follow all relevant requirements set forth in the Grant Partner Manual and the CDOT Local Agency Manual, where applicable. The Grant Partner Manual contains requirements pertaining to all types of projects, including capital construction projects, capital non-construction projects, interregional operating projects, regional operating projects and planning projects. The Local Agency Manual applies specifically to construction projects.

b) Each project manager tracks the FASTER Transit Project milestones to ensure that the project is adhering to the required scheduled and terms of the contract or agreement.

c) Each project manager ensures that the grant partner complies with the State Procurement Code requirements by utilizing the DTR Procurement Manual, which provides necessary information for all compliance requirements.

d) DTR staff shall take proactive steps to address projects that are not meeting performance standards, including identifying resources for project managers, identifying specific issues causing the delay, and providing a date certain by which time requirements must be met.

e) DTR staff shall provide regular updates to the Director of DTR, the T&I Committee and the TRAC, which shall contain information on specific

<p>Subject</p> <p>FASTER Transit Program</p>	<p>1608.1</p>
---	----------------------

projects, revenue expenditures, current status since last update, milestones reached, and a report on underperforming projects.

f) Each project manager shall reconcile FASTER expenditures against transit project budgets.

g) FASTER Grant closure.

(1) Upon completion of the project, after the purchase of the goods for capital projects or at the end of the service period for operating agreements, DTR will request confirmation of completion from the grant partner and acknowledgement that the project shall be closed.

(2) This confirmation will then be supplied to the Business Office which will make the request to close the grant and purchase order.

(3) Upon receipt of this request and confirmation, the purchasing office will close the grant and purchase order. The business office will then liquidate any remaining funds, making them available for other projects.

(4) Upon a region project closure, any remaining funds shall be returned to the DTR FASTER transit budget pool.

2. Performance Standards

a) Twice a year, including prior to the call for projects, the DTR staff shall generate a FASTER Transit Project Status Report which contains the status of all FASTER Transit Projects (inception/in process/on time/underperforming/closed).

b) Twice a year, including prior to the call for projects, the DTR budget analyst shall generate a FASTER Transit Revenue Report which shall contain a detailed justification of all FASTER revenues allocated and expenditures incurred in a fiscal year, the recipients of all FASTER revenues) and an estimate of the FASTER revenue that will be returned to DTR, if the estimated cost exceeded the actual cost of the project. The Report shall also include a reconciliation of FASTER revenues and expenditures to date. The Report will first be presented for review to the DTR Deputy Director and/or the DTR Director.

Subject FASTER Transit Program	1608.1
---	---------------

c) The project managers (DTR and regions) shall provide an exception report to the DTR unit manager responsible for the respective contract or grant agreement which shall list all funds awarded but not yet budgeted.

d) The DTR unit manager shall then provide project status reports to the DTR Director on a regular basis.

e) Performance Schedule

(1) As stated above, each project is provided with a specific schedule and milestones. The grant partner/contractor must follow the requirements set forth in the Grant Partner Manual, and the Local Agency Manual, where applicable.

(2) Each project manager shall confirm on a regular basis that the project is performing on schedule. If it falls behind schedule, the project manager notifies the DTR unit manager and DTR Director of the underperforming project, and a plan shall be developed to remediate or terminate the project.

(3) The DTR unit managers and DTR Director will provide oversight of schedule changes, with the goal of efficiently addressing underperforming projects and taking proactive steps to close out projects.

G. Training

1. The DTR Director, Deputy Director and unit managers will ensure that all relevant staff are trained on their individual roles, on how to effectively use SAP functions and COTRAMS to track their projects, how to effectively coordinate with the Regions on construction projects, and how to effectively carry out the above policies and procedures. New staff shall be trained within three months of hiring. Existing staff shall receive training as needed on SAP functions and reconciliation.

VI. DOCUMENTS REFERENCED IN THIS PROCEDURAL DIRECTIVE

State Management Plan

Grant Partner Manual

Grants Unit Policy & Procedures (GUPP)

Subject FASTER Transit Program	1608.1
---	---------------

Standard Operating Procedures

DTR Procurement Manual

CDOT Procurement Manual

DTR Bustang Manual

Appendix A “DTR FASTER Transit Program Planning Process”

VII. IMPLEMENTATION PLAN

This Procedural Directive shall be effective upon signature.

VIII. REVIEW DATE

This Procedural Directive shall be reviewed on or before January 2021.

 Shailen P. Bhatt
 Executive Director

 Date of Approval

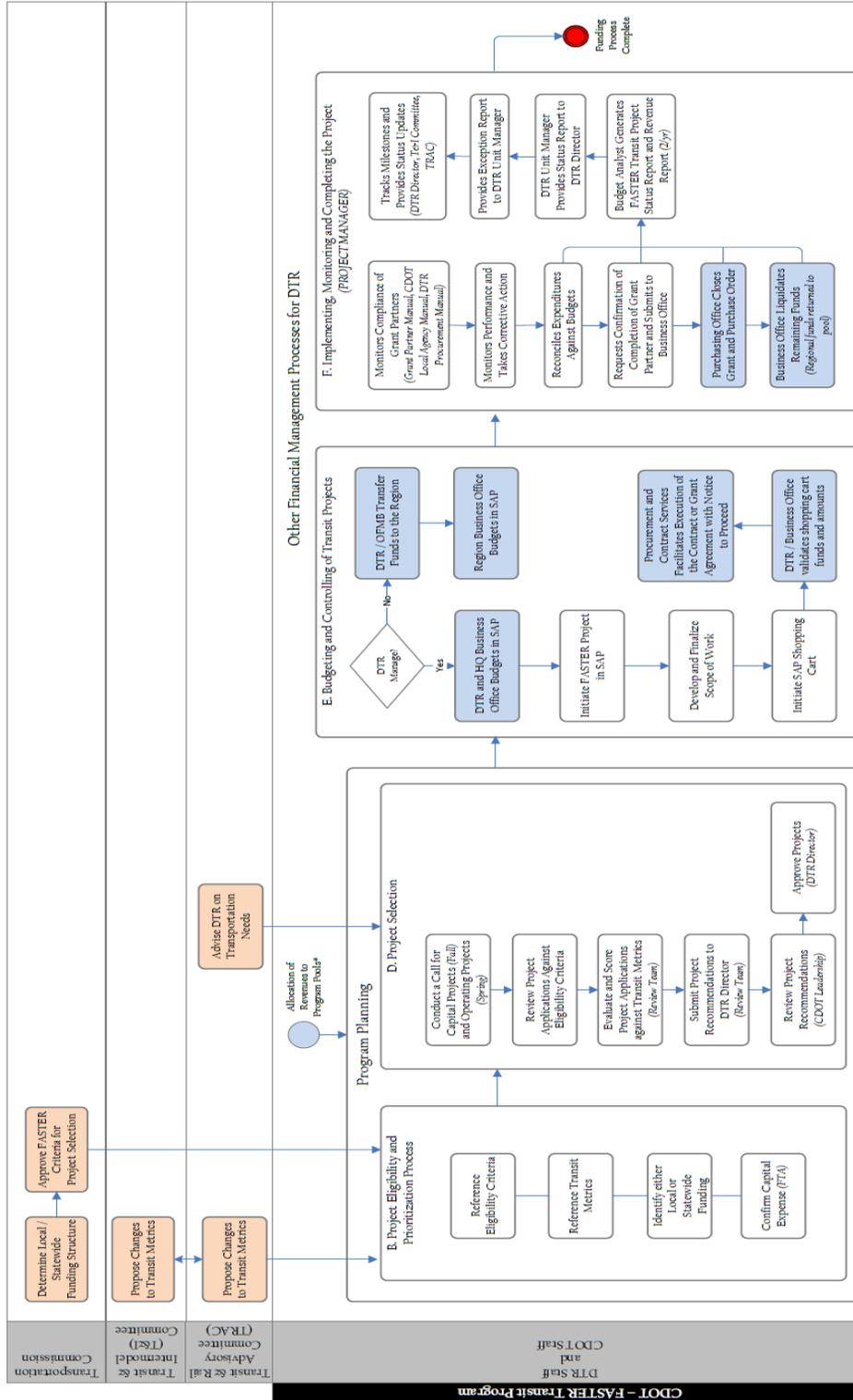
Subject

FASTER Transit Program

1608.1

FASTER Program – Program Planning and Financial Management Processes (Level 2) – Division of Transit and Rail (DTR)

Purpose: To display a lower level of detail of how the DTR financial management processes utilizes funds in the FASTER Transit Program.



Version II
12/22/2015



*Reference FASTER Program (OT&B Procedural Directive) for Level 1 process flow.

**5. Information Only:
Procedural Directive BE16.1 “Bridge Enterprise
Management of FASTER Revenue and Selection
of FASTER Bridge Projects”**

BRIDGE ENTERPRISE BOARD OF DIRECTORS		<input type="checkbox"/> POLICY DIRECTIVE <input checked="" type="checkbox"/> PROCEDURAL DIRECTIVE
Subject Bridge Enterprise Management of FASTER Revenue and Selection of FASTER Bridge Projects		Number BE16.1
Effective	Supersedes n/a	Originating Office Statewide Bridge Enterprise

I. PURPOSE

The purpose of this Procedural Directive is to set forth the processes to implement Policy Directive BE16-1 so that FASTER revenues are effectively and efficiently leveraged to strategically and quickly complete bridge projects, and to ensure that the State obtains the greatest benefit in increased bridge safety from FASTER dollars.

II. AUTHORITY

Bridge Enterprise Director pursuant to § 43-4-805, C.R.S

Funding Advancements for Surface Transportation and Economic Recovery Act of 2009, §48-4-801 to 805, C.R.S.

Recording and Code Guide for the Structure Inventory and Appraisal of the Nation’s Bridges, FHWA, Report No. FHWA-PD-96-001 (“SIA”)

§ 43-4-801, et seq., C.R.S. “Funding Advancement for Surface Transportation and Economic Recovery” “FASTER”

III. APPLICABILITY

This Procedural Directive shall apply to the Bridge Enterprise and all Divisions, Regions, and Offices of CDOT.

IV. DEFINITIONS

“Bridge” shall mean a structure including supports erected over a depression or an obstruction, such as water, highway, or railway, and having a track or passageway for carrying traffic or other moving loads, and having an opening measured along the center of the roadway of more than 20 feet between undercopings of abutments or spring lines of arches, or extreme ends of openings for multiple boxes; it may also

<p>Subject</p> <p>Bridge Enterprise Management of FASTER Revenue and Selection of FASTER Bridge Projects</p>	<p>Number</p> <p>BE16.1</p>
---	-----------------------------

include multiple pipes, where the clear distance between openings is less than half of the smaller contiguous opening. 23 C.F.R. § 650.305

“Bridge Enterprise Board of Directors” shall mean the Type 2 Board established pursuant to § 43-4-805, C.R.S.

“Bridge Enterprise Director” shall mean the position established by § 43-4-805(2)(a)(I), C.R.S., who shall oversee the discharge of all responsibilities of the bridge enterprise and shall serve at the pleasure of the Bridge Enterprise Board of Directors.

“Designated Bridge” is defined by § 43-4-803(10), C.R.S. as “every bridge, including any roadways, sidewalks, or other infrastructure connected or adjacent to or required for the optimal functioning of the bridge, that: (a) is part of the state highway system, as described in section 43-2-101, C.R.S.; and (b) has been identified by the department as structurally deficient or functionally obsolete, and has been rated by the department as poor, as of January 1, 2009, or is subsequently so identified and rated by the department.”

“Executive Director” shall mean the Executive Director of the Colorado Department of Transportation or his/her designee, pursuant to § 43-1-105, C.R.S.

V. PROCEDURE

A. Identification and Designation of Eligible Candidates for FASTER Bridge Enterprise Projects

1. The Bridge Enterprise Board of Directors (hereinafter “the Bridge Enterprise BOD”) determines the criteria for bridges to be candidates for Designated Bridges and thus eligible for FASTER funding. See Policy Directive BE16.0.
2. The CDOT Staff Bridge Office is charged with performing scheduled bridge inspections and performing maintenance of bridges pursuant to 23 C.F.R. 650.305.
3. Staff Bridge utilizes the Recording and Code Guide for the Structure Inventory and Appraisal of the Nation’s Bridges, FHWA, Report No. FHWA-PD-96-001 (“SIA”) to determine a sufficiency rating for bridges.
4. The CDOT Staff Bridge Office provides the Bridge Enterprise Program Management with the current list of bridges determined to have a “poor” rating.
5. The Bridge Enterprise Program Management staff applies the criteria established by the Bridge Enterprise BOD and develops a list of “Designated Bridges” which are FASTER funding eligible.

<p style="font-size: small; margin: 0;">Subject</p> <p style="margin: 0;">Bridge Enterprise Management of FASTER Revenue and Selection of FASTER Bridge Projects</p>	<p style="font-size: small; margin: 0;">Number</p> <p style="margin: 0;">BE16.1</p>
---	---

B. Prioritization of Projects

1. Quantitative Analysis Using the Prioritization Plan Tool

a) The Bridge Enterprise Program Management staff maintains and updates a prioritized list of structures that meet the criteria for Designated Bridges. It applies the Bridge Enterprise BOD approved Prioritization Plan tool to prioritize Designated Bridges.

b) The Prioritization Plan Tool weighs the following factors and arrives at a quantitative number for each Designated Bridge. The list of factors includes:

- (1) The severity of the deficiency or obsolescence;
- (2) The severity of the Sufficiency Rating;
- (3) The severity of the entire Designated Bridge condition or the structural condition of the bridge components;
- (4) The average daily traffic (“ADT”);
- (5) The percentage of truck traffic (“%TT”);
- (6) The importance of the Designated Bridge (i.e., is it a primary access to a community, emergency route, has freight/tourism agriculture/other industry importance, etc.);
- (7) The program-specific economic impacts; and
- (8) Other structure specific issues.

2. Qualitative Program and Funding Analysis

a) The Bridge Enterprise Program Management staff gathers data from CDOT Staff Bridge and the Regions regarding the factors set forth below. This data is used to augment the initial prioritization of Designated Bridges.

b) The Regions provide to Bridge Enterprise Program Management staff a preliminary project estimate, a drawdown schedule of funds, and a progress schedule for the Designated Bridge project(s). Bridge Enterprise Program Management staff reviews these documents to determine whether all information has been included and confirms that an appropriate level of detail has been provided.

<p>Subject</p> <p>Bridge Enterprise Management of FASTER Revenue and Selection of FASTER Bridge Projects</p>	<p>Number</p> <p>BE16.1</p>
---	-----------------------------

c) The Bridge Enterprise Program Management staff then conducts a qualitative analysis to further determine the prioritization of Designated Bridges. This analysis includes consideration of the following dynamic factors when applicable:

- (1) Project readiness with regard to design completion influencing considerations, such as long-term or long-duration studies or analysis;
- (2) Coordination with external stakeholders, etc.;
- (3) Project staffing/resource availability;
- (4) Anticipated project cost;
- (5) Anticipated length of project development and delivery;
- (6) Region input regarding the importance of the Designated Bridge to the health, safety and welfare of the public;
- (7) The availability of Non-FASTER funds;
- (8) The Designated Bridge service life;
- (9) Anticipated project delivery method (Design-Build, Design Bid Build, CM/GC, public-private partnerships, etc.) final determination will be by a project delivery workshop during design phase;
- (10) Multi-modal transportation considerations;
- (11) Project-specific variables including but not limited to: environmental considerations, utilities, railroad involvement, State Historic Preservation Office involvement, alternative construction methods including Accelerated Bridge Construction (ABC) and traffic impacts; and
- (12) Economies of scale.

C. Project Selection and Budgeting

1. The Bridge Enterprise Program Management staff shall adhere to all established CDOT and Bridge Enterprise procedures and guidance documents with regard to internal budgeting processes. The management of the budgeting process shall ensure that only eligible project features are funded through the Bridge Enterprise, and ensure that the allocation of FASTER revenues are readily identifiable.

<p>Subject</p> <p>Bridge Enterprise Management of FASTER Revenue and Selection of FASTER Bridge Projects</p>	<p>Number</p> <p>BE16.1</p>
---	-----------------------------

2. The Bridge Enterprise Program Management staff, with the oversight of the Bridge Enterprise BOD and the Department Executive Director, shall continually update a short-term and sustainable long-term plan for revenue streams dedicated to the construction of important surface transportation infrastructure projects pursuant to § 43-4-802(3)(a), C.R.S. These short and long-term plans shall include as a paramount requirement that FASTER funding be made available to respond to urgent present needs to repair and replace structurally deficient and functionally obsolete bridges and improve highway safety in the state pursuant to § 43-4-802(2)(b), C.R.S.

3. Projects will be selected first for programming and then for budgeting. These two steps combined constitute the funding process.

4. Programming the Project. The Bridge Enterprise Program Management staff will either seek to program a project at once, or program in incremental phases, depending on the outcome of the prioritization process above. A project that is identified for pre-construction only results in a set of plans, specifications and estimates (the “PS&E Package”). Upon completion of a pre-construction only project, the project re-enters the population of Designated Bridge projects and will have a ‘shelved’ PS&E Package. If a project has been identified for pre-construction and construction phase, the following also apply; however, the project will not need to be reevaluated between phases.

a) Pre-Construction Phase

(1) The Bridge Enterprise Program Management staff submits recommendations for project programming to the Bridge Enterprise Director with supporting documentation. The supporting documentation shall include an Evaluation Summary, justifying the selection of a Designated Bridge for programming based on the quantitative and qualitative analysis set forth above.

(2) The Bridge Enterprise Director or his management designee shall provide input on the Designated Bridge Projects. Projects that receive concurrence proceed with the procedure below, rejected projects return to the list of future projects.

(3) The Regions provide to Bridge Enterprise Program Management staff, scope, schedules and preliminary cost estimate for Designated Bridge projects.

(4) Bridge Enterprise Program Management staff then:

<p>Subject</p> <p>Bridge Enterprise Management of FASTER Revenue and Selection of FASTER Bridge Projects</p>	<p>Number</p> <p>BE16.1</p>
---	-----------------------------

(a) Conducts a final review to determine whether all information has been included and confirms that an appropriate level of detail and transparency has been provided;

(b) Confirms that the scope, schedule and budget are within program resources; and

(c) Develops a final list of Designated Bridges recommended for approval with supporting information that includes a Bridge Enterprise Evaluation Summary clearly documenting the rationale for selecting bridges to repair or replace. The summary shall include both the quantitative and qualitative elements that cause the project to be recommended for funding over other eligible projects.

(5) The budget requests for project approval shall follow the established budgeting process for inclusion in a Budget Supplement request for Bridge Enterprise BOD approval, which includes Department management review. For all projects using FASTER funding, if the project exceeds the approved budget by the amount specified in Policy Directive 703.0, the process set forth in Policy Directive 703.0 must be followed.

(6) The Bridge Enterprise Evaluation Summary shall be included in the budget supplement request.

(7) After being approved by the Bridge Enterprise BOD, the project is budgeted in CDOT's accounting system and added to the Statewide Transportation Improvement Plan by OFMB.

(8) If FASTER funds are utilized to fund a Bridge that is later determined to have not been a Designated Bridge, the FASTER revenue must thereafter be returned to the FASTER pool.

b) Construction Phase

(1) Approved Bridge projects that were previously programmed for preconstruction only, and have a shelved PS&E Package may be programmed for construction phase.

(2) Selection of a project for programming for construction phase will follow the same programming and approval process described

<p>Subject</p> <p>Bridge Enterprise Management of FASTER Revenue and Selection of FASTER Bridge Projects</p>	<p>Number</p> <p>BE16.1</p>
---	-----------------------------

in section 4. a) above.

(3) Budgeting the construction phase. When an approved project is identified to be programmed for construction, the following budgeting process applies:

(a) The completed PS&E Package shall be submitted to the CDOT Cost Estimates and Marketing Analysis unit for development of the official engineer's estimate.

Engineering Estimates & Marketing Analysis shall provide Bridge Enterprise Program Management staff with the official engineer's estimate.

(b) After completing the engineer's estimate for the project, the project engineer shall establish a contingency for the initial construction budget based on the total estimated cost of the biddable items. The established contingency shall not exceed 5% of the estimated cost of the biddable items unless approved in writing by the responsible Program Engineer based on a justification for the increase.

(c) Regional business managers shall fund the contingency portion of a project with future year dollars.

(d) Bridge Enterprise Program Management staff shall review the official engineer's estimate with the region to ensure that the construction engineering and in-direct costs are accurate.

D. Building the Project

1. Oversight of Designated Bridge Projects

a) Oversight of the Bridge Enterprise Program Management Staff. In order to execute and achieve the goals of an independent government owned business, the Bridge Enterprise Program Management Staff participates in the development of a project from concept through completion. As part of this process it:

(1) Provides input on individual Designated Bridge project goals, scope, budget, structure design, procurement and schedule to maintain consistency with program objectives.

(2) Performs eligibility reviews of project features at appropriate intervals during development.

<p>Subject</p> <p>Bridge Enterprise Management of FASTER Revenue and Selection of FASTER Bridge Projects</p>	<p>Number</p> <p>BE16.1</p>
---	-----------------------------

(3) Tracks the performance of each project.

(4) Advises the Schedule Change Control Board (SCCB) which consists of the members of the CDOT Executive Management team.

2. Oversight of the Schedule Change Control Board (“SCCB”). The SCCB acts in an advisory capacity to the Bridge Enterprise BOD, the Bridge Enterprise Director, and the Bridge Enterprise Program Management, with the goal of addressing underperforming projects.

3. Project Close

a) Region staff and the Bridge Enterprise Program Management staff shall consistently review projects nearing substantial completion so that projects may be closed in a timely manner.

b) At approximately 90% complete, the Bridge Enterprise Program Management staff will evaluate the project finances with the appropriate region staff in order to determine what funds are needed to complete the project.

c) Bridge Enterprise Program Management staff shall work with the regions to determine the appropriate funds necessary to complete the project. The regions shall take all measures to immediately release excess funds.

d) The Bridge Enterprise Program Management staff shall have the final discretion to determine the amount necessary to complete the project.

e) The regions shall then work with the Bridge Enterprise Program Management staff to release all remaining budget and encumbrances. All FASTER Bridge Enterprise project savings shall be returned to the FASTER Bridge Enterprise Fund (538) for reprogramming.

E. Bridge Enterprise Transparency

1. Progress Reporting. The Bridge Enterprise Program Management staff:

a) Prepares progress reports on Bridge Enterprise matters and submits them to the Bridge Enterprise BOD at regular meetings.

b) At no less than quarterly intervals, provides an update of key program metrics to the CDOT Office of Communications which are then posted on the Bridge Enterprise website.

<p>Subject</p> <p>Bridge Enterprise Management of FASTER Revenue and Selection of FASTER Bridge Projects</p>	<p>Number</p> <p>BE16.1</p>
---	-----------------------------

c) Holds regularly scheduled meetings with CDOT departments, regions, state agencies and other stakeholders to discuss project issues, initiatives, and plans.

d) Submits its annual report to the Bridge Enterprise BOD at least one month in advance of its submission to the State House and Senate Transportation Committee for their review, comment, and approval.

d) Provides its annual report to the House and Senate Transportation Committees no later than February 15th of each year in accordance with § 43-4-805(6), C.R.S.

VI. DOCUMENTS RELEVANT TO OR REFERENCED IN THIS PROCEDURAL DIRECTIVE

1. Recording and Code Guide for the Structure Inventory and Appraisal of the Nation’s Bridges, FHWA, Report No. FHWA-PD-96-001 (“SIA”)
2. American Association of State Highway and Transportation Officials (AASHTO) Manual, “The Manual for Bridge Evaluation”
3. Bridge Inspector's Reference Manual (BIRM), See 23 C.F.R. § 650.305
4. Bridge Enterprise Guidance Documents
5. Appendix A Bridge Enterprise Program Planning Process

VII. IMPLEMENTATION PLAN

This Procedural Directive shall be effective upon signature.

VIII. REVIEW DATE

This Procedural Directive shall be reviewed on or before January 2021.

 Bridge Enterprise Director

 Date of Approval

Bridge Enterprise Program Planning Process

