



# Local Agency Process Reevaluation Meetings

May 27, 2010

R2 Colorado Springs Office

## Meeting Notes

### Meeting Purpose

The purpose of the meeting is to solicit input from local governments to improve the administration of the Local Agency Program.

### Meeting Agenda

- Opening Remarks and Introductions
- Meeting Guidelines, Existing Roles, and Agenda Review, Process overview
- Solicitation of issues, ideas and concerns regarding Local Agency Process
  - **Project Initiation Process**
  - **Project Design/Advertisement**
  - **Award of Project/Construction**
- Next Steps

### Opening Remarks and Introductions

Neil Lacey, Project Development Branch, CDOT Headquarters, opened the meeting and gave an overview of expectations of the meeting and described elements that relate to the local agency processes. Neil introduced Tobilynn Erosky, meeting logistics and note taker, with CDOT and Andrea Meneghel, meeting facilitator, with CDR Associates. Andrea asked the group to introduce themselves and share one objective for the meeting or identify the most important issue to address during the meeting. The group stated the following:

### Issues, Objectives, and Concerns

- Attended the meeting to see what was coming online with ARRA reviews by FHWA. Involved in ARRA project and experienced FHWA National Review Team review and was aware of review of specifications change (sending in to HQ for review). Felt that the Local Agency program is being micromanaged. Interested in streamlining the program and staying within compliance of program requirements and regulations.



### **Issues, Objectives, and Concerns (continued)**

- CDOT Local Agency Manual is a good resource coupled with the CDOT Construction Manual. The program process is “paperwork intensive”. No problems to date.
- Want to understand what is needed by CDOT when closing projects and being able to close projects in less time.
- Teller County felt that CDOT tends to micro-manage projects; such as a Transportation Enhancement (TE) grant parking lot paving project which took place. Process requires having to jump through a lot of “small hoops” to get projects done
- In the past, the Local Agency process steps used to flow smoothly – now, there are lots of changes involved between the beginning and the end of the project which slows down the process. Need to improve the cumbersome process of moving funds between phases (design, ROW, construction).
- CDOT Region 2 staff does an outstanding job in responding to Local Agencies concerns. Not allowing “all work” warranties is different from what the Local Agencies allow.
- Local Agencies feel that the program has too much bureaucracy (forms, clearances, required processes) which creates problems. Some Local Agencies are turning away from the program on smaller jobs since the process and steps involved takes longer than it would to complete the project.
- There are a lot of unclear areas in the Local Agency Manual. It is a challenge to manage the project and still try to meet City Council timetables. Turnaround for response and timely approvals on projects needs to be quicker.
- Frustration was expressed for the amount of requirements associated with Local Agency projects. The need for the amount of requirements was questioned as it seems like too many. Projects are difficult to manage when the rules/requirements change in the middle of the project. It was stated that “CDOT personnel have certain needs to control some stuff” and they get too involved.
- Don’t understand why the process takes so long - trying to get grant contract since October, 2009 back from CDOT to proceed with project. (Not received as of the date of this meeting).
- Local Agencies would like to streamline the entire process so it will go faster and smoother. They would like to be able to move funds between phases of projects. Local Agencies would like to understand how CDOT requirements could better mesh with the work done by the Local Agency. CDOT Region 2 staff is great to work with.



### **Issues, Objectives, and Concerns (continued)**

- It was stated that Pikes Peak Area Council of Governments (PPACG) would be soon implementing some recent revisions to their process for meeting federal requirements which may affect administration of the program.
- Local Agencies expressed need for a checklist that details the steps necessary on processes. Smaller Local Agencies with smaller staffs and less capacity need assistance with the process and look for ways it can be made easier to manage by a smaller Local Agency.

Neil introduced Federal Aid Highway Program Stewardship Agreement and talked about federal, state, and local relationship for Local Agency projects. The purpose of the meeting is to discuss how to improve the program. The group was then asked to provide input regarding the process. The discussion notes are below.

### **Project Initiation Process: Identify key issues and recommendations –Local Agency Manual – Chapters 1-4**

- An issue that was identified is that there is a difference in terminology which leads to a misunderstanding of the overall timeframes between the Local Agency process and what the Local Agencies follow when using their funds. An example is that a Local Agency had a delay in being notified of a grant awarded in April, and didn't hear back from CDOT until September, which caused it to lose the opportunity to perform work during the summer.
- Need to streamline process so that after the grant award is made, funds can be budgeted in CDOT's SAP business management software which takes time. Local Agencies need to understand the CDOT budgeting process and the steps/timeframes involved.
- CDOT contract appears to be more about budgeting rather than a contract with the Local Agency where the IGA is bogged down with budgeting, agreement process. When there are changes to the funding or other documents in process, whole process starts over again instead of working in parallel to keep things moving forward. Is there a way to separate out the accounting and budgeting from the contracts to make things simpler? It was stated that "it seems like the focus has shifted from the project engineering and general agreement in order to make things easier for the accountants".
- The Local Agencies would like to have a process where the contract should address overall amount of project and be able to move funds between phases as needed. Suggest that it be set up like: Construction: \$\_\_\_\_\_, Design: \$\_\_\_\_\_, and show total project cost at bottom. It was suggested that if the total funds are not exceeded, then the Local Agencies should be allowed to proceed rather than waiting on approvals.



## Project Initiation Process (continued)

- Moving funds between phases requires a lengthy process including TIP amendment and then has to go through CDOT and City Council approval process. With the contract between the Local Agency and CDOT viewed as a controlling document, the process has become more difficult. One would think that having CDOT, FHWA, and MPO involvement at multiple levels of the process that it could be made simpler so that there could be some flexibility to move funds between project phases expediently.
- It was suggested to create a standard agreement (IGA) between CDOT and Local Agency in advance so that past changes requested by the Local Agency can remain on file for future projects. Also, Local Agencies suggested it would be helpful to create a programmatic agreement between CDOT and a Local Agency instead of doing so on a project-specific basis. This could serve to expedite the process each time a new project is initiated.
- CDOT Region2 (EX: PPACG) should look at swapping federal dollars for state dollars to remove the federal oversight. Other states are swapping state funds for federal dollars so that the federal requirements for i.e. Davis Bacon wages, etc. are not applicable since no federal funds are involved in the project.
- Conceptual Cost Estimate – Local Agencies feel that there is too much cost required to develop the estimate with the current required information. They would like to see if this can be changed.
- Local Agencies suggested being able to loan programmed funds between agencies to make use of funds that are sitting there waiting to be used in the future to another local agency with the promise that the funds will be replaced in time for the loaning agency to use the funds. No details on how this process might work or an example where this type of process has been implemented and is working.
- Local Agencies want an easier process on overmatch. If the overmatch is changed, then the project needs to go back through the TIP/STIP process and amend the IGA. If Local Agencies have to find more money, it will be according to CDOT's contract process – can there be an easier way to do this? The overmatch process is viewed as an unnecessary paperwork process.



## **Project Design/Advertisement: Identify key issues and recommendations – Chapters 5-7**

- Local Agencies want to know why CDOT's review of the specifications has changed. For example, local agencies would like to incorporate diagonal parking.
- It was suggested that there needs to be greater clarity on the requirements for water quality. Local Agencies want their own MS4 permit and CDOT has their own MS4 requirements – can these differences be reviewed to see which requirements govern?

### **Project Design/Advertisement (continued)**

- Not all Local Agencies have an engineer on staff so they have to use consultants. Local Agencies don't like having to go through the waiver policy for Policy Memo #23. Can Policy Memo #23 waiver process be delegated down to the RTD level or Program Engineer level?
- Local Agencies want to be able to use contracting flexibility options like design-build – don't want to go through lengthy process to be able to do this.
- Design and Specification Review – Colorado Springs stated that their current city standards and specifications were in the process of being reviewed by CDOT. IT could expedite the process to allow Local Agencies to use their own standards in instances where they can be approved (thus eliminating the approval process) rather than CDOT specifications.
- City of Colorado Springs stated that on their projects they use legal exhibits documenting ownership changes etc. for slivers of land. For projects with federal funds they need to develop ROW plans and have to hire consultant for ROW plans follow Uniform Act which is very costly – why is this required? Are the formatting requirements included in the CDOT's ROW manual a part of the Uniform Act? Local Agencies want to know if they have to follow both the CDOT ROW Manual and the Uniform Act. Can the CDOT ROW Manual look for ways to allow for Local Agency projects to require less? Local Agencies would like discussion on the required formatting of ROW plans so process can be reduced.
- Local Agencies want assistance from CDOT to understand the change in hiring consultants and being able to previously use Specific Rate of Pay methodology to now having to use Cost Plus Fixed Fee (CPFF) methodology for engineering consultant agreements. Local Agencies do not understand what is meant by CPFF.
- Local Agencies suggested that the overmatch requirement be handled at the time of the CDOT form 1180 rather than with the IGA for shortfall costs to avoid having to make changes to the overmatch after the IGA is executed which then results in changes having to be made to the IGA. If done at the 1180 stage the overmatch funds are identified one time and the IGA does not have to be revised which would save time.



### **Award of Project/Construction: Identify key issues and recommendations – Chapters 8-11**

- Monthly billings process – CDOT's billing process in Region 2 has worked well.
- Project Close Out – It was stated that an official notification once a project is closed would be helpful. Local Agencies asked what happened to the project closure letters that used to be sent out. Were these letters replaced by the CDOT Form 950? Is it the same process to close out a grant from a project? Local Agencies want a way to be informed that the bills are all paid and the Local Agencies can move their remaining funds to another project.

### **Award of Project/Construction (continued)**

- Local Agencies are wondering if they have to use a CDOT pre-qualified contractor. CDOT recommends that locals use them, as it helps to have a contractor that understands the federal requirements such as Davis Bacon and others.
- Innovative Contracting – there is confusion between CDOT and Local Agencies regarding which process to use. CDOT and FHWA are open to alternative methods but would like these processes reviewed.
- Match and overmatch – Local Agencies need assistance from CDOT in understanding when the project is completed and how the match and overmatch are rectified at the end of the project so that Local Agencies can release their funds sooner?
- Change orders - Local Agencies want the timeframe changed on getting change orders approved by CDOT so project can continue sooner. It was suggested to change the process so that if the proposed change is within budget, Local Agencies can proceed with change and continue with project. Is there a way to provide Local Agencies discretion for change orders up to a certain dollar amount before requiring approval from CDOT?

### **Other issues: Identify key issues and recommendations**

- How can revisions to the FHWA/CDOT Stewardship Agreement be captured in the CDOT Local Agency Manual process? The assumption is that the Stewardship Agreement is the source document.
- On contracts and documents – The current CDOT contract (IGA) only has one spot for signature of Project Manager. If requested by the Local Agency, can a second person be added as part of the distribution so that the Project Administrator receives a copy of the contract?
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## Other issues (continued)

- Purchasing – Local Agencies furnish materials to contractors for projects. Could there be a review of the current process for purchases of small dollar items like a purchase from Home Depot? Is there a small dollar or overall amount that can be approved without triggering a lengthy process? It would be helpful to establish this before the procurement process is required. .
- In-Kind match – process is allowable but has to be submitted and approved upfront. This needs to be included in the contract and pre-approved by FHWA on FHWA form. Suggested that more clarification in the Local Agency Manual needs to be provided.

## Next Steps

The audience expressed appreciation to CDOT for holding this meeting. They noted that this is a positive approach to working on these issues. They expressed thanks to having these meetings in order to be able to share their concerns with CDOT.

Andrea encouraged everyone to fill out a comment card with further questions/concerns and noted that the meeting notes will be posted on the website.

## PARKING LOT

- Has CDOT looked into the option of 2 year IGA's with Local Agencies that includes all projects in TIP/STIP with that specific entity and not requiring an IGA for every project? Can it be stated in the IGA that the funding and budgeting will rely on the MPO planning process? What are other states doing in this regard?
- Can there be a pooling process of funds between projects and entities managed by the MPO?
- Why does FTA/FAA accept a certain innovative process and FHWA still views this as experimental under SEP 14?



**ATTENDEES:**

Bob Radosevich	Town of Palmer Lake
Dave Poling	CDOT R2
Tim Aschenbrener	CDOT HQ, Project Development Branch Manager
Craig Casper	PPACG
Brenda Roy	City of Colorado Springs
Sheri Landeck	Engineer – Colorado Springs
Patti Alberts	Teller County
Bryan Kincaid	Teller County
Mike Leslie	City of Manitou Springs
Terry Marcum	City of Colorado Springs
Rob Helt	Traffic Engineering, City of Colorado Springs
Rob Kidder	City of Colorado Springs
Chris Horn	FHWA
Jennifer Irvine	El Paso County
Mike Chaves	City of Colorado Springs
Scott Brace	CDOT R2
Dave Watt	CDOT R2
Neil Lacey	CDOT HQ, Project Development Branch
Tobilynn Erosky	CDOT HQ, Project Development Branch
Andrea Meneghel	CDR Associates