



Local Agency Process Reevaluation Meetings

June 16, 2010

CDOT Region 3 Montrose 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

- The City of Montrose does a lot of business with CDOT and the Local Agency program is very important to them for making transportation improvements. It is interested in getting realistic timeframes for steps in the process and receiving consistent information from CDOT staff.



Issues, Objectives, and Concerns (continued)

- The Town of Cedaredge indicated an important issue to address was the use of ROW Acquisition consultants, specifically what options are available to Local Agencies when those on CDOT's pre-qualified list do not provide quality work. The Town also expressed a need to know who to contact at CDOT for questions when there are staff changes to insure it is receiving consistent information from CDOT.
- Joe Duran, Federal Highway Administration (FHWA), was interested to hear the comments from the Local Agencies and share information on ADA requirements.
- Gunnison County stated that addressing the timing of the process and scheduling projects due to short construction season is important.
- Karen Guglielmone, Town of Telluride, suggested that Local Agencies need additional clarity and assistance from CDOT to have a better way to understand the process requirements at the time applications are being made in order to determine if going through the process is worth their while. .
- Jerry Burgess, SGM Inc., attended to listen to others' comments and stay updated with program requirements
- Montrose County was attending to find out more about the program.
- Brian Killian, CDOT Region 3 Local Agency Coordinator, was interested in listening to the comments and improving the Local Agency process.
- Eric Krch, Buckhorn Geotech, would like to reduce the amount of paperwork and for a programmatic focus upon the engineering portion of the process. Projects seem to be more about the project's administration and not about engineering.
- David Valentinelli, CDOT Region 5 Local Agency Coordinator, was attending to hear the issues being discussed and answer questions about the program
- Kari Distefano, San Miguel County, looking to see if the amount of paperwork can be reduced and focus more on quality of work.
- Dee Miller, Poncha Springs, expressed the need for a better understanding of the requirements of the process at the time of making project application. Being able to understand all of the requirements and anticipated administrative expectations will lead to defining the project costs more accurately, and to request the appropriate amount of funds for the project upfront.



Issues, Objectives, and Concerns (continued)

- Joann Fagan, a consultant that has represented the Towns of Ridgway, Ouray and Hotchkiss, was looking for improved consistency within the program; especially for guidance provided by CDOT and information in the Local Agency Manual.
- Ron Alexander, CDOT Resident Engineer, was interested in hearing the comments from those attending the meeting and improving the project specification review process. Review of Local Agency specifications by CDOT HQ Standards Unit is a new requirement and Ron had sent specifications from three entities in for review but had not received a status update on when comments could be anticipated to be received.

Neil introduced the Federal Aid Highway Program Stewardship Agreement and informed the group 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

- Jim Hougnon, City of Montrose, asked what is the difference between local agency funded projects and other projects that Local Agencies may be involved in on the state highway system. Brian Killian, CDOT Region 3 responded that the following funding categories are those that Local Agencies can apply for: Safe Routes to Schools (SRTS); Congestion Mitigation Air Quality (CMAQ) (applicable to areas of non-attainment – Steamboat Springs and Aspen); Hazard Elimination (HES); Off System Bridge Program; Transportation Enhancement Program (TE).
- Karen Guglielmone, Town of Telluride, stated that it would be helpful if CDOT could consider reviewing the extra costs that a grant does not cover. Local Agencies pay higher costs in using federal funds than they normally would if they were funding the project themselves such as the increased paperwork and contracting with an Engineer to manage the project. Local Agencies have not applied for federal funds due to the increased costs and paperwork. She suggested that CDOT develop a list of the requirements for the project and an estimated range of costs including a small contingency % for uncertainty and/or anticipated task time durations that Local Agencies can anticipate having to deal with prior to submitting their project application for funding.
- For Local Agencies inexperienced with the process there is a steep learning curve. Local Agencies indicated that not all staff is familiar with CDOT acronyms, form numbers, or form purposes. There is a need for clear explanations around CDOT terminology when referencing acronyms, or forms so that requirements are explained in terms that they are familiar with. It was suggested that the Local Agency manual be revised to become more user friendly; it is perceived to be more about the forms rather than the process.



Project Initiation Process (continued)

- Local Agencies are spending their time on the CDOT website trying to figure out how to fill out the proper forms. It was suggested that CDOT provide pre-application training for understanding the process requirements and would like training for dealing with completing the information on the CDOT forms for materials and materials testing documentation.
- Understanding the requirements upfront for a project at a project pre-application meeting or training would be very beneficial to local governments in estimating the total costs of the project and required work. Most Local Agencies are unfamiliar with the administration, engineering, materials testing, ROW, Environmental and other requirements applicable to a federally funded local agency project. If Local Agencies understand the true cost of the total project they could request the appropriate grant or funding amount.
- Local Agencies asked for flexibility for materials specifications for off-system roadways due to difficulties in sources of materials and meeting existing CDOT specification requirements. Local Agencies would like to be able to have input on materials specifications for projects where Local Agency forces are performing the work and on local roads.
- Local Agencies in rural or remote areas have difficulties with meeting materials specifications due to limited sources or different sources in the mountain communities. Can there be flexibility for the materials and other specifications for remote locations for off system projects? It was suggested that concerns for materials specifications be addressed at pre-application meeting so that anticipated costs can be addressed upfront.
- Given all of the requirements to administer a project with federal funds, does CDOT have any information on the number of “grant failures” or instances where funds have been turned back or not accepted by the Local Agency due to the Local Agency realizing the true cost of administering the project or finding out additional requirements that they would need to perform after receiving the grant award?
- Local Agencies asked for example of documentation from a completed project to illustrate the proper use of CDOT forms; these forms could serve as a model or provide guidance. It was suggested to provide a case study example for projects in the 5 funding categories where the Local Agencies can view completed forms and letters for guidance on preparing project documentation. Local agencies feel that paperwork doesn't change based on project type but think that for smaller projects the paperwork required is overkill. Can the amount of paperwork for smaller projects be reduced to be more in line with the scope of the project or tier process and not a “one size fits all” approach. Most local agencies usually don't do \$1M + projects.



Project Initiation Process (continued)

- The City of Poncha Springs stated that CDOT needs to develop guidelines for Local Agencies new to the process for administering projects so that the role of the Local Agency is clearly defined. Suggest that resources such as the Local Agency Manual and webpages be user friendly oriented towards “novice” level so that time searching for required forms and other documentation can be minimized.
- Some Local Agencies find the existing CDOT webpage and reference to forms in the Local Agency Manual confusing. A need was identified to have better search capabilities for finding information faster or use of quick links to make searches more direct or look at creating a single webpage for Local Agencies to access information via links from the page with a one stop shopping type of approach. Provide web based training for showing how to access information from CDOT webpage more simply.
- Local Agencies expressed a greater need to understand the up-front project costs/impacts/requirements in order to adequately estimate the project costs with a reasonable certainty and be able to make decisions as to how administering this project either works or doesn't work with the individual Local Agency's staff and funding resources to assist them with making the decision to submit or not submit the grant application for federal funding. Local Agencies feel that if funds are left on the table and that local agencies are not making applications then FHWA will see that the federal regulations impact the smaller communities more than the larger communities and perhaps consider revising the existing regulations. Local Agencies say the state administered Department of Local Assistance (DOLA) grant process is easy with less requirements. Cedaredge said that they will make application for their second project but will request more money to cover the required processes that were overlooked on the first project to cover their costs on this next project.
- It was expressed that the requirements associated with receiving federal funds are an impact to smaller communities whereby the focus on the project has been lost because the administrative requirements are so cumbersome. The current process rewards those agencies/contractors who are able to do the paperwork and processes but doesn't address the resource constraints for the smaller communities. It was suggested CDOT look at a tiered process for documentation to see if administrative and paperwork requirements for a smaller project can be reduced.



Project Design/Advertisement: Identify key issues and recommendations – Local Agency Manual Chapters 5-7

- The current consultant selection process is frustrating several of the Local Agencies because it is a qualifications based process where cost is not a consideration as outlined in the CDOT Local Agency Manual. Local Agencies want the ability to have costs along with qualifications be factors in making the selection. The process that Mesa County uses was suggested as an example to follow.
- The City of Montrose suggested that CDOT reevaluate its contractor pre-qualification process. Local Agencies at the meeting stated they did not know that CDOT's Contractor pre-qualification process was solely based on financial capabilities and not experience. Do contractors have to be re-qualified after some time period once they are pre-qualified? According to one local agency, they estimate that it costs them approximately 25%-30% more if they use CDOT pre-qualified contractors and follow the CDOT process. The City of Montrose had a bad experience with a CDOT low bid contractor and thinks that low bid selection gets you low bid work. They use a qualifications based approach for selecting contractors when funding their projects without federal funds.
- The Town of Cedaredge expressed concerns about using the ROW appraisers on the CDOT list of certified appraisers and the qualifications of the firm they selected. The appraisers on the list were all from the Front Range which increased costs due to paying for travel time. Also, Cedaredge wanted certain tasks done which the ROW contractor did not do leaving Cedaredge in the position of having to perform the work.
- Ron Alexander, CDOT Resident Engineer, felt that Local Agencies should be allowed more flexibility for Finding-In-the-Public-Interest (FIPI) process to have Local Agencies be able to perform more work with their own forces. Need to have clearer guidelines so that there is consistency within CDOT for the approval of use of Local Agency forces to complete work on projects. The Town of Cedaredge was told that they could cut out boulders on a trail project using their own forces and they were later told no by CDOT. [Note: In-kind work is viewed differently than work provided by state forces as this needs to be performed by an independent third party and approved in advance by FHWA.]
- Local Agencies would like ability to be allowed to use non CDOT pre-qualified contractors and flexibility in hiring engineering consultants using price as a factor on their projects. Looking for flexibility from CDOT on these issues and revision to current Local Agency manual.
- Local Agencies need better understanding from CDOT on the scoping of the environmental process so that costs can be better defined and Local Agencies determine if project can be initiated based on requirements.



Project Design/Advertisement (continued)

- Local Agencies suggested that CDOT develop a pre-application checklist categorized by processes (such as Environmental, ROW acquisition or construction) so that Local Agencies can understand the requirements upfront along with costs before applying for projects. Right now Local Agencies see some of the requirements as hidden costs because they weren't aware of these at the time of application. Understanding all of the requirements upfront along with a complete estimate including work that meets these requirements and a % contingency will better serve the Local Agencies.
- Local Agencies would like to see what consultants will be charging for services such as ROW services or environmental services at the time of consultant selection. It was suggested that pre-application meeting be held to review the overall required processes with CDOT and review of draft cost estimate for the work and consultant services. .
- Local Agencies want to know why the methods for determining DBE goals and the actual DBE project goals are different for different state agencies. Smaller communities with tighter budgets are impacted by the DBE goal, outside of the area DBE contractors who cost more, and not having a realistic goal for the specific project consistent DBE resources available for that geographic area.
- Karen Guglielmone, Town of Telluride, stated that the DBE goal on projects has caused contractors to bring in subcontractors from outside the area to meet that goal. This is unsettling to the Local Agencies as there are workers within the area that can perform the work but are not certified as DBE. When the local companies are approached about becoming certified, at times the firms are not willing to go through the certification process and submit their company financial information for review. The Town of Telluride indicated that FTA uses a formula for determining DBE goal on their grant projects. CDOT should review the demographic information, costs to the projects, such as if there are no DBE's within a certain range, the goal for the project should be zero.
- Local Agencies feel that costs are high to administer the DBE program as it can take up a lot of the Local Agency project manager's time or adds a cost if the Local Agency needs to hire a consultant. Has CDOT considered how many FTE's it takes for Local Agencies to administer the DBE program on their projects? Local Agencies asked if the funds are being spent appropriately when DBE subcontractors from outside areas are hired and their workers are living in their cars due to costs for lodging to provide flagging, traffic control?



Award of Project/Construction: Identify key issues and recommendations – Local Agency Manual Chapters 8-11

- Brian Killian passed out a “cheat sheet” summarizing the requirements for tracking Local Agency Project Documentation for Construction which was developed by Ron Alexander, CDOT Resident Engineer in Montrose. This is attached to the meeting notes for review.
- Local Agencies expressed a need for a simpler process for addressing change orders. In a situation where a Local Agency provides \$200,000 towards a project and federal funds are for \$50,000 it was questioned if there is any flexibility regarding CDOT’s need to be involved in approving a change order when the process takes longer to involve CDOT than if the Local Agency did the process on its own. Local Agencies are looking for flexibility when only a small portion of the project is funded with federal funds; perhaps if certain requirements are associated with specific thresholds or amounts.
- Being able to do change orders without having to get CDOT approval could create efficiencies because of the time associated with CDOT review. If the Local Agencies have hired a consultant, or are conducting a change order and no additional funds are being added to the project, then is it possible to waive CDOT approval in order to expedite things? At times changes or issues that need immediate action or attention in the field have to be addressed immediately to avoid delays to the Contractor’s work. Local Agencies want to be able to handle change orders on their own if there is no increase to the project or perhaps below a certain dollar threshold.
- It was stated that FTA does not have the same level of project requirements as FHWA requires. FTA is interested in total cost and amount of local match provided by Local Agency. Local Agencies do grants electronically and have documentation available in the file for review. There are different approaches by two federal agencies for federal funds; are there ways to compare the two processes in order to adopt best practices from FTA’s process into the way CDOT addresses FHWA requirements?
- Financial reimbursements to a Local Agency require that it provides a copy of a canceled check from a contractor. Having to wait for the canceled check instead of being able to submit an invoice to CDOT for payment adds 10 to 30 days to projects and causes delays. Colorado Department of Public Health and Environment commits to a 10 day turnaround for reimbursement with their ARRA funds; can CDOT provide a commitment? Can CDOT revisit the canceled check policy to determine if it should be applicable to all agencies or just the ones that have committed violations?



Award of Project/Construction (continued)

- Local Agencies received a CDOT Design Bulletin from Region 3 on the requirements for warranties stating that Local Agencies are not allowed to have a “global” or “all work” warranty on projects but have to be specific for contractor on specific work needed (this is a federal requirement). Local Agencies would like the Task Force to assess if there is any flexibility in how warranties on projects can be administered and if there is a possibility for improved turnaround time from CDOT on the review of warranty specifications.
- Gunnison County had an issue closing out one of its off-system bridge projects where the project closure process took 16 months. During this time the Local Agency was charged \$400 each month by CDOT. Does the project closure process need to take this long? Why are monthly charges such as the one of \$400 warranted?
- Local Agencies are looking for flexibility in what is required when filling out materials documentation. Being able to use their own documentation as an acceptable substitute for a CDOT form if all the required information is included would create efficiencies. If a Local Agency has a similar form to the CDOT Form 157 can they use that as a substitute? San Miguel County provided an example where their consultant, Buckhorn Geotech, provided a substitute form for the CDOT form 157. Local Agencies also looking for materials training to be provided by CDOT for the forms and materials testing documentation requirements. Can CDOT make the electronic forms easier to use so that Local Agencies or their consultants can fill out information electronically on the forms?
- Local Agencies questioned how CDOT administers its own projects from those that the Local Agencies administer and noted that the oversight is the same. The Local Agencies were wondering if this is the reason why the costs are higher on Local Agency projects. Can CDOT take a look at grant project process to streamline the process similar to that of DOLA (Department of Local Affairs). Local Agencies want CDOT to take these comments to FHWA for review to see where any flexibilities in how the requirements are enforced can be identified. It was pointed out that Department of Local Assistance (DOLA) funded projects are state managed funds and do not have to follow federal regulations such as (Davis Bacon Wages, DBE etc.) like those being administered by CDOT.
- Joanne Fagan, Town of Ridgway, felt that federal assistance offers great opportunities to Local Agencies to build “some really cool projects”, achieve great accomplishments and make significant improvements as long as they are able to understand how to address the federal and state requirements associated with federal funding and can efficiently manage the process. Streamlining the process and providing flexibility where possible can be a benefit to those Local Agencies applying for the funds who appreciate the ability to get these projects for their communities.



Next Steps

The audience expressed appreciation to CDOT for holding this meeting in order to be able to share their concerns. Andrea informed everyone that the meeting notes will be posted on the website and that additional comments can be sent in via e-mail to the ProjectDevelopment@dot.state.co.us address listed on the back of the meeting agenda. Neil Lacey asked for comments to be sent in to Project Development e-mail by June 30th.

PARKING LOT

- All comments are due by June 30, 2010
- On Local Agency Manual – can it be simplified for smaller projects – is there room for changes/updates?
- Neil to take a look at monthly charge of \$400.00 – where does it come from?

ATTENDEES:

Karen Guglielmono	Town of Telluride Public Works
David Valentinelli	CDOT R5
Brian Killian	CDOT R3
Tim Roberts	Town of Cedaredge
Joe Duran	FHWA
Kathleen Sickles	Town of Cedaredge
Jim Hougnon	City of Montrose
Marlene Crosby	Gunnison County
Bill Patrone	City of Montrose
Dan Loncar	Montrose County
John Harris	City of Montrose
Dean Cooper	Montrose County
Jerry Burgess	SGM-INC
Joanne Fagan	Ridgway, Ouray County, Hotchkiss
Ronald Alexander	CDOT
Jim Hatheway	City of Delta
Eric Krch	Consultant, Buckhorn Geotech
Kari Distefano	San Miguel County
Dee Miller	City of Poncha Springs
Neil Lacey	CDOT HQ, Project Development Branch
Tobilynn Erosky	CDOT HQ, Project Development Branch
Andrea Meneghel	CDR Associates