

MEMORANDUM

DEPARTMENT OF TRANSPORTATION

Division of Transit and Rail
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TO: Transportation Commission

FROM: Mark Imhoff, Director, Division of Transit and Rail

DATE: August 1, 2012

RE: Status of Contract Execution Effort in Transit Grants Program

DTR developed a transparent process for tracking its progress in executing its FTA and FASTER contracts. A greatly enhanced effort was begun in early May to eliminate a sizable contract backlog as well as to take steps to execute FY 2013 FASTER projects soon after the beginning of FY 13. This memo details the results of that effort.

Background. The Transit Unit in DTR administers funds from six different Federal Transit Administration grant programs, as well as some subgrant programs, totaling over \$12M per year. On average the Unit executes over 75 FTA contracts with local agencies every year.

In 2011 the Unit began administering FASTER transit grants that were awarded for Fiscal Years 2010 through 2012. Approximately \$14 M is made available in FASTER grants each year. On average, about 40 FASTER grant contracts with local agencies are executed each year. The Transit Unit administers most of the projects, namely, the projects that award funds for the purchase of buses or equipment. Projects that are construction-related (e.g., facilities, bus shelters) are administered by the Regions, for they are better equipped to oversee them. Each Region includes their respective FASTER Transit projects within their Local Agency program. DTR does not exercise control over the execution of those Region contracts.

Backlog. As of May 7, 2012, the Unit reported a backlog of 110 contracts remaining to be executed—contracts which in many cases should have been executed by January 1; 73 of them were FTA grants and the remaining 37 were FASTER projects from FY 2010-2012. In addition, there are forty-nine FY 2013 FASTER contracts that were expected to be executed after July 1. The Transit Unit and others took steps to eliminate the backlog and expedite execution of the FY 13 FASTER contracts, including:

- The Procurement Office, responsible for contract drafting and quality control, developed some contract templates in order to increase consistency and reduce review time.
- The Transit Unit and Procurement Office adopted scope of work templates and agreed to meet jointly more frequently to address contract problems.
- Two temporary employees were hired.
- An improved contract tracking format was adopted.

Project contracts go through several stages of development: development and negotiation of a scope of work; placement of the project into the STIP; submittal to the FTA in a Program of Projects and subsequent grant approval; submittal of a Purchase Requisition to the CDOT Procurement Office requesting that it develop and offer a contract to the Local Agency; offering of a contract to the Local Agency; and, contract execution.

Backlog Progress. Of the 110 contracts in need of execution as of May 7, a total of 42 have been fully executed. Another 20 have been offered to local agencies for execution but have not yet been fully executed by both parties. Another 12 were submitted to the Procurement Office for contract development. Sixteen are still in the project scoping process; in some cases the Local Agency is having trouble defining the project; in some the Local Agency or Region has not obtained environmental clearance or determined site location.

Ten projects have completed scopes but are awaiting FTA grant approval or budgeting; DTR and the FTA emphasize the need to spend down old grants before drawing down new funds but often doing so is impeded when CDOT's SAP system and the FTA's grant-making system are not in agreement on the amount of remaining funds. Finally, ten projects have been withdrawn or are at risk of being withdrawn due to obstacles such as land acquisition, lack of match, etc.

FASTER FY 2013 Progress. DTR announced the award of 49 FASTER projects for FY 2013. DTR manages 38 of those projects and 11 have been transferred to the Regions to manage. DTR made and kept a commitment to quickly name the project managers for those projects so that scope negotiation could begin promptly and contracts executed shortly after the July 1 start of the fiscal year. Of the 38 being managed by DTR, one has been executed, eight 8 have been offered to the Local Agency, one is in contract development, 23 are in some stage of scope development, and five (from the FREX project) have been withdrawn. Of the 11 being managed by the Regions, ten are in scope development and one is at risk of withdrawal.

Status of FTA and FASTER Projects In Need of Execution
As of August 3, 2012

| | <i>Contracts not executed as of 5/7/12</i> | | | | <i>FASTER FY 2013</i> | | |
|---|--|------------------------------|----------------------------------|---------------|-------------------------|-----------------------------|---------------|
| | <i>FTA grants managed by DTR</i> | <i>FASTER FY 2010-12 DTR</i> | <i>FASTER FY 2010-12 Regions</i> | <i>Totals</i> | <i>FASTER FY 13 DTR</i> | <i>FASTER FY 13 Regions</i> | <i>Totals</i> |
| <i>Executed</i> | 28 | 2 | 12 | 42 | 1 | 0 | 1 |
| <i>Offered to Local Agency</i> | 15 | 3 | 2 | 20 | 8 | 0 | 8 |
| <i>Request Submitted for Contract Development</i> | 11 | 1 | 0 | 12 | 1 | 0 | 1 |
| <i>Scope of Work being Developed/Negotiated</i> | 6 | 2 | 8 | 16 | 23 | 10 | 33 |
| <i>Awaiting FTA Grant Approval/Budgeting</i> | 10 | -- | -- | 10 | -- | -- | -- |
| <i>Project Withdrawn/ At Risk of Withdrawal</i> | 3 | 2 | 5 | 10 | 5 | 1 | 6 |
| <i>Totals</i> | 73 | 10 | 27 | 110 | 38 | 11 | 49 |