Over the past few years, the Colorado legislature has provided CDOT with new, albeit temporary, resources through measures like S.B 1, S.B. 267, and S.B. 262. With roughly half a billion dollars above baseline levels increasing the size of CDOT’s construction program for the next few years, the Department has an opportunity to improve mobility for all Coloradans by utilizing dollars carefully and in a way that shows real return on investment to taxpayers. CDOT has a broad strategy to focus on accountability and project delivery that includes:

**TRANSPARENT PROJECT PLANNING AND DELIVERY**

- **Completing a 10-year planning process with unprecedented public engagement.** This effort has already resulted in a statewide project pipeline that gets the most out of the dollars we have — and sets a plan for future dollars — in order to reduce congestion along key corridors, fix broken roads and bridges across the state, make the largest rural road investment in modern Colorado history, and make urban roads safer. This diverse project pipeline means that projects of many types and sizes are creating opportunities for firms with different areas of expertise;

- **Increased project transparency through public reporting on project management and project costs.** Citizens deserve to know how the government is spending their dollars on projects. With the execution of CDOT’s new transportation plan underway, the Department is rolling out new dashboards that show how each project is doing in terms of delivering on scope, schedule and budget. New reporting will also show the breakdown of project costs so the public can see where project dollars are going. These dashboards will go live this Spring, before construction starts to pick up for what will prove a very busy summer construction season.

- **Setting new spending targets to maximize dollars going to transportation improvements that people can see.** Projects require a range of expenses that include design and engineering, environmental review, right of way acquisition, and agency staffing — in addition to the dollars spent on construction contractors building the project. All of these elements are important for getting projects done, even though some are less visible to the public than others. In order to maximize dollars spent on putting shovels in the ground, CDOT has set new targets that limits design and engineering to 20% of project costs for larger projects, and 15% for smaller and simpler projects that should require less intricate designs.
CLEARER BUDGETING AND BETTER INTERNAL CONTROLS

- **Simplifying CDOT’s overall budget to make it easier to understand.** Citizens reading CDOT’s budget should have confidence that each dollar is being spent in one place at one time. To that end, and responsive to recommendations from the Office of the State Auditor, CDOT has revamped its budget to make it clearer how dollars are being allocated across core program functions, including on construction, winter operations and other maintenance, multimodal investments, pass-through dollars to other government partners, debt service, and agency administration.

- **Clearly showing expenses that track multiple years.** Budgets for capital projects often span multiple years. Thus, a dollar “dedicated” to a project during one year may very well get spent during a later fiscal year — especially since the fiscal year changes in the middle of CDOT’s construction season. CDOT’s new budget presentation makes it easier to track when dollars allocated during one year are carried over for actual drawdown during a subsequent year.

- **Adopting new technology to spot irregular spending and protect against fraud.** Advances in financial controls make it possible to spot irregular spending patterns that could be symptoms of a problem. Examples of these patterns can include transactions at off-hours and on holidays, duplicate vendor records, and certain number patterns. Responsive to a recommendation of the State Auditor, CDOT has deployed new software that can help detect irregularities and serve as an extra check against possible fraud. Importantly, no fraud was found in the audit, and these extra checks will further protect CDOT in the future.

TIGHTENING OUR BELT TO MAXIMIZE DOLLARS SPENT ON CORE FUNCTIONS

- **Saving money.** The Governor’s FY 2020-21 Budget Request was submitted to the legislature on November 1, 2019. The Budget Request reflects strong efforts by state departments to find efficiencies within their budgets and opportunities to reprioritize and focus on the highest priority and most critical functions. For CDOT, the Governor’s Budget includes more than $25 million resulting from these efforts including the items described below, as well as savings realized from an internal reorganization, and reductions to CDOT’s Administrative budget.

- **Cutting spending on out of state travel and conferences to reduce overhead and focus on operational needs.** Between 2015 and 2018, CDOT’s out of state travel spending increased by 70%. In 2019, CDOT implemented new policies that brought travel and conference costs down to the equivalent of prior levels, saving nearly half a million dollars in 2019 alone. CDOT is reprioritizing this funding to invest in higher priorities like new maintenance equipment to support snow and ice operations.

- **Right-sizing innovation dollars to ensure that dollars are prioritized toward tangible safety improvements.** Innovation and state of the art technology can help CDOT improve safety and efficiency. However, as dollars are always limited, it is important to strike a balance between planning for future technology and investments that deliver clearly foreseeable safety and efficiency improvements for the traveling public. In 2019, CDOT worked with the Transportation Commission to reprioritize about $11 million a year towards common sense safety improvements like better and more visible highway striping and find more cost effective ways to remain a leader in emerging areas like preparing Colorado for shared, connected, autonomous and electric transportation technologies.
ENSURING THAT CDOT CONTRACTING GETS THE BEST VALUE FOR TAXPAYERS

- **Tightening controls to ensure that contract scopes are clearly defined, executed and time-limited.** Guidance and training on development of contract scopes has been updated and expanded, new review processes put in place, and contract templates updated to ensure that all contracts have defined end dates. Enhance internal monitoring to ensure our partners are meeting their contractual obligations as defined in task orders and contracts.

- **Updating internal clearance processes to further strengthen internal checks and balances.** A new internal review process has been put in place, with elevated levels of review and approval of new procurements, task orders, and modifications to contracts, depending on subject matter and value.

- **Updating processes to ensure projects are closed in a timely fashion.** New guidance has been developed outlining the project closure process, and establishing standard timelines for each step. New dashboards have been deployed to increase visibility on the time it is taking to close projects, and to ensure accountability, and changes have also been made to address some of the reasons for delays in project closure. As an example, a new process has been put in place that removes the landscape establishment period from many projects, a common reason for a project staying open for an extended period of time after substantial completion.

- **Providing a balanced program with projects of different sizes and types that allow for diverse participation in CDOT’s program.** A result of our new 10 year planning process is the identification and prioritization of a wide variety of projects statewide. These projects include rural paving, safety enhancements and larger congestion relief efforts providing a wide range of opportunities for participation from various regional contractors who are sized from large to smaller, local firms.

- **Conducting a retrospective review of contracting methods over the past decade to update CDOT best practices for applying the best tool for each situation.** CDOT is analyzing past contract awards and identifying both best practices and shortfalls of methods to better ensure a fair contract awarding process for our construction and maintenance projects.

- **Working with the contractor community to better educate firms across Colorado on how to compete for projects utilizing different contracting methods.** Schedule regular opportunities to communicate with and educate our partners regarding best practices, processes and programming requirement of various contracting methods. Help identify steps interested parties can take to broaden their ability to participate in a wider variety of projects.

- **Initiating a review of dispute resolution practices to ensure that they remain current and can provide an efficient and accountable way to resolve straightforward disputes without going to court.** Evaluation underway of our existing dispute resolution process both internally and with our partners to ensure clearly defined opportunities for stakeholders to provide input on potential dispute resolution spec adaptations.