



November 12, 2015

Dianne E. Ray, CPA
State Auditor
Colorado Office of the State Auditor
1525 Sherman St., 7th Floor
Denver, CO 80203

Dear Auditor Ray:

In response to your request, we have prepared an updated status report regarding the implementation of audit recommendations contained in the *US-36 Public-Private Partnership (P3) Project Performance Audit*. The attached report provides a brief explanation of the actions taken by the High Performance Transportation Enterprise (HPTE) to implement each recommendation.

HPTE has completed 26 out of the 29 recommendations (the remaining three recommendations are partially implemented) and is on track to fully implement the audit's recommendations by January 2016. The audit has created a positive framework for future HPTE projects and as our workload grows, it will ensure we continue to provide best value to the taxpayers.

If you have any questions, please do not hesitate to contact me at (303) 757-9607 or by email at david.spector@state.co.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Spector", with a long, sweeping horizontal line extending to the right.

David Spector
Director, High Performance Transportation Enterprise

AUDIT RECOMMENDATION STATUS REPORT

AUDIT NAME: US-36 Public-Private Partnership (P3) Project Performance Audit

AUDIT NUMBER: 1415P

DEPARTMENT: Department of Transportation and High Performance Transportation Enterprise

DATE OF STATUS REPORT: *November 6, 2015*

SUMMARY INFORMATION

Rec. Number	Agency's Response	Implementation Status <i>Instructions: For each row below, insert "Implemented", "Implemented and Ongoing", "Partially Implemented", "Not Implemented", or "No Longer Applicable" to indicate the current status of the recommendation. Please refer to the attached sheet for definitions of each implementation status option.</i>	Original Implementation Date	Revised Implementation Date (If applicable) <i>Instructions: Complete this column if the organization is revising the original implementation date. Note the month and year the recommendation will be implemented.</i>
1a	Agree	Implemented and Ongoing	April 2015	
1b	Agree	Implemented and Ongoing	April 2015	
1c	Agree	Implemented and Ongoing	Implemented	
2	Agree	Implemented	April 2015	
3a	Agree	Implemented and Ongoing	Implemented	
3b	Agree	Implemented and Ongoing	Implemented	
3c	Agree	Implemented and Ongoing	Implemented	
4a	Agree	Implemented and Ongoing	Implemented	
4b	Agree	Implemented	September 2015	
4c	Agree	Implemented	Implemented	
5a	Agree	Implemented and Ongoing	July 2015	
5b	Agree	Implemented and Ongoing	July 2015	
5c	Agree	Implemented and Ongoing	July 2015	
5d	Agree	Implemented and Ongoing	July 2015	
6	Agree	Partially Implemented	September 2015	December 2015
7	Agree	Implemented and Ongoing	July 2015	
8	Agree	Implemented	September 2015	
9a	Agree	Implemented	September 2015	
9b	Agree	Implemented	September 2015	
10	Agree	Implemented	September 2015	
11	Agree	Implemented	Implemented	

Rec. Number	Agency's Response	Implementation Status <i>Instructions: For each row below, insert "Implemented", "Implemented and Ongoing", "Partially Implemented", "Not Implemented", or "No Longer Applicable" to indicate the current status of the recommendation. Please refer to the attached sheet for definitions of each implementation status option.</i>	Original Implementation Date	Revised Implementation Date (If applicable) <i>Instructions: Complete this column if the organization is revising the original implementation date. Note the month and year the recommendation will be implemented.</i>
12a	Agree	Implemented	July 2015	October 2015
12b	Agree	Implemented	Implemented	
12c	Agree	Implemented and Ongoing	September 2015	
12d	Agree	Implemented and Ongoing	September 2015	
12e	Agree	Implemented	September 2015	October 2015
13a	Agree	Partially Implemented	January 2016	
13b	Agree	Partially Implemented	January 2016	
13c	Agree	Implemented	January 2016	

DETAIL OF IMPLEMENTATION STATUS

Note: The Department agreed with all of the audit recommendations.

Recommendation No. 1:

The High Performance Transportation Enterprise (HPTE) should work with the Colorado Department of Transportation's Office of Major Project Development (OMPD) and its toll services expert advisor to evaluate how toll services will be procured and managed for future projects involving toll facilities. The evaluation should result in:

- A. Developing a comprehensive set of technical specifications and options for toll services which are identified and included at the RFQ stage in future P3 procurements.

Current Implementation Status for Rec. 1, part A (*i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented and Ongoing

Agency's Update:

On May 7, 2015 the State Controller executed the HPTE/E470 Tolling Services Agreement that sets forth a comprehensive set of technical specifications and options for toll collection and administration services to be provided by E470.

- B. Providing detailed cost and technical specifications for any preferred or required toll services providers as part of the initial draft RFP documents and finalizing the technical specifications and costs for toll services as part of the final RFP, when the P3 project involves transferring toll services or toll revenue risk to the concessionaire.

Current Implementation Status for Rec. 1, part B (*i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented and Ongoing

Agency's Update:

On the Central 70 Project, HPTE is not transferring toll services or toll revenue risk to the concessionaire, therefore, detailed cost and technical specifications required by E470 are not being provided in the RFP. Nevertheless, on future toll revenue risk concession projects, HPTE is committed to providing this information to proposers.

- C. Reviewing tolling authorities' operations and contracts in other states and jurisdictions to gain lessons learned for how to best manage toll services in the future.

Current Implementation Status for Rec. 1, part C (*i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented and Ongoing

Agency's Update:

HPTE is actively engaged in reviewing tolling authorities' operations and contracts in other states and jurisdictions to gain lessons learned for how best to manage toll services in the future. For example, HPTE and OMPD participated this spring in FHWA-sponsored meetings with tolling providers in both Washington state and Florida. Things learned were the importance of a robust customer call center for toll customers, a robust public outreach and transparency process, and the value of a consolidated tolling back office instead of having more than one in a region.

Recommendation No. 2:

The High Performance Transportation Enterprise (HPTE) should work with the E-470 Authority and the concessionaire to facilitate execution of the toll services agreement for the US-36 P3 Project as soon as possible to ensure a clear understanding of and accountability for toll services well in advance of the commencement of toll operations.

Current Implementation Status for Rec. 2 (*i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented

Agency's Update:

Both the P3 TSA (Plenary Roads Denver/HPTE/E470) and the HPTE/E470 TSA were signed by the State Controller on May 7, 2015, in advance of the commencement of toll operations.

Recommendation No. 3:

The High Performance Transportation Enterprise (HPTE) should improve the planning process for future P3 projects by partnering with its expert legal and financial advisors and approaching the Transportation Infrastructure Finance and Innovation Act Joint Project Office (TIFIA JPO) to examine TIFIA loan options prior to the procurement phase. If HPTE provides a Letter of Interest to the TIFIA JPO related to a possible TIFIA loan for a P3 project procurement, or if in the future HPTE has a TIFIA loan that will be assumed as part of the P3 project, HPTE should:

- A. Work with its legal and financial advisors and coordinate with TIFIA JPO to prepare a detailed term sheet for inclusion in the draft RFP.

Current Implementation Status for Rec. 3, part A (*i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented and Ongoing

Agency's Update:

HPTE will work with its legal and financial advisors to coordinate with TIFIA JPO to prepare a term sheet which is as detailed as the TIFIA JPO is prepared to agree for inclusion in any draft RFP for future P3 projects involving TIFIA loans. HPTE/CBE anticipate have the Baseline TIFIA Term Sheet added to the I-70 Central RFP in late February, early March of next year. This will give the Proposers ample time to review and negotiate as Financial Proposals are due in early September.

- B. Update the term sheet during the procurement phase in response to questions from prospective bidders and upon further interactions with TIFIA JPO.

Current Implementation Status for Rec. 3, part B (*i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented and Ongoing

Agency's Update:

HPTE agrees that for future projects it will update the term sheet in response to questions from perspective bidders, and assuming the TIFIA JPO remains willing to interact further. For example, on the I-70 Central Project, Proposers are allowed to submit comments to the Baseline TIFIA Term Sheet and HPTE/CBE may raise those comments with the TIFIA JPO and if they're amenable, HPTE/CBE will issue a revises TIFIA Term Sheet.

- C. Ensure the procurement schedule includes adequate time for HPTE and its expert advisors to interact with the TIFIA JPO on the draft term sheet and for the loan negotiations to occur between selection of the preferred bidder and financial close.

Current Implementation Status for Rec. 3, part C (*i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented and Ongoing

Agency's Update:

HPTE agrees that future procurement schedules will make sure to include adequate time for HPTE and its advisers to interact with the TIFIA JPO on any draft term sheet and for the loan negotiations to occur between selection of the preferred bidder and financial close. For example, on the I-70 Central procurement, HPTE/CBE have left adequate time for Proposers to interact with the TIFIA JPO. HPTE/CBE are providing Proposers the opportunity to have a face to face one-on-one meeting with the TIFIA JPO in Washington D.C. and will give them enough time to review and comment on the Baseline TIFIA Term Sheet.

Recommendation No. 4:

The High Performance Transportation Enterprise (HPTE) should:

- A. Formalize practices for completing a thorough review of all major project components during the project development phase so that adequate information is available to identify the best value option and to provide adequate detail to prospective bidders in the procurement phase.

Current Implementation Status for Rec. 4, part A (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented and Ongoing

Agency's Update:

HPTE and OMPD, working under an MOU which establishes roles and responsibilities between the two, continue to formalize practices (such as conducting a traffic and revenue study, and analyzing the Value for Money analysis) for making sure we are doing a thorough review of all major components during the project development phase so that adequate information is available to identify the best value option and to provide adequate detail to prospective bidders in the procurement phase.

- B. Work with the Colorado Department of Transportation (CDOT) to develop standardized reporting formats for analyzing actual cost data to be used as a basis for cost estimates and to further refine performance standards for operations and maintenance elements.

Current Implementation Status for Rec. 4, part B (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented

Agency's Update:

HPTE has developed a format for analyzing actual cost data to be used as a basis for cost estimates and to further refine performance standards for operations and maintenance elements. The format compares pricing from previous fiscal years with data taken from SAP, so HPTE/OMPD can see trends in pricing as well as compare it against what a bidder submits.

- C. Ensure adequate detail on the project scope of services is defined and included in the RFQ and initial RFP.

Current Implementation Status for Rec. 4, part C (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented

Agency's Update:

In March the HPTE and the Colorado Bridge Enterprise (CBE) released the Central 70 RFQ. Five teams submitted Statements of Qualifications and four teams were shortlisted. In September, HPTE and the CBE released the draft Central 70 Instructions to Proposers and the draft Project Agreement. HPTE and CBE ensured that each document clearly articulated the performance standards for operations, maintenance and rehabilitation were clearly articulated. Further, HPTE is conducting a Scenario Workshop in early winter 2016 to ensure these standards are clearly articulated. This will ensure better bids and eventually clearer performance metrics to monitor.

Recommendation No. 5:

The High Performance Transportation Enterprise (HPTE) should use the experience gained from the US-36 P3 Project and build comprehensive project schedules for future activities on the US-36 P3 Project as well as for future P3 projects. Specifically, project schedules should:

- A. Identify all key tasks and include well-defined, appropriately-linked project activities.

Current Implementation Status for Rec. 5, part A (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented and Ongoing

Agency's Update:

The May 29th Addendum to the I-70 East Request for Qualifications (RFQ), which was released by the HPTE along with the Bridge Enterprise, contained a comprehensive schedule to prospective proposers and the industry. This recommendation will also carry forward to future P3s.

In March of this year, HPTE approved a US 36 Phase 2 Schedule submitted by the Plenary Roads Denver that includes all major Project activities .

- B. Assign resources and project costs to tasks and project activities.

Current Implementation Status for Rec. 5, part B (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented and Ongoing

Agency's Update:

HPTE and BE worked closely with advisors on the I-70 East Project and developed a comprehensive internal schedule that assigned resources and projects costs and tasks to specific project activities. This recommendation will also carry forward to future P3s. As the Project moves into the operational phase, the schedule will adjust to assign resources and project costs so there can be appropriate oversight of the Concessionaire.

Regarding US 36, the Monitoring Management Plan identifies each of the contract's requirements, assigns a risk level, identifies if additional monitoring is required, the frequency of monitoring (weekly, bi-weekly, monthly, bi-monthly, quarterly, annually, per each event), and who is responsible for oversight, i.e., HPTE, CDOT or the consultant team.

- C. Specify realistic, achievable timeframes and due dates for when the work needs to be completed.

Current Implementation Status for Rec. 5, part C (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented and Ongoing

Agency's Update:

HPTE, working with OMPD, will ensure that adequate detail on the project scope of services with clear definition, and an appropriate level of detail, will be included in future RFQs and initial RFPs. For example, the May 29th Addendum to the I-70 East Request for Qualifications (RFQ) and the September 15 RFP, HPTE, along with the Bridge Enterprise, included a comprehensive schedule to prospective proposers and the industry. Since the US36 project was beyond this phase at the time of the audit, HPTE, working with OMPD, will ensure that adequate detail on the project scope of services with clear definition, and an appropriate level of detail, will be included in future RFQs and initial RFPs.

- D. Include adequate detail on how the work will be accomplished to enable responsible parties to accomplish project activities in accordance with the project schedule.

Current Implementation Status for Rec. 5, part D (*i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented and Ongoing

Agency's Update:

On the I-70 East Project, HPTE worked closely with CDOT, the BE and our consultants to develop a comprehensive project schedule that assigns resources and project costs to each task. The schedule is updated on an as needed basis to reflect changes in Project conditions. This recommendation will also carry forward to future P3s.

Recommendation No. 6:

The High Performance Transportation Enterprise (HPTE) should ensure the HPTE Board has adequate information to support decision-making by developing policies outlining the key points in the P3 decision-making and procurement processes where the Project Value Analysis and updates must be performed. Policies should specifically require performance of Project Value Analyses prior to (1) the decision to pursue the project as a P3, (2) selection of the preferred bidder and negotiations, and (3) financial close.

Current Implementation Status for Rec. 6 (*i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Partially Implemented

Agency's Update:

The first VfM analysis on the I-70 East Project was issued in December of 2013 (point 1) and the subsequent version was issued on February 19, 2015. After the last version was issued, the HPTE Board, along with the Transportation Commission decided to move forward with the I-70 East Project as a P3 project (point 1). These policies will be added to the P3 Management Manual (see Recommendation 13). HPTE/CBE will update the I-70 East VfM again in late September of 2016 after the Preferred Proposer is selected (point 2) and again after financial close in early 2017 (point 3).

Recommendation No. 7:

The High Performance Transportation Enterprise (HPTE) should expand upon its Transparency Policy, the Governor's Executive Order D 2014-010, and the *Transparency Outreach Public Engagement Plan* and develop a comprehensive communications plan for informing and soliciting input from stakeholders, policy makers, and the general public for future P3 projects. Additionally, HPTE should maintain adequate and complete records of meetings and outreach efforts to follow up on outstanding issues and to assist with evaluating the effectiveness of its comprehensive communications plan.

Current Implementation Status for Rec. 7 (*i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented and Ongoing

Agency's Update:

The HPTE on June 3, completed a Communications Plan that meets the goals of Gov. John Hickenlooper's Executive Order D 2014-010 and HPTE Board's Transparency Policy and produces a desired future state whereby increased communication enables broad understanding among key stakeholders and members of the general public of HPTE's mission, its policies and procedures. HPTE is keeping records on all of outreach efforts and issues brought up and public meetings and how and if they were resolved.

Recommendation No. 8:

The High Performance Transportation Enterprise (HPTE) should continue to work with the Office of the Attorney General to develop a comprehensive open records and transparency plan for its P3 program that ensures compliance with the Colorado Open Records Act and with best practices. HPTE's plan should identify the key documents developed prior and during procurement, as well as during the construction and operation phases, that will become public records and determine milestones for when such documents will be released. HPTE should list these documents and their release dates in communications to prospective bidders as appropriate and make the open records and transparency plan and public records available to the public on its internet site.

Current Implementation Status for Rec. 8 (*i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented

Agency's Update:

The HPTE Board of Directors approved the First Amended Transparency Policy Relating to Public-Private Partnerships at their August 19, 2015 meeting. The policy, developed with input from the Office of the Attorney General, balances the needs for transparency with confidentiality in a competitive bidding process. The policy will help the public understand the timing of documents that will be released during a P3 procurement.

Recommendation No. 9:

The High Performance Transportation Enterprise (HPTE) should work with the Colorado Department of Transportation's (CDOT's) Official Records Custodian to assess its records retention needs and develop processes and systems for records retention as outlined by statute, the Records Management Manual, and CDOT policies, procedures, and schedules. Specifically, HPTE should:

- A. Inventory HPTE records and document the storage methods and retention requirements for both public and protected documents that statutes or procedures require be retained.

Current Implementation Status for Rec. 9, part A (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented.

Agency's Update:

To create the HPTE Unique Records Schedule with the CDOT Records Custodian HPTE first had to document its storage methods and retention requirements for its public and protected documents. The schedule, completed on April 20, creates an inventory of the records HPTE is responsible for and how long they will be retained for. A memorandum from staff to the HPTE Director outlines this process.

- B. Review existing CDOT records retention schedules, identify areas where the schedules are not adequate to meet HPTE's document management and retention requirements for long-term P3 projects, develop HPTE-specific records retention schedules, and submit the schedules to appropriate authorities for approval.

Current Implementation Status for Rec. 9, part B (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented.

Agency's Update:

HPTE worked with the CDOT Records Custodian to review retention schedules and identified areas where we were lacking. The new records retention schedule addressed this issue.

Recommendation No. 10:

The High Performance Transportation Enterprise (HPTE) should assess and evaluate resources for procuring a comprehensive document management system suitable for efficiently managing, maintaining, and accessing the documents associated with long-term P3 projects.

Current Implementation Status for Rec. 10 (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented

Agency's Update:

HPTE assessed and evaluated resources for procuring a comprehensive document management system and entered into a contract with Aconex in June of this year. Aconex, is a sophisticated cloud based document management software program that will allow HPTE to efficiently manage, maintain, and access the documents associated with long-term P3 projects

Recommendation No. 11:

The High Performance Transportation Enterprise (HPTE) should review processes and establish an adequate system of internal control for monitoring the performance and budget for contracted expert advisors to ensure the work remains within the budgeted amount and the services delivered are of sufficient quality and delivered in accordance with the requirements set forth in the contract. Additionally, HPTE should consider implementing the contract monitoring best practices outlined in statute and State Fiscal Rule 3-1.

Current Implementation Status for Rec. 11 (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented.

Agency's Update:

Currently HPTE has tasked its Procurement liaison to track all of HPTE and OMPD's open contracts and task orders. Staff receives a weekly update on current work, what work is in the pipeline and what contract or task orders will soon expire. HPTE worked with CDOT to ensure it is now complying with Fiscal Rule 3-1, section 11 (Monitoring of State Contracts). HPTE also continues to have weekly meetings with its Budget Analyst to review the budget and future obligations. Discussed are current and future needs, budget expended to date, projected budget expenditures, and remaining funds on each contract. This allows HPTE to ensure the work remains within budgeted amounts and the services delivered are in accordance with the requirements of the contract.

Recommendation No. 12:

The High Performance Transportation Enterprise (HPTE) should work with the Colorado Department of Transportation (CDOT) to develop a comprehensive monitoring framework and systematic mechanisms for managing and monitoring the concessionaire during the 50-year operations phase of the concession agreement. Specifically, HPTE should work with CDOT to:

- A. Execute a project-specific agreement for the US-36 P3 Project specifying in detail HPTE's, CDOT's, and their contractors' respective roles and responsibilities for operations and maintenance monitoring.

Current Implementation Status for Rec. 12, part A (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented

Agency's Update:

The HPTE Board approved the Second Amendment to the HPTE US 36 Concession Agreement Intra-Agency Agreement on October 14 and the Transportation Commission approved it on October 15. The IAA spells out HPTE's, CDOT's and the consultant's roles and responsibilities regarding oversight of the Plenary Roads Denver US 36 Concession Agreement and assigns OMPD as the oversight division.

- B. Review and revise, as appropriate, the contract with the engineering firm responsible for monitoring the concessionaire's technical requirements to ensure adequate controls are in place to prevent the engineering firm from monitoring its own work.

Current Implementation Status for Rec. 12, part B (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented.

Agency's Update:

The contracted engineering firm that is providing OMPD with technical monitoring support has engaged a subcontractor to independently monitor its engineering design work on the US 36 P3 project; and HPTE and OMPD/CDOT will ensure that the subcontractor's work comes to them directly and that there are appropriate firewalls and other contractual controls in place to ensure that the engineering firm is not monitoring its own work. This works in practice by the subcontractor performing all of the work, with the contracted engineering firm only performing Task Order and Contract Management tasks.

- C. Provide training through "scenario workshops" to educate and obtain input from CDOT operations and maintenance personnel on the performance standards and related requirements outlined in the concession agreement.

Current Implementation Status for Rec. 12, part C (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented and Ongoing

Agency's Update:

(Please provide a brief update (no more than 6 lines) explaining the actions taken to implement this audit recommendation. If there is a revised implementation date, please explain that here.)

On July 30, HPTE and CDOT conducted a scenario workshop with Operations, Maintenance and Traffic staff. The workshop identified a number of points of clarification about the concession agreement that have since been worked out with Plenary Roads Denver. HPTE and CBE are planning a Scenario Workshop on the I-70 Central Project in the first quarter of 2016.

- D. Use the information developed through the "scenario workshops" to develop detailed monitoring management plans that ensure adequate technical review, provide for managing incidents and emergencies, establish protocols for addressing noncompliance, and incorporate processes for change and claims management for the operations phase.

Current Implementation Status for Rec. 12, part D (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented and Ongoing

Agency's Update:

HPTE's Concession Agreement oversight consultant completed the Monitoring Management Plan in mid-September that incorporates the information received from the scenario workshop as well as clarifying how certain incidents, emergencies are handled. HPTE and the Concessionaire are required by the Concession Agreement to hold monthly service meetings. If issues arise that are outside the agreement, it was agreed that this is where the process for claims or changes take place.

- E. Further refine the monitoring framework by researching and incorporating leading practices and lessons learned from other U.S. P3 projects that are in the operations phase.

Current Implementation Status for Rec. 12, part E (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented.

Agency's Update:

HPTE had a call with the Florida Department of Transportation on October 20 to learn from how they oversee their concession agreements. Lessons learned included frequency of inspections, how to track, analyze and revise performance standards, and how to help the public understand what is taking place. HPTE's consultant has incorporated those lessons learned into the Monitoring Management Plan.

Recommendation No. 13:

The High Performance Transportation Enterprise (HPTE) should build upon the best practices and lessons learned from the US-36 P3 Project and strengthen its P3 program for the future by:

- A. Developing a project management framework and detailed guidance for managing large and complex P3 initiatives. The framework should identify the key elements, decision points, information, and processes required for developing, procuring, and operating P3 projects in Colorado.

Current Implementation Status for Rec. 13, part A (i.e., *Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Partially Implemented

Agency's Update:

HPTE has engaged a consultant who is drafting a P3 Management Manual. As of November 6, HPTE and OMPD have reviewed and commented on two drafts. It is expected that the manual will

be complete by the end of the 2015 calendar year and will include the key elements, decision points, information, and processes required for developing, procuring, and operating P3 projects in Colorado.

- B. Working with the Colorado Department of Transportation (CDOT) and the HPTE Board to develop strategies for acquiring adequate resources and project management expertise for managing, developing, and overseeing its P3 program.

Current Implementation Status for Rec. 13, part B (*i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Partially Implemented

Agency's Update:

In June of this year, HPTE and CDOT agreed to a Fee for Service Agreement, which acknowledges that HPTE possesses expertise and legal powers unavailable to CDOT, which enable it to accelerate the development and delivery of critical surface transportation infrastructure projects. For its services to CDOT, HPTE is paid \$2 million a year. HPTE is also in discussions with CDOT and the Board regarding strategies on how to add additional staff to assist as its project workload grows.

- C. Identifying staff training needs and ensuring adequate resources are allocated to provide ongoing training, including project management training and specific training on HPTE's project management guidelines, to HPTE personnel and staff from CDOT, the Office of the State Controller, and the Office of the Attorney General working on P3 projects.

Current Implementation Status for Rec. 13, part C (*i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable*): Implemented

Agency's Update:

In the spring, HPTE and OMPD staff visited Washington and Florida DOT tolling divisions to learn more about their policies and procedures. Over the summer, HPTE, CDOT, and Attorney General Staff participated in the World Bank's P3 training program and have identified training opportunities over the next fiscal year and will ensure adequate resources are allocated to provide ongoing training.