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Director



**AGC Virtual Meeting**  
Thursday, August 13, 2020

# Current Topics



**COVID 19**  
**Reauthorization**  
**Issue 1**  
**Efficiency Review**



# Impact of COVID-19

## COVID-19 Impacts

Month	Previous 12 Months	Current 12 Months	Percent Change	Previous 12 Months	Current 12 Months	Percent Change	Previous 12 Months	Current 12 Months	Percent Change
<b>State Highway Revenue - Without Act 416 Funds</b>									
	<b>Motor Fuel Tax</b>			<b>Registration Fees</b>			<b>Total</b>		
March	\$ 22,634,672	\$ 24,339,660	7.53%	\$ 8,514,474	\$ 8,705,848	2.25%	\$ 31,149,146	\$ 33,045,508	6.09%
April	\$ 24,636,026	\$ 23,101,291	-6.23%	\$ 9,142,662	\$ 9,609,977	5.11%	\$ 33,778,688	\$ 32,711,268	-3.16%
May	\$ 24,344,595	\$ 19,437,241	-20.16%	\$ 10,619,201	\$ 9,619,852	-9.41%	\$ 34,963,796	\$ 29,057,093	-16.89%
June	\$ 26,368,130	\$ 23,354,265	-11.43%	\$ 7,831,782	\$ 8,205,066	4.77%	\$ 34,199,912	\$ 31,559,331	-7.72%
July	\$ 24,879,262	\$ 24,181,939	-2.80%	\$ 8,676,371	\$ 9,435,507	8.75%	\$ 33,555,633	\$ 33,617,446	0.18%
<b>Total</b>	<b>\$ 296,190,354</b>	<b>\$ 291,312,014</b>	<b>-1.65%</b>	<b>\$ 96,308,259</b>	<b>\$ 96,988,564</b>	<b>0.71%</b>	<b>\$ 392,498,613</b>	<b>\$ 388,300,578</b>	<b>-1.07%</b>

	<b>Consumption</b>								
	<b>Gasoline Gallons</b>			<b>Diesel Gallons</b>			<b>Total</b>		
March	108,866,016	117,499,658	7.93%	60,394,411	63,714,295	5.50%	169,260,427	181,213,953	7.06%
April	120,199,534	115,296,560	-4.08%	52,600,192	52,632,873	0.06%	172,799,726	167,929,433	-2.82%
May	128,393,498	94,986,173	-26.02%	51,408,241	45,854,063	-10.80%	179,801,739	140,840,236	-21.67%
June	136,294,940	112,734,057	-17.29%	66,872,615	58,976,889	-11.81%	203,167,555	171,710,946	-15.48%
July	125,894,207	121,524,523	-3.47%	51,737,329	53,396,043	3.21%	177,631,536	174,920,566	-1.53%
<b>Total</b>	<b>1,500,270,973</b>	<b>1,454,361,796</b>	<b>-3.06%</b>	<b>675,202,025</b>	<b>663,919,479</b>	<b>-1.67%</b>	<b>2,175,472,998</b>	<b>2,118,281,275</b>	<b>9.41%</b>

# Impact of COVID-19

- **Employees**

- ✓ High Risk
- ✓ Working Remotely



- **Contact Tracing Plan**

- **Department Continues to Support Essential Services**

- **Transportation of Additional Supplies**



ARDOT • United  
**Doing Our Part**

# Reauthorization

- **US House Passes the Moving Forward Act**

- ✓ Provides \$494 Billion Over 5 Years
- ✓ Highways – \$319 Billion
- ✓ Response to COVID-19 – \$83 Billion

THE MOVING FORWARD ACT

FOR THE PEOPLE

- **US Senate Previously Released the America's Transportation Infrastructure Act**

- ✓ Provides \$287 Billion Over 5 Years
- ✓ Highways – \$249 Billion
- ✓ Response to COVID-19 – \$0 Billion

ATIA

AMERICAN TRANSPORTATION INFRASTRUCTURE ACT

INVESTS

\$287 BILLION

TO IMPROVE OUR  
TRANSPORTATION SYSTEM

- **48 Days Remaining Before the FAST Act Expires**



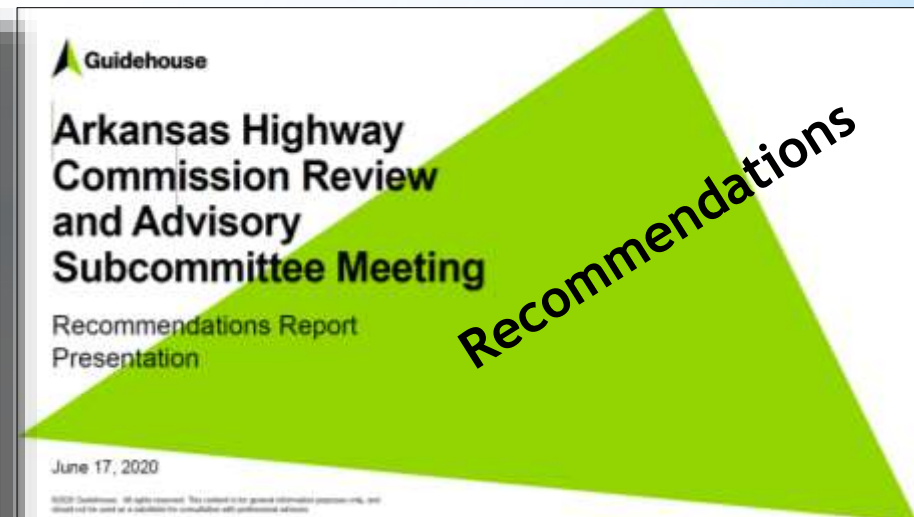
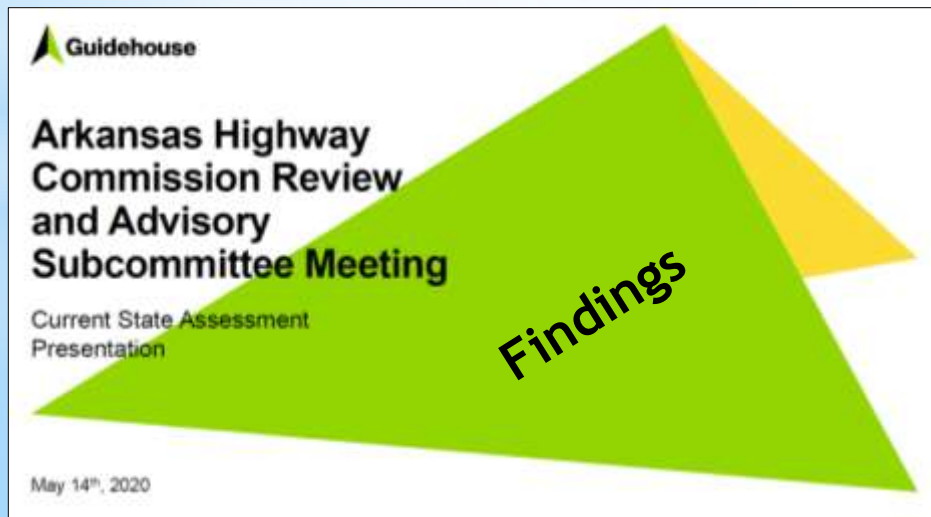


ARDOT – Educate Voters  
Roads and Bridges Coalition – Campaign

- The cost of the current 1/2 cent sales tax for the average family with a median income is about \$8/month.
- If Issue 1 passes, the cost to the taxpayers will remain the same as it is now.
  - No Increase
  - No Decrease
- This tax does not apply to groceries and it can only be used for road improvements.

# Efficiency Review

- September 24, 2019 – Review Began
- May 14, 2020 – Findings Presented by Guidehouse
- June 17, 2020 – Recommendations Presented by Guidehouse



# Efficiency Review

## Recommendations Review Process

- **Guidehouse Will Present Recommendations**
- **Department Will Provide Response**
- **Subcommittee Options**
  - ✓ Request a Bill to be Drafted
  - ✓ Request for Additional Information
  - ✓ Include Recommendation in the Draft Report
- **Subcommittee Action**
- **Draft Report**
- **Final Report**





## Timeline For Completion

- **July 22** – Organizational Structure and People Capabilities
- **August 5** – Portfolio Planning
- **August 19** – Expenditures
- **September 16** – Procurement and Information Technology
- **November 20** – Final Report Submitted to ALC



# Efficiency Review

## Recommendations Overview

Focus Area	Recommendation	Strategic	Efficient	Optimized	Transparent
Organizational Structure	1 Finalize KPIs and implement performance management	✓	✓		✓
	2 Strengthen knowledge management in anticipation of increased retirement			✓	
Portfolio Planning	3 Publish status of construction projects and maintenance activities				✓
	4 Implement a platform that tracks all stakeholder inquiries to resolution	✓	✓		✓
Procurement	5 Implement efficiencies in procurement and purchasing	✓	✓		
	6 Implement construction contractor performance measurement	✓	✓		✓
Expenditures	7 Implement project and portfolio management frameworks	✓	✓		✓
	8 Implement best practices in construction project design		✓		
Information Technology	9 Build an IT Governance Structure to guide the Department's IT investments	✓		✓	
	10 Implement mid-term IT initiatives that can optimize business operations		✓	✓	
	11 Develop critical pillars necessary to establish IT as an effective business partner	✓	✓	✓	
People Capabilities	12 Ensure staff can develop in their careers at ArDOT	✓	✓	✓	
	13 Improve staff capabilities to align with current / future organization needs	✓		✓	

## 6. Implement construction contractor performance measurement

ArDOT lacks a comprehensive tool to screen for contractor quality during procurement. By implementing performance-based prequalification, ArDOT may improve project delivery; reward high-performing contractors; and encourage low-performers to improve.



### Anticipated Impact

ArDOT may see similar improvements to those reported by implementing DOTs, such as, improved:

- **Safety**
- **Timely work completion**
- **Contractor cooperation**



### Considerations

- There may be **differing impact on contractors of various sizes**
- Emphasis on a **quantitative approach could minimize any appearance of subjectivity** in scoring
- Contractors should have a **clear path to raise or appeal their scores**
- In preventing contractors in L/D from bidding, a **“precedent” exists**



### Implementation Summary

- **Identify performance quality indicators** (e.g. repeated disincentives, delays, etc..)
- **Develop scoring system** to quantify performance
- **Track and monitor performance**, using indicators and costs
- **Integrate into prequalification**

### Leading Practices

- An FHWA-commissioned study **provides a framework for a quantitative, performance-based prequalification system**.
- The framework **evaluates contractors on administrative, performance, and project-specific** (i.e., technical qualifications) **factors**.
- Finally, the study report revealed that performance bonds provide **“no guarantee against a contractor’s marginal quality of work**, so long as the contractor’s failures are not large enough to trigger a default”

### Percentage of surveyed DOTs (6) reporting improvement in work quality factor



Safety



Timely Work Completion



Contractor Cooperation

#### GLOSSARY

L/D: Liquidated Damages FHWA: Federal Highway Administration



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QUESTIONS?

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