



Legislative
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FISCAL NOTE

Drafting Number: LLS 19-0149
Prime Sponsors: Sen. Scott

Date: January 16, 2019
Bill Status: Senate Transportation
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Bill Topic: CDOT CONSULTING ENGINEER CONTRACTS

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires the Colorado Department of Transportation to pay consulting engineers through a fixed bid for construction management and engineering services. It creates a state workload and potential expenditure increase for the state beginning in FY 2019-20.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

This bill requires the Colorado Department of Transportation (CDOT), when working with consulting engineers for a construction project, to procure these services through a fixed bid. The bill also prohibits the department to pay for consulting engineering services by the hour.

Background

Currently, CDOT pays for construction management and engineering services by the hour. However, CDOT has used fixed bid, or lump sum payment, for certain bridge or design projects. CDOT issues approximately 35 consulting contracts annually.

CDOT is primarily funded from the State Highway Fund (SHF), which is comprised of federal funds, the state's share of the Highway Users Tax Fund, and other various sources of revenue. The decision-making authority for the majority of state transportation revenue rests with the Transportation Commission, which is responsible for allocating funds from the SHF.

Federal regulations. Federal regulations outline payment methods for highway projects. These regulations require that lump sum payments, or fixed bid payment methods, may only be used when projects have an established scope of work.

State Expenditures

This bill will increase workload for CDOT to create new processes related to cost estimating and audits for consulting engineering contracts, to train staff on these processes, and to create established scopes of work for various projects. In addition, CDOT expenditures may increase due to project delays resulting from the requirement that CDOT establish scope of work in advance of issuing the consultant contract.

Effective Date

The bill takes effect July 1, 2019.

State and Local Government Contacts

Information Technology Transportation