



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**SB 19-076**

# FINAL FISCAL NOTE

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<b>Drafting Number:</b>	LLS 19-0149	<b>Date:</b>	July 1, 2019
<b>Prime Sponsors:</b>	Sen. Scott Rep. Rich; Valdez D.	<b>Bill Status:</b>	Signed into Law
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**Bill Topic:** CDOT CONSULTING ENGINEER CONTRACTS

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**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 Efficiency and Accountability Committee in the Colorado Department of Transportation to study and make recommendations relating to consulting engineering contracts. It increases state workload beginning in FY 2019-20.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** This fiscal note reflects the enacted bill.

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## Summary of Legislation

The bill requires the Efficiency and Accountability Committee (committee) in the Colorado Department of Transportation (CDOT) to study the following issues:

- the implementation of fixed bid consulting contracts instead of hourly contract bids;
- the quality assurance process;
- retired CDOT employees working for consultants;
- incentives for closing contracts, early project completion, and timely problem resolution; and
- project staffing and the implementation of an internal CDOT memorandum on consistent contract administration.

The committee must report its recommendations and findings to the CDOT Executive Director and the Transportation Commission. In addition, CDOT is required to present the committee's recommendations to the General Assembly at its annual State Measurement for Accountable, Responsive, and Transparent Government (SMART) Act hearing.

## 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.

**Efficiency and Accountability Committee — CDOT.** Originally convened in 2009, the committee consists of four state legislators and representatives of counties, municipalities, nonpartisan good governance organizations, and others as determined by the commission. The committee was formed to assist with CDOT's transportation planning efforts, and to ensure that CDOT and the Transportation Commission meet all federal and state requirements.

### **State Expenditures**

The bill will increase workload for the Efficiency and Accountability Committee in CDOT to study the issues discussed above and report its findings. Funding from the SHF is allocated by the Transportation Commission, which will adjust any funds that result from an increase in CDOT expenditures.

### **Effective Date**

The bill was signed into law by the Governor and took effect April 12, 2019.

### **State and Local Government Contacts**

Transportation