



Legislative Audit Committee
April 4, 2023
Minutes

The Legislative Audit Committee (LAC) convened a hearing on April 4, 2023, at 7:17 a.m. in the Colorado State Capitol, Old Supreme Court Chambers. Senator Robert Rodriguez called the meeting to order. Roll was called with the following members present or excused:

Committee Members

Representative Andrew Boesenecker (remote and in-person), Representative Gabe Evans, Senator Rhonda Fields (remote) (arrived 7:49 a.m.), Representative Dafna Michaelson Jenet, Senator Rod Pelton, Senator Kevin Van Winkle (remote) (arrived 8:25 a.m.), Representative Lisa Frizell (Vice Chair) (excused), Senator Robert Rodriguez (Chair)

The following Office of the State Auditor (OSA) staff attended:

OSA

Kerri L. Hunter, State Auditor; Michelle Colin, Deputy State Auditor; Marisa Edwards, Deputy State Auditor; Nina Frant, Dante LoCicero, Lily Welborn, Stefanie Winzeler

Other Attendees

Colorado Department of Transportation

Shoshana Lew, Executive Director

Herman Stockinger, Deputy Executive Director

Keith Stefanik, Chief Engineer

Jeff Sudmeier, Chief Financial Officer

7:18 a.m.

Department of Transportation, Alternative Delivery Contracting Methods, Performance Audit, March 2023

Representative Michaleson Jenet made a motion to release the *Department of Transportation, Alternative Delivery Contracting Methods, Performance Audit, March 2023*. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self and staff.

Ms. Lew (*Colorado Department of Transportation*) introduced self and staff.

OSA Staff presented an overview of the audit.

Recommendation 1 was reviewed, discussed, and agreed to by the Colorado Department of Transportation (CDOT).

Discussion ensued regarding the competitive bid process, and the process for presenting to the Transportation Commission of Colorado (Commission) when utilizing alternative delivery contracting methods.

Recommendation 2 and 3 were reviewed, discussed, and agreed to by CDOT.

Discussion ensued regarding contracts awarded without a bid, the effect of cost overruns on budget, and tracking of contract expiration dates.

Recommendation 4 was reviewed, discussed, and agreed to by CDOT.

Discussion ensued regarding project cost overruns, and project management utilizing the construction manager/general contractor (CM/GC) project delivery method.

Recommendation 5 was reviewed, discussed, and agreed to by CDOT.

Discussion ensued regarding comparison of the low bid vs. alternative delivery processes.

Recommendation 6 was reviewed, discussed, and agreed to by CDOT.

Discussion ensued regarding administrative and project oversight and controls, public access to data, Commission's review of project costs, contract process utilized for the extension of the project, and contractors employed for projects.

Recommendation 7 was agreed to by CDOT.

A brief overview of Appendices A, B, and C was presented.

Additional discussion ensued regarding rural highway maintenance, and documentation and archival of lessons learned.

8:46 a.m.

Minutes

Representative Michaelson Jenet made a motion to approve the March 14, 2023, LAC hearing minutes. Representative Evans seconded the motion, and the motion passed unanimously.

8:47 a.m.

Emergency Reporting Pursuant to Section 2-3-109(1), C.R.S.

Representative Michaelson Jenet made a motion to conduct an Executive Session in accordance with Section 24-6-402(3)(a)(III), C.R.S., to review *Emergency Reporting Pursuant to Section 2-3-109(1), C.R.S.* Senator Pelton seconded the motion, and the motion passed unanimously.

9:01 a.m.

Executive Session Concluded

Emergency Reporting Pursuant to Section 2-3-109(1), C.R.S.

Representative Michaelson Jenet made a motion that the State Auditor make an oral report to the Governor under Section 2-3-109 (1), C.R.S., regarding evidence of improper practices of financial administration or inadequacy of fiscal records. Senator Pelton seconded the motion, and the motion passed unanimously.

9:02 a.m.

Statewide Internet Portal Authority

The Statewide Internet Portal Authority portion of the agenda was moved to the June LAC hearing.

Proposed 2023 LAC Interim Calendar

Representative Michaelson Jenet made a motion to approve the *Proposed 2023 Interim Calendar*. Representative Evans seconded the motion, and the motion passed unanimously.

9:03 a.m.

Reports Released Without a Hearing

Representative Michaelson Jenet made a motion to release the *Reports Released Without a Hearing*. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Edwards presented an overview of the reports.

Hearing adjourned at 9:05 a.m.

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor