



**Legislative Council Staff**  
*Nonpartisan Services for Colorado's Legislature*

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# Fiscal Note

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**Drafting Number:** LLS 21-0168  
**Prime Sponsors:** Sen. Scott

**Date:** March 15, 2021  
**Bill Status:** Senate Trans. & Energy  
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**Bill Topic:** **CDOT PROJECT PROCUREMENT METHODS**

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**Summary of Fiscal Impact:**

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|---|--|
| <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 |

This bill makes changes to construction contract procurement requirements for the Department of Transportation. The bill increases state expenditures on an ongoing basis.

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**Appropriation Summary:** For FY 2021-22, the bill requires an appropriation of \$17,014 to the Department of Transportation.

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

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**Table 1**  
**State Fiscal Impacts Under SB 21-165**

		<b>Budget Year FY 2021-22</b>	<b>Out Year FY 2022-23</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	State Highway Fund	\$17,014	\$17,014
	Total FTE	0.1 FTE	0.1 FTE
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		-	-

## Summary of Legislation

This bill requires the Colorado Department of Transportation (CDOT) to solicit construction contracts using invitation for bids unless CDOT can demonstrate that this method is not feasible, or that another procurement methodology will result in better value, a higher standard of quality, or a more efficient process. CDOT must post this analysis on their website for public review before awarding a contract, and publish their rationale for choosing specific vendors.

Additionally, CDOT must not refuse to prequalify a prospective contractor or reduce a contractor's scope of prequalification based on its lack of experience on past CDOT contracts if a contractor can demonstrate its past experience through work on contracts in other states or for local governments in Colorado.

## Background

CDOT currently uses various procurement methods for contracted construction work, including by invitation for bids. CDOT uses a project delivery selection matrix to make recommendations on which procurement method is best suited to a project.

## State Expenditures

The bill increases expenditures for CDOT by \$17,014 in FY 2021-22 and future years, paid from the State Highway Fund. CDOT will also have a workload increase to review current processes. Costs are listed in Table 2 and discussed below.

**Table 2**  
**Expenditures Under SB 21-165**

	<b>FY 2021-22</b>	<b>FY 2022-23</b>
<b>Department of Transportation</b>		
Legal Services	\$17,014	\$17,014
FTE – Legal Services	0.1 FTE	0.1 FTE

**Legal services.** Beginning in FY 2021-22, CDOT will require 160 hours of legal services related to rulemaking and support for public postings. The Department of Law provides legal services at a rate of \$106.34 per hour and will require an allocation of 0.1 FTE.

**Procurement methods review.** In FY 2021-22, the bill will increase workload in CDOT to review current procurement methods and to ensure compliance with the requirements of this bill. This work is absorbable within existing resources.

## **Effective Date**

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **State Appropriations**

For FY 2021-22, the bill requires an appropriation of \$17,014 to the Department of Transportation from the State Highway Fund, to be fully reappropriated to the Department of Law with 0.1 FTE.

## **State and Local Government Contacts**

Information Technology

Law

Transportation