


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 12-0563
Prime Sponsor(s): Sen. Grantham

Date: January 30, 2012
Bill Status: Senate Transportation
Fiscal Analyst: Kelli Kelty (303-866-3518)

TITLE: CONCERNING DEPARTMENT OF TRANSPORTATION RULES GOVERNING PREQUALIFICATION OF A CONTRACTOR AS A BIDDER FOR A DEPARTMENT PROJECT, AND, IN CONNECTION THEREWITH, PROHIBITING THE DEPARTMENT FROM PROMULGATING OR ENFORCING ANY RULE THAT ALLOWS THE DEPARTMENT TO RELY ON A CONTRACTOR'S LACK OF EXPERIENCE IN SUCCESSFULLY BIDDING FOR AND COMPLETING DEPARTMENT PROJECTS TO DISQUALIFY THE CONTRACTOR FROM PREQUALIFICATION IF THE CONTRACTOR HAS EXPERIENCE IN SUCCESSFULLY COMPLETING LOCAL STREET OR BRIDGE OR COUNTY ROAD OR BRIDGE PROJECTS OR HAS OTHER CONSTRUCTION EXPERIENCE THAT WOULD CAUSE A REASONABLE PERSON TO BELIEVE THAT THE CONTRACTOR WILL BE ABLE TO SUCCESSFULLY COMPLETE THE PROJECT.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures		
Cash Funds		
State Highway Fund	\$22,405	
FTE Position Change	0.2 FTE	
Effective Date: August 7, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: None.		

Summary of Legislation

The bill prohibits the Colorado Department of Transportation (CDOT) from promulgating any rule that allows CDOT to use a bidder's lack of experience to disqualify them from bidding on CDOT projects. Under the bill, experience in successfully completing local street, bridge, or county road projects should qualify a contractor to bid on CDOT projects.

State Expenditures

The bill increases one-time state cash fund expenditures by \$22,405 and 0.2 FTE in FY 2012-13 in the CDOT. Provisions of the bill eliminate certain CDOT contractor bidding rules, thereby requiring CDOT to write new bidding rules. The process of writing new bidding rules uses approximately 500 hours of staff time from CDOT engineers and senior CDOT management at a cost of \$14,834. The department will also require 100 hours of legal services, for a total of \$7,571. These amounts will be paid with cash funds from the State Highway Fund, which is continuously appropriated from the department.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 1.

Table 1. Expenditures Not Included Under Senate Bill 12-076*		
Cost Components	FY 2012-13	FY 2013-14
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$892	
TOTAL	\$892	

**More information is available at: <http://colorado.gov/fiscalnotes>*

State Appropriations

While the bill will result in additional staff time and legal services costs for CDOT to implement new construction bidding rules, it will not require additional appropriations. These amounts will be paid with cash funds from the State Highway Fund, which is continuously appropriated from the department.

Departments Contacted

Personnel and Administration

Transportation