



MEMORANDUM

TO: HIGH PERFORMANCE TRANSPORTATION ENTERPRISE BOARD
FROM: DAVID SPECTOR, DIRECTOR OF HIGH PERFORMANCE TRANSPORTATION ENTERPRISE
DATE: MARCH 15, 2017
SUBJECT: APPROVAL OF THE FISCAL YEAR 2017-18 SCOPE OF WORK/FEE FOR SERVICE INTRA-AGENCY AGREEMENT BETWEEN HPTE AND CDOT

Purpose

To present the HPTE Board of Directors with the FY 2017-18 Fee for Service Intra-Agency Agreement (IAA), including the Fiscal Year (FY) 2017-18 scope of work (SOW), between the High Performance Transportation Enterprise (HPTE) and the Colorado Department of Transportation (CDOT).

Action

HPTE staff is seeking Board approval of the resolution authorizing the proposed SOW and IAA between HPTE and CDOT for FY 2017-18.

Background

In recognition of the specialized nature of the expertise and services HPTE provides to CDOT, CDOT pays HPTE through a fee for service IAA. This IAA documents the terms of the overall business relationship between CDOT and HPTE. It includes the scope of work CDOT wishes HPTE to provide in FY 2017-18, the value being compensated for each activity area and the process by which HPTE charges CDOT for the fair market value of the services HPTE provides to CDOT. The value of the services provided must correspond with the HPTE FY 2017-18 budget that the TC approves in March, 2017.

Overview of the FY 2017-18 CDOT-HPTE Scope of Work:

Key work areas that CDOT has tasked HPTE with in FY 2017-18 are:

- Oversee all tolling services for Express Lanes in operation, including the Mountain Express Lane and I-25 North, Segment 2.
- Lead the development and implementation of tolling strategies on Express Lane corridor projects currently in development including I-25 North Segment 3, C-470 and Central 70.
- Lead the project procurement process for the Central 70 project including, finalizing TIFIA and Private Activity Bonds (PABS) applications and leading the negotiation process to reach financial close process.
- Manage the disbursements of the TIFIA Loan and monitor the loans reporting requirements for the C-470 Express Lanes Project and partner with E470 on installation and testing tolling equipment.
- Coordinate with CDOT on project development efforts for the I-25 North corridor, including exploring financing for Segments 7 and 8 as well as supporting ongoing communications and outreach to corridor stakeholders.
- Develop strategic partnerships with Division of Transit and Rail (DTR) on creating a parking solution and working with the RoadX program on the development of revenue sharing concepts.
- Evaluate and report on the impact of the implementation of HOV3+.

More details can be found in the FY 2017-18 Scope of Work included as Exhibit A to Attachment B.

Key Policy Considerations

- The fee for service model describes the business relationship between HPTE and COOT and enables HPTE to recoup the fair market value of its services to CDOT in an exchange transaction.
- The fee for service TABOR enterprise model has recently been validated by the Colorado Attorney General's Office in a legal opinion discussing the hospital provider fee.
- Documents the necessary contractual obligations between CDOT and HPTE.
- Approval of the IAA will reinforce the mutually beneficial partnership between CDOT and HPTE and fairly compensates HPTE for the value it provides to CDOT.

Board Options/Decision Matrix

- 1) **Staff Recommendation:** Review and approve the FY 2017-18 scope of work and IAA.
- 2) Review the scope of work and IAA, but with suggestions to add scope of work for particular projects or programs. Staff would take the proposed changes to CDOT and if additional activities and budget were approved, staff would make the necessary revisions and return with a revised scope for Board review and increased budget supplement to the Transportation Commission at the beginning of the next fiscal year.
- 2) Review the scope of work and IAA, but with suggestions to add scope of work for particular projects or programs. Staff would take the proposed changes to CDOT and if additional activities and budget were approved, staff would make the necessary revisions and return with a revised scope for Board review and decreased budget supplement to the Transportation Commission at the beginning of the next fiscal year.

Next Steps

- HPTE budget staff will coordinate with the Office of Financial Management and Budget (OFMB) to ensure that the approved FY 2017-18 fee for service amount is distributed appropriately and available for use at the beginning of the fiscal year.
- HPTE program staff will provide a mid-year update to the HPTE Board, CDOT and the Transportation Commission on the progress being made to complete the activities outlined in the approved FY 2017-18 SOW.

Attachments:

Attachment A: Resolution Approving the Fiscal Year 2017-18 Fee for Service Intra-Agency Agreement between HPTE and CDOT

Attachment B: Fiscal Year 2017-18 Scope of Work and Fee for Service Intra-Agency Agreement