

Key Policy Considerations

- The fee for service model describes the business relationship between HPTE and CDOT and enables HPTE to earn the fair market value of the services it provides 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.

Commission Options/Decision Matrix

- 1) **Staff Recommendation:** Review and approve the final scope of work and IAA for FY 2016-17.
- 2) Review the scope of work and IAA, but with instructions to add scope of work for particular projects or programs. Staff would revise the scope and return with a revised scope and increased budget supplement in July.
- 3) Review the memo, but with instructions to eliminate scope of work for particular projects or programs. Staff would revise the scope and return with a revised scope and decreased budget supplement in July.

Next Steps

1. In connection with SB 16-123 being postponed indefinitely, CDOT and HPTE agreed to implement changes to allow HOV only Express Lane users and motorcycles to travel for free in HOV Express Lanes ("HOV Changes"). HPTE will lead implementation of this effort for CDOT. However, this task is not currently included in the fee for service agreement because the HOV Changes occurred after approval of HPTE's FY 2016-17 Budget. HPTE and CDOT acknowledge that implementing these procedural changes will result in additional work for HPTE, and that budget requests and fee for service scope revisions will be accommodated as this work is performed. Once the impacts of the HOV Changes are understood, staff will return with an update to the fee for service scope of work and FY 2016-17 budget to account for the impact of implementing the HOV Changes.

Attachments:

Attachment A: Resolution Approving a First Amendment to the Fee for Service Intra-Agency Agreement between CDOT and HPTE for FY 2016-17

Attachment B: First Amendment (FY 2016-17) to Fee for Service Intra-Agency Agreement



