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Table 1: Summary of IAA Amendment

Additional Scope of Work Activities	Requested Budget
Manage all public outreach and education regarding the new HOV Changes, including direct and indirect costs of paid and earned media	\$ 51,364
Pay for direct and indirect costs of tolling partner E-470 to implement the necessary system changes to allow HOV Changes in daily business transactions, including coordination and management of process.	\$1,819,736
Implement the preferred interim solution of purchasing and sending current HOV only users a rebate (in the form of a gift card) for previously purchased transponders.	\$131,000
Hire a tolling services manager who will oversee daily tolling operations and the collection of toll revenue. Requested budget is the value of the position.	\$114,750
HPTE Staff time and indirect costs related to fulfilling statutory duties and above activities.	\$ 250,000
<b>Total Budget Needed</b>	<b>\$2,366,850</b>

Additional details regarding these activities, as well as HPTE’s full scope of work for FY 2016-17, can be found under the Amendment to HPTE 2016/17 Scope of Work/Fee for Service in the Discuss and Act section of the September TC packet. The total budget required to complete these additional tasks is integrated into the third CDOT budget supplement to the FY 2016-17 budget and will be presented to the TC for consideration and approval.

Key Policy Considerations

- The HOV Changes were mutually agreed to by Executive Director Bhatt and Director Spector, and presented as a unified plan to the General Assembly.
- As the manager and day-to-day operator of the Express Lanes, HPTE is best positioned to implement the HOV Changes most effectively and efficiently.
- CDOT budget and Communications staff are aware and supportive of these SOW changes.
- Approval of the amended IAA will fairly compensate HPTE for the additional work and services it is providing to CDOT.

Commission Options/Decision Matrix

- 1) **Staff Recommendation:** Review and approve the first amendment to the IAA, that describes additional SOW tasks related to HOV Changes, for FY 2016-17.
- 2) Review the revised scope of work and IAA, but with instructions to add scope of work for particular projects or programs. Staff would revise the scope of work and return with a revised document and increased budget supplement in October.
- 3) Review the revised scope of work and IAA, but with instructions to the eliminate scope of work for particular projects or programs. Staff would revise the scope and return with a revised document and decreased budget supplement in October.

Next Steps

- If needed, additional tasks related to the implementation of HOV Changes or any other activities that are currently outside the revised scope of work will be captured in a future IAA and budget amendment and brought before the TC for approval.
- The timing for approval, budget amount, and scope of the IAA is currently dictated by the original two-year SOW agreement between CDOT and HPTE, which was agreed to prior to FY 2015-16. Starting in FY 2017-18, HPTE’s development of a proposed budget and proposed scope of work will proceed along the same timeline, ensuring that the two are aligned.

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

