



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0130

Title: Generally revise laws related to alternative project delivery contracts

Primary Sponsor: Bedey, David

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: The Montana Transportation Commission will approve the use of any alternative project delivery method prior to commencement of project development. The Montana Department of Transportation (MDT) has been working on developing the process, so the fiscal impact is negligible.

FISCAL ANALYSIS

Technical Notes:

1. New Section 1 appears to use identical language to 60-20-137, MCA, (Design-Build contracting process) but changes the title to "alternative project delivery process" and attempts to describe alternative project delivery, including the Construction Manager/General Contractor (CMGC) delivery method. The Design Build (DB) statutory wording does not work for the CMGC processes, as the DB processes including submission of a technical and price proposal are accurate for awarding the Construction Manager services work only. The new section should contain different wording to describe the CMGC processes.
2. New Section 1 as worded appears to require all "contractors" to submit a price proposal. In the CMGC process a consultant (who is also a "contractor" by statutory definition – 18-4-123, MCA) is required to be procured in accordance with the Brooks Act and 23 CFR 172, and does not submit a price proposal.

3. New Section 1 is to be codified as part of Title 60, Chapter 2, Part 1, and does not have a temporary status. Once codified, the statute would not terminate in 2024, when the MDT/Commission ability to use an alternative project delivery contract (CMGC) project language in Title 18, Chapter 2, Part 5 is set to terminate. This may create a conflict between MDT/Commission authority to use CMGC between Titles 60 and 18.

AUTHORIZED BY SPONSOR 1/13/21
Sponsor's Initials *Date*

KA
Budget Director's Initials

1/12/21
Date