

**OFFICE OF THE STATE ARCHITECT
STATE BUILDINGS PROGRAM
POLICIES AND PROCEDURES**

SENATE BILL 17-267 CONTROLLED MAINTENANCE FUNDED PROJECTS THROUGH LEASE-PURCHASE AGREEMENTS FOR STATE PROPERTY

Senate Bill SB17-267, **CRS 24-82-1301 to 1303**, hereinafter referred to as SB267, enacted into law during the 2016/2017 legislative session and effective on May 30, 2017 provided for one-time funding of all levels of Controlled Maintenance (CM) requests through Lease-Purchase agreements executed by the state.

The Colorado Department of Treasury, in cooperation with the State Controller's Office, has issued Certificates of Participation with a three year termination date. The Office of the State Controller has set the date that all funds must be expended as September 30, 2021

House Bill HB19-1012, **CRS 24-83-1303**, provided for the Department of Personnel and Administration the ability to transfer savings from one Controlled Maintenance project funded under SB17-267 to cover additional costs of any other controlled maintenance project

24-82-1303(a)(III) "When the actual cost of a controlled maintenance project funded from the proceeds of the lease-purchase agreements executed as required by subsection (2)(a) of this section as specifically set forth in subsections (4)(a)(I)(A) through (4)(a)(I)(C) of this section is less than the amount specifically earmarked for such project, the Executive director may utilize the savings to cover any additional cost of any other controlled maintenance project funded from the proceeds of the Lease-purchase agreements executed as required by subsection (2)(a) of this section, as specifically set forth in subsections (4)(a)(I)(A) through (4)(a)(I)(C) of this section; except that the executive director's authority to use savings for other controlled maintenance projects may not in any way exceed the total allocation of one hundred thirteen million eight hundred fifty-two thousand nine hundred and twenty-one dollars"

CRS 24-30-1303.7 (1) "When the actual cost of a controlled maintenance project exceeds the amount specifically appropriated for such project in the annual general appropriation act or when an emergency need arises for a new controlled maintenance project, the executive director may eliminate one or more projects authorized by appropriation in the general appropriation act and utilize the savings to cover such additional cost or the cost of the emergency project. When the actual cost of a controlled maintenance project is less than the amount specifically appropriated for such project in the annual general appropriation act, the executive director may apply such savings to other appropriated controlled maintenance projects.

I. Project Management:

- a. Each project appropriated through SB17-267 should follow the Office of the State Architect (OSA) Policies and Procedures with the exceptions or modifications as described here.
- b. To clearly identify all projects authorized under this bill the project name shall be as indicated in the OSA provided CM status report and utilized on all documentation.
- c. Projects must meet the legislative intent of the original request
- d. Project savings may not be used to add value outside of the approved scope without OSA approval.
- e. While typical controlled Maintenance projects have 3 years to encumber funds, projects under SB267 have 3 years to expend the funds. Thus all encumbrances must be fully paid out by the September 30, 2021 date.

The fund reversion process will follow the State Controller's process for all general funded construction projects.

II. Transfer of funds

- a. When there is a need to cover unforeseen or escalation costs of project, a written request shall be sent to the State Architect.
- b. The request should clearly identify:
 - i. The project number (s)
 - ii. The budgeted cost in the request
 - iii. The actual cost based on a proposal or consultants opinion of probable cost
 - iv. Detailed explanation on the justification for the transfer
- c. If there are other SB267 projects with cost saving with the agency/institution, the transfer will first be from the agency.
- d. Cost savings throughout the State will be transferred as necessary by OSA and through the Department of Personnel & Administration when they are not agency/institution specific.

III. Project Closeout

- a. If prior phases were still under construction when the SB267 funds were released, submit all phases at once, noting the construction phases as required of all CM projects.
 - i. The code documentation may be comingled. Consistently note construction phasing on each document so it is clear which compliance document matches which Building Inspection Record, Occupancy etc.
 - ii. When submitting the L-2 Transmittal, provide SC4.1 documents for the appropriated projects and for the SB267 projects. **DO NOT COMBINE.**
 1. A new SC4.1 exclusive to SB267 funds, incorporating all phases should have been executed
 2. Submit both sets of Initial, any Revised and Final SC4.1 documents for review.
 - iii. Separate Contingency Use and Use of Foreign Produced Goods forms are only required if separate construction contracting took place.
 - iv. Project Monitoring and Lessons Learned may combine both appropriations.
- b. For phased projects that were complete, or nearly so, when the funds were released, treat them as separate projects. All closeout documentation would follow standard Policy and Procedures.

END OF POLICY