



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

**SMALL CONSTRUCTION PURCHASES**

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**Definitions**

Discretionary Construction Procurement – Per Procurement Rules R-24-105-101-02 (a), (b), (c), if the prices to be paid are fair and reasonable, all agencies may procure construction up to \$50,000 without benefit of competition.

Documented Quotes – As per Procurement Rule 24-103-204-01, a documented quotation is defined as a process of soliciting informally for fulfilling the State’s need for a specific product(s) or service(s) and receiving and evaluating vendor responses. The dollar limits for use of documented quotes for construction is found in Procurement Rule 24-105-101-02, i.e. less than \$250,000.

State Agency –Means this state or department, institution, or other agency of the state, including institutions of higher education.

SBP – State Buildings Program within the Office of the State Architect within the Colorado Department of Personnel & Administration.

**Excerpts from Procurement Rule 24-105-101.4 Documented Quotes**

- Services for construction projects between \$25,000 and \$250,000 may be purchased using a documented quote process.
- For services for construction projects, the contractor’s response constitutes an “offer” and is binding if accepted by the State.
- For services for construction projects, the award must be made to the low acceptable quote.
- Requests for documented quotes must be placed on an electronic procurement system in accordance with Rule 24-105-101.4(e). Solicitations must remain posted for at least three working days unless the director or head of a purchasing agency determines in writing that a lesser time is required in order to meet an immediate State need.
- The state agency may negotiate with any bidder to clarify its quote or to effect modifications that will: make the quote acceptable (including curing a defective bid bond) or make the quote more advantageous to the State. However, in the negotiation process, the terms of one bidder’s quote shall not be revealed to a competing bidder and quotes may be kept confidential until a commitment voucher is issued.
- Failure to provide a bid bond if required but not cured makes the bid unacceptable. State agencies should seek legal advice when bid bonds have been required and the terms of the quote are modified after receipt.

**Excerpts from Fiscal Rules 4-1 Capital Construction Administration**

- A purchase order may be used for construction not exceeding \$150,000 if the Office of the State Architect or SBP delegate records written approvals on the face of the purchase order. Such approval by the Office of the State Architect or a SBP delegate shall require compliance with approved building codes
- Formal contracts shall be required when expending funds in excess of \$150,000 including construction services or installation of fixed equipment unless previous approval has been obtained from the Office of the State Architect to use a purchase order.
- Approved formal contracts are available on the website of the Office of the State Architect.

**Process for State Agencies**

- SBP Delegate at all state agencies will review scope of work for all small construction projects, reviewing with a State contracted code consultant to determine if code review and the services of an Architect/Engineer are required.
- Projects < \$10,000
  - Required to follow Small Purchase Documentation: Commitment Voucher must describe reason the goods or services being provided; the total amount due and that the delivery and services were successfully completed
- Projects < \$50,000
  - No competition required as per discretionary construction project definition.
  - No Electronic Access notice required.
  - No newspaper advertisement required.
  - Purchase order may be used as commitment voucher. Contractor must indicate acceptance of the terms of the purchase order by signing the face of the purchase order and e-mailing it back to agency prior to the beginning of work.
- Project ≥ \$50,000 and < \$250,000
  - Electronic Access notice as Documented Quote is required. No newspaper advertisement required.
  - Purchase order may be used for project <\$150,000. Contract required for project ≥ \$150,000 as commitment voucher.
  - Bid bond required \$50,000.
  - Performance bond is required for projects < \$150,000.
  - Labor and material payment is required for projects < \$150,000.
  - State agencies may also, with the approval of Office of the State Architect, utilize a Standing Order process for projects less than \$150,000. An approved process must include open public solicitation (including advertising on ColoradoVSS or an approved electronic medium) for eligible contractors at least once per year, a process for obtaining at least three quotes before awarding a contract to an eligible contractor, and an equitable process for determining which contractors will be given an opportunity to provide quotes.
- Project < \$250,000
  - Electronic Access notice as Advertisement for Bids (AFB) is required and contracts are to be awarded by competitive sealed bidding per CRS 24-92-103. Exception: as per CRS 24-30-1303(5)(c), the Office of the State Architect may exempt a state institution of higher education from the procedural requirements of Article 92, Construction Bidding if the institution adopts procedures to adequately meet the safeguards of the requirements of Article 92 and in doing so will be permitted to utilize the Documented Quote process listed below:
  - Electronic Access notice as Documented Quote is permitted (as described above)
    - For projects greater than \$150,000 Advertisement of Final Settlement is required per SB07-1282, CRS 38-26-107 (1). Use NOTICE OF CONTRACTOR'S FINAL SETTLEMENT form as provided in the Documented Quotes process and publish once no later than ten days before final settlement is made. (It is recommended that a minimum of five percent (5%) of the contract sum be retained for final payment until the notice requirement is satisfied.)
  - No newspaper advertisement required.
  - Contract required as commitment voucher.
  - Bid bond required.
  - Performance bond required.
  - Labor and material payment bond required.
  - State agencies may also, with the approval of the Office of the State Architect, utilize a Standing Order process for projects greater than \$250,000 and less than \$500,000. An approved process must include open public solicitation (including advertising on ColoradoVSS or an approved electronic medium) for

eligible contractors at least once per year, a process for obtaining at least three quotes before awarding a contract to an eligible contractor, and an equitable process for determining which contractors will be given an opportunity to provide quotes and a public bid opening.

**Contract Performance Outside the United States or Colorado\*** Does not apply to any project that receives federal moneys.

- *Each solicitation by a state agency for construction services will contain a clause requiring the bidder to disclose in a written statement of work to the state agency whether it anticipates subcontracting any services outside the United States or state and the reason why it is necessary or advantages to do so. The statement will become a requirement of the bid or proposal submittal.*
- *Each contract for construction services entered into by a state agency will contain a clause requiring the contractor to disclose in writing to the state agency within twenty days of decision to perform or subcontract services outside the United States or state.*
- *Each state agency is required to provide written notice to the Department of Personnel & Administration/State Purchasing & Contracts Office for each contract it awards with services performed outside the United States or state to be posted on the State Purchasing Website.*
- *Each state agency is required to submit an annual report to the general assembly of contracts from the previous year that were awarded for any work performed outside the United States or state separating data by type of contract, percentage of total services performed by contractor and or subcontractor and initiatives that the state agency has taken to actively reduce services performed outside the United States or state.*

**Service-Disabled Veteran Owned Small Business\*** Does not apply to contracts not subject to the Procurement Code.

- Each solicitation by a state agency for construction services shall contain a clause requiring the bidder to disclose if they are a Service-Disabled Veteran Owned Small Business (SDVOSB). An SDVOSB must be incorporated or organized in Colorado or maintains a place of business or has an office in Colorado and who is officially registered and verified as a SDVOSB by the Center for Veteran Enterprise within the U.S. Department of Veterans Affairs.
- As a requirement of the bid or proposal submittal the bidder shall provide proof of current registration.
- Each state agency is responsible for manually or systematically tracking necessary information for reporting annually beginning August 31, 2015 and August 31 each year thereafter to the Department of Personnel & Administration State Purchasing Office.
- Annual reporting to include:
  - Total number of contracts awarded to SDVOSBs
  - Total number of contracts awarded
  - Total dollar amount of contracts awarded to SDVOSBs
  - Percentage dollar amount of contracts awarded SDVOBs to total dollar amount of contracts awarded
  - Total number of SDVOSB that responded to solicitations or proposals
  - Total number of respondents to solicitations or proposals

*\*Does not apply to projects for Institutions of Higher Education that have opted out of the State Procurement Code.*

## **References**

Fiscal Rules

Colorado Procurement Code and Rules for State Agencies or the applicable Procurement Code for Institutions of Higher Education

C.R.S. 24-105-201 Bid Security

C.R.S. 24-105-202 Contract Performance and Payment Bonds

C.R.S. 24-91-103 Partial Payments (Retainage)  
Basic Steps Checklist (Office of the State Architect)