CHAPTER 4: CAPITAL CONSTRUCTION

Policy 4-1  CAPITAL CONSTRUCTION ADMINISTRATION

4.1.1 Thresholds for Contracts versus Purchase Orders

i. Formal contracts shall be required for transactions in excess of $100,000 including construction services or installation of fixed Equipment unless previous approval has been obtained from the Director of the State Buildings Program to use a purchase order.

ii. Purchases of fixed Equipment that do not require installation services may be purchased with a purchase order.

iii. A purchase order may be used for construction not exceeding $100,000 if the Director of State Buildings Program or a delegate thereof approves the purchase order. Such approval by the Director of State Buildings Program or a delegate shall require compliance with approved building codes and signify compliance with bonding requirements in C.R.S. §38-26-106 and §24-105-201.

4.1.2 Modifications to Thresholds

All dollar thresholds or amounts contained in this Chapter 4 may be modified, at the request of the Director of Capital Planning and Construction, at any time that the Director of State Buildings Programs authorizes or adopts different thresholds or amounts.

Policy 4-2  STATE CAPITAL CONSTRUCTION PROJECTS

4.2.1 The State Capital Construction Fund

This fund was established to provide a source for appropriations to Institutions of Higher Education to acquire and maintain their physical facilities. The fund has special requirements that must be followed by the University when it receives appropriations from the fund.

All State Capital Construction Projects shall be used for their intended purpose and in compliance with C.R.S. §24-75-301, et seq. The University shall not use the State Capital Construction Fund to pay or reimburse University Employees for construction management, administrative activities, direct labor performed, or any other expense outside the scope of the State Capital Construction Project or State Controlled Maintenance Project.

Unless otherwise stated by the General Assembly as part of the capital appropriation, this does not apply to projects that are to be constructed solely from cash funds held by the University or federal funds made available for the project or a combination of cash funds and federal funds.

Contracts funded by the State Capital Construction Fund shall be executed and the funds encumbered within the time limits established by C.R.S. §24-30-1404. If the University determines that the deadlines imposed by the statute cannot be met, the University may request the Capital Development Committee to recommend to the State Controller that the deadline be waived.
4.2.2 State Capital Construction Project Retainage

The University shall withhold retainage for all State Capital Construction Projects and State Controlled Maintenance Projects where the total amount of the contract exceeds the limit established by C.R.S. §24-91-103. The retainage shall be in the form of monies withheld from the contractor or in any other form authorized by statute and acceptable to the University.

The University shall release the full amount of the retainage only when the contract has been satisfactorily completed and accepted, and there has been publication of the "Notice of Final Settlement" in accordance with C.R.S.§38-26-107, and there are no material outstanding claims against the project. If outstanding claims exist, retainage shall be held in an amount equal to 125% of outstanding claims until all such claims are satisfied.

AUTHORITIES:

C.R.S. §24-30-1301 (State Buildings Division)
C.R.S. §24-30-1404 (Contracts)
C.R.S. §24-75-301-306 (State Capital Construction Fund)
C.R.S. §24-91-101-110 (Construction Contracts with Public Entities)
C.R.S. §24-92-101-114 (Construction Bidding)
C.R.S. §38-26-106 (Contractor Bonds)
C.R.S. §38-26-107 (Supplier Claims)