

IX. Building Renewal Grant Fund

Per A.R.S. §41-1091 B: This substantive policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona Administrative Procedure Act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties you may petition the agency under A.R.S. §41-1033 for a review of the statement.

A. Eligibility (Modified August 6, 2014, August 1, 2018)

Pursuant to A.R.S. §15-2032 (2008 Arizona Session Laws, 2nd Regular Session, Ch. 287, §27 (effective September 26, 2008), Building Renewal Grant Funds are only available to correct existing deficiencies in academic buildings that are owned by the school district and are used for student instruction or other academic purposes to meet the minimum adequacy guidelines for student capacity and have received preventative maintenance. Project requests shall be prioritized by the Board, with priority given to school districts that have provided routine preventative maintenance on the facility.

To be considered for funding, a school district must submit an application as outlined below.

B. Applications (Adopted October 2, 2008, Modified August 6, 2014, August 1, 2018)

A school district may submit a request for monies from the Building Renewal Grant Fund. The request shall be on an application developed by SFB staff and provide at least the following information:

Contact Information

- District Name
- Superintendent Name
- Contact Person
- Contact Phone Number
- Contact Email Address
- School and Building Information

Justification

- Detailed description of the problem
- Any completed professional studies
- Any citations or reports from government entities
- Recommended solution
- Estimated cost including backup documentation
- Project Category

Funding

- Is the requested project in a building, or part of a building, that is being leased to another entity?
- Amount of local funding the district plans to use for this specific project
- Associated insurance coverage including why insurance cannot cover the expense

Preventative Maintenance*

The school district will provide a report of the preventative maintenance activities completed over the prior 12 months at the school district building for which the monies are being requested to meet the definition of Primary Building Renewal Project.

If the school district is unable to provide the required information, the school district may submit an incomplete application and ask SFB staff for assistance in developing the information required. The application will not be considered complete until all required and necessary information is submitted.

*Routine Preventative Maintenance

Pursuant to A.R.S. §15-2032.F.2, routine maintenance is the recurring need to keep in good repair building systems or components, and is synonymous with routine preventative maintenance. These items are performed on a regular schedule, at intervals ranging from four times per year to once every three years, or on the schedule of services recommended by the manufacturer of the specific building system or equipment, that are intended to extend the useful life of the building system and reduce the need for major repairs. Examples include: roofing and flashing repair, routine replacement of cooler pads and filters; replacement of light bulbs and ballasts; replacement of drive belts; replacement of ceiling tiles; routine lubrication; routine interior painting schedules; routine elevator maintenance, etc.

SFB staff must receive complete applications at least 15 business days before the next Board meeting to be considered at that Board meeting, except if both Board staff and the superintendent of the school district deem the project critical. Applications received after that date will be held until the next Board meeting.

Characterization of Projects

SFB staff will evaluate each application and label the project as Critical or Non-critical. Critical projects are those which immediately impact student safety or building closures or that result in operational disruptions of the school. Non-critical projects are those that are at risk of imminent failure. Non-critical projects will be re-evaluated prior to the next Board meeting and will be re-characterized as applicable.

Staff will indicate on each agenda under Supplemental, Construction and Design those items that are Critical/Non-critical and group the requests by PM Category (Roofing, HVAC, Electrical, etc.).

C. Unforeseen Conditions (Adopted August 1, 2018)

The District shall notify SFB staff if any unforeseen conditions arise during project implementation. SFB staff will direct the District on how to proceed. The District must submit a Change Order which includes the signature of the District Representative, Architect, and Builder prior to receiving written approval from SFB staff to proceed. Any work associated with the Change Order will also indicate any changes to the contract value, contract schedule, or contract scope. No work shall proceed without a fully executed Change Order that includes SFB staff signature. The Board staff shall approve or reject a Change Order within two business days.

D. Local Funds (Adopted August 1, 2018)

If the District intends to supplement the Project with additional funds for upgrades beyond the Minimum School Adequacy Guidelines, the District shall provide to the Board an itemized purchase order detailing the commitment of additional funding that clearly indicates the amount being committed in each Project signed by a district representative authorized to make the expenditure.

E. Change Orders (Adopted August 1, 2018)

Change Orders are generated by an executed Field Order or Request for Change. Either may result in a Change Order which may affect the Scope of Work, Schedule and Cost, or a combination of the three.

The Change Order is initiated by the contractor, reviewed and certified by the design professional (if appropriate), accepted by the district, and approved by SFB staff.

Pursuant to A.R.S. §15-2001.J.2., if a school district approves (if the District issues a purchase order or authorizes start the work) work reference in a change order before the Board ('The Board' for the purposes of a Change Order is interchangeable with 'SFB Staff') approves the change order, the school district is responsible for the cost and construction of the project ('The Project' is defined for the purposes of a change order as the work defined in the change order).

The Board staff shall approve or reject a change order within two business days. Business day is defined as the beginning of a full business day (business day starts at 8am).

Any unspent monies shall be returned to the fund, and monies spent without proper authorization from SFB staff must be returned within thirty (30) days of being notified.

F. Executive Authority (Adopted October 2, 2008, Modified August 6, 2014)

If the Executive Director determines that the circumstances described by the school district in its application require professional evaluation to determine either the scope of the problem or potential solutions, the Executive Director may authorize expenditures not to exceed \$30,000 for the required evaluation. If the Executive Director authorizes an evaluation, the Executive Director will present the application for approval at the next regularly scheduled Board meeting. If the Board votes to not authorize funding, the Executive Director will not authorize any additional expenditures.

Once the investigation is complete, SFB staff will present a recommended solution and an estimated project cost to the Board for approval.

The Board may authorize additional investigation funds as necessary.

School district expenditures for investigations or corrections completed prior to the submittal of the application to SFB staff are not eligible for reimbursement from the Board.

If the Executive Director determines that a Building Renewal Grant request requires immediate action so that the school district can immediately begin to correct the deficiency, the Executive Director may authorize expenditures not to exceed \$50,000 for the required correction. The Executive Director shall present the district's request for approval at the next regularly scheduled Board meeting. If the Board votes to not authorize funding, the Executive Director will not authorize any additional expenditures.

The Board may authorize additional project funds as necessary.

Districts expenditures for investigations or corrections completed prior to the application submittal, unless the SFB had pre-authorized the school district to proceed, are not eligible for reimbursement from the SFB.

G. Funding (Modified August 6, 2014, August 1, 2018)

SFB staff shall establish a project number and account for the project. The school district shall submit a funding request with appropriate invoices and supporting documents to receive awarded funds. If there are any unspent funds at the conclusion of the project, these funds shall be remitted to the Building Renewal Grant Fund.

H. Insufficient Funds (Adopted October 2, 2008, Modified August 1, 2018)

Grant funds are typically awarded on a monthly basis. If the Board receives qualifying applications in a particular month that are in excess of remaining grant funds, the Board will prioritize the applications based on compliance with the Preventative Maintenance Program and Critical/Non-critical classification as defined above.

The agenda item may include language similar to the following:

Funding for this project will be made available when sufficient legislative appropriation to the Building Renewal Grant Fund is made.

I. Project Awards and Pre-Award Meetings (Adopted August 1, 2018)

SFB staff will participate in a pre-award meeting to review with the responsive bidders and determine that all scope of work defined by the construction documents are included and adhered to in the bid proposals. This is a condition that must be met prior to the release of funds.

Any award based on an estimate is subject to SFB staff approval of the procurement process and award of the bid or quote as applicable prior to distribution of funds to the district.

J. Reporting (Modified August 6, 2014)

Pursuant to A.R.S. §15-2002.A.2, by September 1, each school district must report to the SFB all renovations completed in the previous fiscal year for the purpose of database calculations to the adjusted age of the building. The SFB may review, audit or both to confirm the information submitted by the school district and then adjust the age of a building that has been upgraded or remodeled.