

## VI. Emergency Projects

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.

*Per A.R.S. §15-2022, school districts may be eligible for monies from the Emergency Deficiencies Correction Fund (“Emergency Fund”) when the school district can demonstrate that its situation meets the statutory definition of “emergency” which is “a serious need for materials, services or construction or expenses in excess of the districts adopted budget for the current fiscal year and that seriously threaten the functioning of the school district, the preservation or protection of property or public health, welfare or safety.”*

### A. Applications (Modified August 1, 2018)

If a school district believes its circumstances meet the statutory definition of ‘emergency’, it may submit a request for monies from the Emergency Deficiencies Correction Fund. The request shall be on an application developed by SFB staff that requests at least the following information:

#### Contact Information

1. District Name
2. Superintendent Name
3. Contact Person
4. Contact Number

#### Justification

5. Description of the problem
6. Any completed professional studies
7. Any citations or reports from government entities
8. Recommended solution
9. Estimated cost including backup documentation

#### Funding

10. Building renewal expenditures for the current fiscal year
11. Planned expenditures of building renewal funds for the balance of the current fiscal year
12. Current balance of unrestricted capital funds
13. Associated insurance coverage including why insurance cannot cover the expense
14. Prior year building renewal expenditure reports if they have not been submitted

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.

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.

### **B. Executive Authority**

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.

The Board may authorize additional investigation funds as necessary.

If the Executive Director determines that an Emergency Deficiencies Correction request requires immediate action so that the school district can immediately begin to correct the emergency deficiency, the Executive Director may authorize expenditures not to exceed \$50,000 for the required correction. The Executive Director shall notify the Board within two (2) business days of such action and 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.

District expenditures for investigations or corrections completed prior to the application submittal are not eligible for reimbursement from the SFB.

### **C. Funding (Modified August 1, 2018)**

Once the investigation or assessment is complete, SFB staff will present a recommended solution and an estimated project cost to the Board for approval. The Executive Director may determine whether the SFB staff or the applying school district will contract for services to implement the approved project.

SFB staff shall establish a project number and account for the project. All project payments made directly to a contractor shall be recorded against the award in the established account.

If the school district hires the contractor, the school district shall submit requests for funding 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 Emergency Deficiencies Correction Fund.

### **D. 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.

**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 referenced 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 the 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. 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.

**G. Insufficient Funds**

Based on the recommended solution and the estimated project cost, the Board may determine that there are insufficient funds in the Emergency Deficiencies Correction Fund to correct the approved emergency. Under those circumstances, the school district may correct the emergency pursuant to A.R.S. §15-907.