

# STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

March 13, 2024

**TOPIC:** Approval of Community College of Aurora (CCA) Prior Period Ratification of Purchases (BP 8-60)

**PRESENTED BY:** Dr. Mordecai Brownlee, President

**RELATIONSHIP TO THE STRATEGIC PLAN:**

Value proposition through accessibility, affordability, quality, accountability, resource development and operational excellence.

**EXPLANATION:**

Community College of Aurora did not seek appropriate board approval as prescribed in BP 8-60, Delegation of Signature Authority. In BP 8-60, the System President or his/her designee is hereby delegated authority to approve commitments to provide services, goods, property, or money by means of contracts, leases, and/or other arrangements, so long as they involve less than \$500,000 in the aggregate. College Presidents are delegated authority to approve commitments below \$200,000. Any amount above \$500,000, the Board is required to approve.

The Community College of Aurora executed a Design/Bid/Build agreement on April 14, 2021 to remodel its Student Center building located on CCA's CentreTech campus. The Community College of Aurora initially encumbered \$102,500 for architectural services and reimbursable expenses. CCA approved two change orders totaling \$39,000, due to changes to the scope of work to be performed by the vendor.

Between Fiscal Year 2021 and Fiscal Year 2022, payment for services rendered in an amount totaling \$58,213.90 was paid to the vendor. Additional design modifications, Design Documents (DD's) and Construction Drawings (CD's) were completed by the vendor, without CCA executing supplemental change orders to reflect the increase in costs being incurred. The cost of additional services totaled \$520,000, which exceeded the college's authority.

The table below reflects the original contract, supplementals, amount paid, and outstanding balance.

<b>Description</b>	<b>Amount</b>
Original Contract	102,500.00
Supplement #1	4,500.00
Supplement #2	34,500.00
<b>Total Amount of Contract to date</b>	<b>141,500.00</b>
Amount spent Fiscal Year 2021	(40,000.00)
Amount spent Fiscal Year 2022	(18,213.90)
<b>Remaining balance of contract</b>	<b>83,286.10</b>
Current Invoice	(520,000.00)
<b>Unencumbered/Due to vendor</b>	<b>(436,713.90)</b>

The additional changes in scope during Fiscal Year 2022 for which the college did not obtain approval for costs that were incurred results in needing to request ratification from the Board, since the total amount is over \$500,000. Since discovery of these infractions, the Community College of Aurora has ratified the purchase of services using the Colorado State Purchasing Procedures with the Colorado State Controller and today seeks Board approval to pay the outstanding balance due to the vendor.

The Community College of Aurora has submitted to the Department of Personnel and Administration’s Central Contracts Unit a memorandum outlining the actions the Community College of Aurora will take to prevent this from happening in the future. All fiscal rules have been reviewed with each current and new employee, State Statutory Violation training will be required for select staff, and ongoing training will continue to ensure compliance with all State of Colorado and CCCS policies and procedures.

**RECOMMENDATION:**

CCA recommends the Board approve the purchases *ex post facto* as described above, bringing the purchases into compliance.