



# Frequently Asked Questions

## BOND FUNDING/BOND COUNSEL

**Q:** Bond Counsel is reviewing Lottery Bond funded projects for compliance with requirements. Some projects are being removed from the list. Can a Community College substitute another project for a rejected project as long as they don't exceed the Limitation for their school?

**A:** Yes, Community College projects are being reviewed by bond counsel. However, we will fund all the lottery projects. Those that don't qualify under the capital expenditure category for tax-exempt bonds will be sold as taxable bonds. I'm expecting the final list of taxable projects back from bond counsel today.

**Q:** Has Bond Counsel reviewed the Article XI-G project list for compliance with Bond fund requirements? If not, will they be reviewing the list and eliminating projects?

**A:** Article XI - G bonds. CCWD will be issuing those bonds for community colleges. The due diligence work for that issue would be done by CCWD as part of their issuance procedures. However, I would assume with the match provisions and such, that those projects with G bonds would definitely qualify as a capital project. The other issue that CCWD might have to deal with is any private use issues assuming that the G bonds are tax-exempt. Also on the due diligence, CCWD uses K&L Gates as bond counsel, so I would assume the level of scrutiny that you've seen with the COP and lottery issue will be similarly applied to the G-bond issue.

**Q:** If the answer to the question [directly] above is "yes, they will be eliminating projects," can another project be substituted for a rejected project as long as they don't exceed the Limitation for their school?

**A:** My understanding is that the Legislature authorized a list of projects. There are no substitution options that I'm aware of.

## PROJECT BUDGETS/COSTS

**Q:** Do agencies have the ability to transfer funds from their own projects to other projects as long as they don't exceed their agency's limitation provided by SB 338 (exception would be line item limitations for larger projects in SB 338)?

**A:** The final list of projects is the list of projects that are funded by and through SB 338 and no other projects can be performed using these funds.



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**Q:** Can costs related to the project but not direct construction costs come from the Stimulus dollars (i.e. architect fees, project management fees, etc...)?

**A:** A/E fees, PM fees, and project escorts in the case of ODOC and OYA are an allowable use of the funds under SB 338 as long as the agency has the funding in their estimates under SB 338.

**Q:** Do agencies still need to comply with 1% for Art, 1.5% for Solar, and SEED Requirements if applicable on these projects?

**A:** These programs still need to be complied with, as the emergency determination does not allow any waiver from these programs and they are still statutory requirements.

## CONTRACTING REQUIREMENTS

**Q:** Do agencies have to use the Mandatory Price/Service Agreements or can they use other procurement methods?

**A:** agencies will need to use the state price/service agreements as outlined on the SPO Web page and through ORPIN. There are procedures that agencies can get a waiver from the agreements but must work with SPO to get that approval.

**Q:** Is there a date that contracts between agencies and vendors have to be executed? If so, what is that date? (The Project Reporting Forms are still due on April 8, 2009 regardless.)

**A:** The date is May 1, 2009. All agencies must have their construction contracts fully executed by the end of April with the original intent to have as many projects starting construction as quickly as possible.