<table>
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<th>SUBJECT:</th>
<th>Construction in Leased Office Space</th>
<th>EFFECTIVE DATE:</th>
<th>03/22/2006</th>
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<td>WRITTEN BY:</td>
<td>Tanci Mintz, State Leasing &amp; Facilities Manager</td>
<td>SUPERSEDES S.O.P.#</td>
<td>DATE REVISED: 10/05/2015</td>
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**PURPOSE:** This provides guidance to state agencies that want to procure construction in leased space.

**AUTHORITY:** The Chief Procurement Officer granted authority as permitted under AS 36.30.005.

**POLICY:** The Division of General Services must approve all construction in leased office and warehouse space. This includes, but is not limited to:
- Removal/Addition/Modification of Walls, Doors, Flooring, or Ceilings.
- Removal/Addition/Modification of Electrical/Data Wiring.
- Removal/Addition/Modification of Systems Furniture.
- Any work which involves procurement of contract labor.

**PROCEDURES:** State agencies should provide a brief overview of the project to the DGS Leasing Contracting Officer for internal DGS review and comment prior to procuring quotes or initiating a solicitation process. Pending receipt of comments from DGS, state agencies must provide the following to the DGS Leasing Contracting Officer responsible for the specific region of the request:
- Building address, suite number, state agency, and lease number
- Contractor quote that includes the contractor name and address, construction drawings and/or specifications
- Construction Schedule
- Contractor’s Certificate of Insurance naming the state as additional insured and including a waiver of subrogation for Worker’s Compensation
- Contractor’s Business License Contractor’s confirmation of complying with the Little Davis-Bacon Act, AS 36.05, if the construction costs exceed $25,000
- Lessor’s written approval of the requested construction
- Funding commitment (DO, PR, FPO, etc.)
- Documentation that the agency solicited the minimum level of competition as required by AS 36.30 and 2 AAC 12 or a Type D RAP if the lessor requires use of a preferred contractor and the costs exceed $10,000.
- Special Areas Allowance Justification Form if new walls are being constructed – DGS may conduct a Universal Space Standards (USS) review of existing private offices and special areas

Pending review and approval by DGS (and review by ETS if there is data/telecom work or employees are relocating), DOA will delegate, in writing, one-time construction authority to the agency to contract directly with the contractor to complete the work. It is the responsibility of the contracting agency to report Davis-Bacon work to the Department of Labor and Workforce Development.

Lessors may require a specific contractor (“preferred contractor”) for all construction in its building. Under these circumstances, the single contractor quote may be submitted to DGS with the information above if the construction cost is $10,000 or less. If the construction cost is greater than $10,000, the agency must also submit a Type D RAP to DGS for approval. A letter from the Lessor specifying the requirement to use a preferred contractor must be included with the RAP. Approval of the RAP does not authorize the agency to proceed. Written delegation from DOA is still required.