



MONTROSE COUNTY

BOARD OF COUNTY COMMISSIONERS

1140 N Grand Ave, Suite 250

Montrose, CO 81401

Phone: 970-249-7755

Fax: 970-249-7761

April 5, 2023

United States Department of Agriculture – Colorado State Office
Attn: Armando Valdez – State Director
Denver Federal Center
PO Box 25426
Building 56, Room E-2300
Denver, CO 80225

Dear Mr. Valdez:

We are writing to inform you that the Board of County Commissioners is declining acceptance of Congressionally Directed Spending offered through the USDA. The terms and conditions required to receive this funding have proven to be untenable for the historic courthouse project.

The county was informed that the award for this project is \$7,725,000. Over the past year of working through USDA requirements, we have learned that this is the maximum amount awarded for the project. Should the project come in at the lower end of estimated ranges, the savings would belong to the USDA. This stipulation could result in the grant providing little to no revenue depending on final cost despite the full weight of USDA requirements being applied.

USDA reliance on boilerplate templates instead of project specific contracts has also proved onerous. The county has communicated concerns with regard to these blanket requirements including potential conflicts with Colorado law. The required contracts would assign broad decision making authority to a third party architect and diminish owner oversight from the construction process. Contract requirements for arbitration to resolve disputes between the county and its own architect appear that USDA anticipates an adversarial relationship being caused by these agreements.

In addition to dictating the relationship between the county and its own contracted architect, USDA required contracts place ultimate authority for project decisions with a USDA staff architect. The Montrose County project has been assigned to an architect based in Hawaii who will never set foot in the courthouse. This requirement ignores the reality of how a construction project of this scope and complexity is administered and would undoubtedly cause delays during construction.



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USDA staff have informed the county that due to federal requirements, the county should anticipate that only large firms located in urban areas will qualify as bidders for this project. This requirement is concerning for multiple reasons. Even with maximum funding from the USDA, this project would still be primarily funded by local revenues. The county believes there are qualified contractors located within the region that deserve the right to bid on a locally funded project. Acceptance of USDA funding in any amount could result in project costs being inflated by hiring distantly located contractors while simultaneously sending local dollars out of town. We do not believe this is in the best interest of the project or the community.

We have not arrived at this decision without significant debate. After considering the cost/benefit of continuing to pursue receipt of the funding, we find that it is in the best interest of the project, county and community to decline the awarded funding. We greatly appreciate Senator Hickenlooper's efforts to secure this funding for the project. We hope that USDA will analyze these concerns so that they might prevent other CDS recipients from experiencing similar delays and challenges.

Respectfully,

A handwritten signature in blue ink, appearing to read "Sue Hansen".

Sue Hansen
Chair

A handwritten signature in blue ink, appearing to read "Roger Rash".

Roger Rash
Vice-Chair

A handwritten signature in blue ink, appearing to read "Keith Caddy".

Keith Caddy
Commissioner