

EXHIBIT O – OPTION LETTER

SAMPLE OPTION LETTER

Date:	Original Contract CMS #:	Option Letter #	CMS Routing #
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1) OPTIONS:

- a. Accept and approve modified Payment Schedule under Book 1, Section 13.16 of the Original Contract and modify the Encumbrance Amount.
- b. Accept and approve the modified Payment Schedule for a Change Order which impacts the Contract Price and/or the fiscal year Encumbrance Amount pursuant to Section 11.1.1 of the Original Contract, and modify the Contract Price and/or Encumbrance Amount.

2) REQUIRED PROVISIONS. All Option Letters shall contain the appropriate provisions set forth below:

a. For use with Option 1(a): In accordance with Section(s) 7 of the Original Contract between the State of Colorado, Colorado Department of Transportation, and Contractor's Name, the State hereby exercises its option to accept and approve the modified Project Payment Schedule attached hereto as **Attachment A**, which is incorporated by reference herein (the "**Modified Payment Schedule**"). As of the effective date of this Option Letter, the Payment Schedule attached to the Original Contract shall be deleted in its entirety and replaced with the attached Modified Payment Schedule and the Encumbrance Amount (as such term in defined in Section 6 of the Original Contract) shall be increased/decreased by \$ amount of change to a new Encumbrance Amount of Insert New \$ Amt as consideration for services/goods ordered under the Contract for fiscal year indicate Fiscal Year. The first sentence of the fifth paragraph in Section 6 is hereby modified accordingly. The total Contract value including all previous amendments, option letters, etc. is Insert New \$ Amt.

b. For use with Option 1(b): In accordance with Section(s) 15 and 7 of the Original Contract between the State of Colorado, Colorado Department of Transportation, and Contractor's Name, the State hereby exercises its option to accept and approve the modified Project Payment Schedule attached hereto as **Attachment A**, which is incorporated by reference herein (the "**Modified Payment Schedule**"). As of the effective date of this Option Letter, the Payment Schedule attached to the Original Contract shall be deleted in its entirety and replaced with the attached Modified Payment Schedule and [insert information below and if necessary delete the options not required]:

- i. the Project Commitment Amount (as such term in defined in Section 6 of the Original Contract) shall be increased/decreased by \$ amount of change to a new Project Commitment Amount of Insert New \$ Amt for work ordered under the Contract. The first sentence of the second paragraph in Section 6 is hereby modified accordingly.
- ii. the Encumbrance Amount (as such term in defined in Section 6 of the Original Contract) shall be increased/decreased by \$ amount of change to a new Encumbrance Amount of Insert New \$ Amt as consideration for services/goods ordered under the Contract for fiscal year indicate Fiscal Year. The first sentence of the fifth paragraph in Section 6 is hereby modified accordingly. The total Encumbrance Amount for all fiscal years including all previous amendments, option letters, this option letter is Insert New \$ Amt.

3) Effective Date. The effective date of this Option Letter is upon approval of the State Controller or , whichever is later.

<p>STATE OF COLORADO John W. Hickenlooper, Governor Name of Agency or IHE</p> <hr/> <p>By: Insert Name & Title of Person Signing for Agency or IHE</p> <p>Date: _____</p>

ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER

<p>CRS §24-30-202 requires the State Controller to approve all State contracts. This Option Letter is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.</p>
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STATE CONTROLLER
Robert Jaros, CPA, MBA, JD

By: _____
Insert Name of Agency or IHE Delegate-Please delete if contract will be routed to OSC for approval

Date: _____