

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 HOUSE BILL 1081

By: Sanders

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5
6 AS INTRODUCED

7 An Act relating to Public Competitive Bidding Act of
8 1974; amending 61 O.S. 2011, Section 121, as amended
9 by Section 315, Chapter 304, O.S.L. 2012 (61 O.S.
10 Supp. 2012, Section 121), which relates to change
11 orders to public construction contracts; modifying
12 approval requirements for certain change orders; and
13 providing an effective date.

14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 61 O.S. 2011, Section 121, as
16 amended by Section 315, Chapter 304, O.S.L. 2012 (61 O.S. Supp.
17 2012, Section 121), is amended to read as follows:

18 Section 121. A. Change orders or addenda to public
19 construction contracts of One Million Dollars (\$1,000,000.00) or
20 less shall not exceed a fifteen percent (15%) cumulative increase in
21 the original contract amount.

22 B. Change orders or addenda to public construction contracts of
23 over One Million Dollars (\$1,000,000.00) shall not exceed the
24 greater of One Hundred Fifty Thousand Dollars (\$150,000.00) or a ten
percent (10%) cumulative increase in the original contract amount.

1 C. Change orders or cumulative change orders which exceed the
2 limits of subsection A or B of this section shall require a
3 readvertising for bids on the incomplete portions of the contract.

4 D. If the awarding public agency does not have a governing
5 body, the chief administrative officer of the awarding public agency
6 shall approve change orders. The State Construction Administrator
7 of the Construction and Properties Division of the Office of
8 Management and Enterprise Services, or the Administrator's designee,
9 shall sign and execute all contracts and change orders, as they
10 relate to state agencies.

11 E. If the awarding public agency has a governing body, all
12 change orders shall be formally approved by the governing body of
13 the awarding public agency and the reasons for approval recorded in
14 the permanent records of the governing body. The governing body of
15 a municipality or technology center may delegate approval of change
16 orders up to Forty Thousand Dollars (\$40,000.00) or ten percent
17 (10%) of any contract, whichever is less, to the chief
18 administrative officer of the municipality or technology center or
19 their designee, with any approved change orders reported to the
20 governing body at the next regularly scheduled meeting.

21 F. The governing body of the Oklahoma Tourism and Recreation
22 Department is authorized, upon approval of a majority of all of the
23 members of the Oklahoma Tourism and Recreation Commission, to
24 delegate to the Director of the agency the authority to approve

1 change orders on a construction contract provided that the
2 individual change order does not exceed Twenty-five Thousand Dollars
3 (\$25,000.00) in expenditure and complies with the limits established
4 by this section. The Administrator of the Division shall sign and
5 execute all contracts and change orders.

6 G. The Transportation Commission may, by rule, authorize the
7 Director of the Department of Transportation to approve change
8 orders in an amount of not to exceed Five Hundred Thousand Dollars
9 (\$500,000.00). Change orders approved by the Director shall be
10 presented to the Transportation Commission during the next regular
11 meeting and the reasons therefor recorded in the permanent records.
12 The Oklahoma Turnpike Authority may authorize the Director of the
13 Authority to approve change orders in an amount not to exceed Two
14 Hundred Fifty Thousand Dollars (\$250,000.00). Change orders
15 approved by the Director of the Authority shall be presented to the
16 Authority during the next regular meeting and the reasons for the
17 orders recorded in permanent records.

18 H. All change orders for the Department of Transportation or
19 the Authority shall contain a unit price and total for each of the
20 following items:

- 21 1. All materials with cost per item;
- 22 2. Itemization of all labor with number of hours per operation
23 and cost per hour;

24

1 3. Itemization of all equipment with the type of equipment,
2 number of each type, cost per hour for each type, and number of
3 hours of actual operation for each type;

4 4. Itemization of insurance cost, bond cost, social security,
5 taxes, workers' compensation, employee fringe benefits and overhead
6 cost; and

7 5. Profit for the contractor.

8 I. 1. If a construction contract contains unit pricing, and
9 the change order pertains to the unit price, the change order will
10 not be subject to subsection A or B of this section.

11 2. When the unit price change does not exceed ~~Ten Thousand~~
12 ~~Dollars (\$10,000.00)~~ Twenty Thousand Dollars (\$20,000.00), the unit
13 price change order computation may be based on an acceptable unit
14 price basis in lieu of cost itemization as required in paragraphs 1,
15 2, 3, 4 and 5 of subsection H of this section.

16 3. When the unit price change exceeds Twenty Thousand Dollars
17 (\$20,000.00), any unit price for a new item established at, or below
18 the average eighteen-month-price history for the new item may be
19 used in lieu of cost itemization as required in paragraphs 1, 2, 3,
20 4, and 5 of subsection H of this section.

21 J. Alternates or add items bid with the original bid and
22 contained in the awarded contract as options of the awarding public
23 agency shall not be construed as change orders under the provisions
24 of the Public Competitive Bidding Act of 1974.

1 SECTION 2. This act shall become effective November 1, 2013.

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