

1 ENGROSSED SENATE
2 BILL NO. 33

By: Boggs of the Senate

3 and

4 Hardin of the House

5
6 An Act relating to Veterans; amending 61 O.S. 2011,
7 Section 121, as last amended by Section 1, Chapter
8 170, O.S.L. 2013 (61 O.S. Supp. 2016, Section 121),
9 which relates to change orders or addenda to public
10 construction contracts; authorizing the Oklahoma
11 Veterans Commission to delegate to the Director of
12 the Oklahoma Department of Veterans Affairs the
13 authority to approve change orders on certain
14 construction contracts; providing requirements of
15 certain change orders; and providing an effective
16 date.

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

18 SECTION 1. AMENDATORY 61 O.S. 2011, Section 121, as last
19 amended by Section 1, Chapter 170, O.S.L. 2013 (61 O.S. Supp. 2016,
20 Section 121), is amended to read as follows:

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

B. Change orders or addenda to public construction contracts of
over One Million Dollars (\$1,000,000.00) shall not exceed the

1 greater of One Hundred Fifty Thousand Dollars (\$150,000.00) or a ten
2 percent (10%) cumulative increase in the original contract amount.

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

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

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

23 F. The Oklahoma Veterans Commission, as the governing body of
24 the Oklahoma Department of Veterans Affairs, is authorized to

1 delegate to the Director of the agency the authority to approve
2 change orders on a construction contract provided that the
3 individual change order does not exceed Forty Thousand Dollars
4 (\$40,000.00) in expenditure, and complies with the limits
5 established by this section. Change orders approved by the Director
6 pursuant to a delegation of authority shall be presented to the
7 Commission during the next regular meeting and the reasons for the
8 orders recorded in permanent records.

9 ~~F.~~ G. The governing body of the Oklahoma Tourism and Recreation
10 Department is authorized, upon approval of a majority of all of the
11 members of the Oklahoma Tourism and Recreation Commission, to
12 delegate to the Director of the agency the authority to approve
13 change orders on a construction contract provided that the
14 individual change order does not exceed Twenty-five Thousand Dollars
15 (\$25,000.00) in expenditure and complies with the limits established
16 by this section. The Administrator of the Division shall sign and
17 execute all contracts and change orders.

18 ~~G.~~ H. The Transportation Commission may, by rule, authorize the
19 Director of the Department of Transportation to approve change
20 orders in an amount of not to exceed Five Hundred Thousand Dollars
21 (\$500,000.00). Change orders approved by the Director shall be
22 presented to the Transportation Commission during the next regular
23 meeting and the reasons therefor recorded in the permanent records.
24 The Oklahoma Turnpike Authority may authorize the Director of the

1 Authority to approve change orders in an amount not to exceed Two
2 Hundred Fifty Thousand Dollars (\$250,000.00). Change orders
3 approved by the Director of the Authority shall be presented to the
4 Authority during the next regular meeting and the reasons for the
5 orders recorded in permanent records.

6 ~~H.~~ I. All change orders for the Department of Transportation or
7 the Authority shall contain a unit price and total for each of the
8 following items:

9 1. All materials with cost per item;

10 2. Itemization of all labor with number of hours per operation
11 and cost per hour;

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

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

18 5. Profit for the contractor.

19 ~~H.~~ J. 1. If a construction contract contains unit pricing, and
20 the change order pertains to the unit price, the change order will
21 not be subject to subsection A or B of this section.

22 2. When the unit price change does not exceed Twenty Thousand
23 Dollars (\$20,000.00), the unit price change order computation may be
24 based on an acceptable unit price basis in lieu of cost itemization

1 as required in paragraphs 1, 2, 3, 4 and 5 of subsection # I of this
2 section.

3 3. When the unit price change exceeds Twenty Thousand Dollars
4 (\$20,000.00), any unit price for a new item established at or below
5 the average eighteen-month-price history for the new item may be
6 used in lieu of cost itemization as required in paragraphs 1, 2, 3,
7 4 and 5 of subsection # I of this section.

8 ~~J.~~ K. Alternates or add items bid with the original bid and
9 contained in the awarded contract as options of the awarding public
10 agency shall not be construed as change orders under the provisions
11 of the Public Competitive Bidding Act of 1974.

12 SECTION 2. This act shall become effective November 1, 2017.

13 Passed the Senate the 14th day of March, 2017.

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Presiding Officer of the Senate

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17 Passed the House of Representatives the ____ day of _____,
18 2017.

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Presiding Officer of the House
of Representatives

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