

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               1st Session of the 56th Legislature (2017)

4   ENGROSSED SENATE  
5   BILL NO. 33

By: Boggs of the Senate

and

Hardin of the House

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

20  
21  
22  
23  
24   BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

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

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

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

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

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

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

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

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

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

- 11 1. All materials with cost per item;
- 12 2. Itemization of all labor with number of hours per operation  
13 and cost per hour;
- 14 3. Itemization of all equipment with the type of equipment,  
15 number of each type, cost per hour for each type, and number of  
16 hours of actual operation for each type;
- 17 4. Itemization of insurance cost, bond cost, social security,  
18 taxes, workers' compensation, employee fringe benefits and overhead  
19 cost; and
- 20 5. Profit for the contractor.

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

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

6        3. When the unit price change exceeds Twenty Thousand Dollars  
7 (\$20,000.00), any unit price for a new item established at or below  
8 the average eighteen-month-price history for the new item may be  
9 used in lieu of cost itemization as required in paragraphs 1, 2, 3,  
10 4 and 5 of subsection # I of this section.

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

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

16  
17 COMMITTEE REPORT BY: COMMITTEE ON VETERANS AND MILITARY AFFAIRS,  
18 dated 03/28/2017 - DO PASS.  
19  
20  
21  
22  
23  
24