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February 15, 2017

AS AMENDED

SENATE BILL NO. 33

By: Boggs of the Senate

and

Hardin of the House

[Veterans - change orders or addenda to public construction contracts - effective date]

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.

B. Change orders or addenda to public construction contracts of over One Million Dollars (\$1,000,000.00) shall not exceed the 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 Oklahoma Veterans Commission, as the governing body of
22 the Oklahoma Department of Veterans Affairs, is authorized to
23 delegate to the Director of the agency the authority to approve
24 change orders on a construction contract provided that the

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

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

16 ~~G.~~ H. The Transportation Commission may, by rule, authorize the
17 Director of the Department of Transportation to approve change
18 orders in an amount of not to exceed Five Hundred Thousand Dollars
19 (\$500,000.00). Change orders approved by the Director shall be
20 presented to the Transportation Commission during the next regular
21 meeting and the reasons therefor recorded in the permanent records.
22 The Oklahoma Turnpike Authority may authorize the Director of the
23 Authority to approve change orders in an amount not to exceed Two
24 Hundred Fifty Thousand Dollars (\$250,000.00). Change orders

1 approved by the Director of the Authority shall be presented to the
2 Authority during the next regular meeting and the reasons for the
3 orders recorded in permanent records.

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

7 1. All materials with cost per item;

8 2. Itemization of all labor with number of hours per operation
9 and cost per hour;

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

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

16 5. Profit for the contractor.

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

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

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

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

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

11 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
12 February 15, 2017 - DO PASS AS AMENDED
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