

**OFFICE OF THE STATE ARCHITECT
STATE BUILDINGS PROGRAMS/DIVISION OF ACCOUNTS AND CONTROL
POLICIES AND PROCEDURES**

**CONTRACT MODIFICATION GUIDELINES:
FORMAL AMENDMENTS vs. CHANGE ORDERS AND SUPPLEMENTS**

- These guidelines are intended to instruct all state agency personnel involved in the process of contract modifications pertaining to capital construction and controlled maintenance appropriations.
 - Formal amendments, change orders and supplements cannot be used to commit the State to change work which exceeds the funds appropriated and authorized for the project, or change work outside of the legislative intent.
 - Contract modifications to construction and professional services contracts are to be documented on approved SBP forms.
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(The following generally apply to construction contracts and professional services contracts as noted)

Formal Amendments are required when:

1. Changing a funding source to other than that referenced in the contract.
2. Change work is not at the same project location as referenced in the prime contract.
3. Modifying contracts to reflect negotiated claims settlements.
4. Contract modifications substituting contracting parties or otherwise changing the parties to the original agreement (e.g., novation, assignment, other)
5. Change work amends contract provision other than specifications or drawings.
6. Change work is greater than 10% of the contract value.
7. Incorporating anticipated bid packages into the "Construction Manager/General Contractor" (CM/GC) or Design/Build Guaranteed Maximum Price (D/B GMP) Base Agreement to raise the contract value after establishment of the guaranteed maximum price.
8. Modifying or establishing the guaranteed maximum price (GMP) or the fixed limit of construction cost in a CM/GC Agreement.

Note: The following State approval signatures are required on all amendments; Principal Representative/Delegate, State Buildings/Delegate, Attorney General/Delegate and State Controller/Delegate.

Exception: An SCO waived contract could be waived for Attorney General legal review and signature by State Buildings/Delegate.

Exception: After the approved amendment establishing the GMP on a CM/GC or D/B construction agreement, all subsequent amendments incorporating anticipated bid packages could be waived for Attorney General/Delegate legal review and signature by State Buildings/Delegate.

(A "Change Order" modifies scope of work, price and or time for a construction contract. A "Supplement" is the equivalent form for professional services contracts)

Change Orders or Supplements are permitted as noted when:

1. Drawing and specification change work accumulated value at less than or equal to the contingency identified in the construction contract for change orders or 10% of the professional services contract for supplements so long as within the general scope of the contract. (If proposed change work exceeds the construction contract contingency or the 10% accumulated value of the professional services contract, the agency shall issue a formal amendment.)

Note: The following State approval signatures are required on all change order or supplements; Principal Representative/Delegate; State Buildings/Delegate and State Controller/Delegate.

Emergency Field Change Orders are Permitted When:

1. There is an immediate threat to life or property or where the likelihood of delays in processing a normal change order will result in substantial delays and or significant cost increases for the project.

Note: The following State approval signatures are required on all emergency field change orders: Principal Representative/Delegate and State Buildings/Delegate.

End of Policy
SBP/CONT/MOD
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