

Part III Chapter 15 Change Orders

- A. Requirements.** This procedure is to be used by agencies when a contract needs to be corrected or changed through the Change Order provision in the contract or purchase order by the Department of General Services.
- B. General.**
- 1.** Change Orders are used:
 - a.** To correct a contract to agree with the bid(s) submitted by the supplier(s).
 - b.** When a voluntary price reduction is offered by the supplier.
 - c.** When a change in the name of the supplier occurs, but the federal identification number remains the same.
 - d.** When the supplier assigns its rights to payment to another party.
 - e.** To increase or decrease the quantities resulting from variations between any estimated quantities and actual quantities.
 - f.** To make changes to the service within the scope of the contract or order.
 - g.** To exercise an option to purchase or early payment option.
 - h.** To exercise any renewal or extension of term options.
 - i.** To modify the time of performance that does not alter the scope of the contract or order.
 - j.** To extend the original contract expiration date, the original purchase order expiration date, any renewals, or extensions.
 - 2.** The Change Order form should not be used:
 - a.** To correct an error made by an agency in the preparation of a Purchase Requisition.
 - b.** To correct mathematical or typographical errors of \$25 or less on Purchase Orders (applicable on a line item basis). For this purpose, errors are those involving incorrectly stated extended amounts of totals due to clerical or typing mistakes. Corrections shall be made by lining through the incorrect amount and by entering the correct amount by pen on the Comptroller and Treasury copies of the Purchase Order.
 - c.** To correct or change any element of the account code charged on approved Purchase Orders. Elements include fund, department,

appropriation, fiscal year, ledger, organization, cost function, and object codes. Change to an account code must be submitted by memorandum, original and one copy to the agency comptroller and a copy to the Bureau of Procurement.

- d.** To change the name of the supplier when the supplier assigns the Purchase Order or statewide requirements contract (with the approval of the purchasing agency) to another party.
- 3.** Corrections and changes to statewide requirements contracts and other contracts issued by DGS can only be made by the Department of General Services.

C. Agency Procedures for Change Orders to Contracts.

1. Agency.

- a.** Checks copy of the contract received from the Bureau of Procurement for accuracy and completeness.
- b.** Telephones the commodity specialist shown on the contract if an error is discovered and a change to correct the error should be made or is required.
- c.** Sends a written memorandum to the commodity specialist confirming the telephone conversation.
- d.** If a change order is needed to increase the contract and a second invoice is required from a supplier, a partial payment should be made for items properly received and approved based on the original invoice amount. In such an event, the agency notifies supplier that a partial payment will be made and requests a second invoice for the amount of the increase over the original invoice amount.

(1) A change order should be issued:

- (a)** Change of suppliers address;
- (b)** Change in discount;
- (c)** Change in delivery date;
- (d)** Correction of price;
- (e)** Correction in quantity;
- (f)** Correction of method of shipment;
- (g)** Cancellation of purchase.

D. Agency Procedures for Change Orders to DGS Statewide Requirements Contracts. Agencies should contact the commodity specialist identified on the statewide requirements contract if a correction or change to the contract is required.