



Board of County Commissioners
Office of Purchasing
Title: Amendments/Changes After Award

Effective Date: 7/25/02 Supersedes Date: 4/19/02

Procedure No: PP-050

Page No: 1 of 10

I. Purpose

To establish change order procedures.

II. Scope

This procedure applies to all amendments/change orders after award. Specific references for processing construction change orders are found in V. of this procedure.

III. Authority

The Board of County Commissioners at its regular meeting on July 18, 2002 approved Ordinance 2002-32, effective July 25, 2002, amending Chapter 46, Article II Section 46-64 and 46-86 of the Code of Ordinances of Escambia County Florida relating to Awards; providing for Award Approval and Threshold Authority; providing for Amendments/Changes after Award; providing for Severability, providing for Inclusion in the Code; providing for an Effective Date.

IV. Definitions

Amendment – means the method of changing the terms, conditions, or requirements of a contract or agreement beyond what is specifically provided for in that contract or agreement. All amendments shall be approved with equal dignity and formality as the original contract signed by the individuals holding the positions of the original signatories; provided however, that any amendment which causes a contract expenditure to exceed \$50,000.00 shall be approved by the Board of County Commissioners.

Change Order – means a written order amending a purchase order to correct errors, omissions, or discrepancies in it, to cover acceptable cost overruns and freight costs, to incorporate requirements to expand or reduce the scope of goods or services ordered, or to direct other changes in contract execution to meet unforeseen field, emergency, climatic, regulatory, or market conditions.

V. Change Order Procedure

The following excerpts from the Code address Amendments/Changes after Award.



Board of County Commissioners
Office of Purchasing
Title: Amendments/Changes After Award

Effective Date: 7/25/02 Supersedes Date: 4/19/02

Procedure No: PP-050

Page No: 2 of 10

1. In accordance with Ordinance 2002-32:

Sec. 46-86. Amendments/Changes after Award.

- (a) *Threshold approval authority for amendments or change orders to executed contracts shall be determined by the cumulative total amount of the original purchase or award and any subsequent amendments or change orders to that purchase or award. The County Administrator may authorize cumulative increases of up to \$50,000.00 or ten percent (10%) of the award amount, whichever is greater. Changes to an award that have reached or exceeded \$50,000.00 or ten percent (10%) of the award amount shall not be effective unless such increase is first approved by the Board of County Commissioners.*
- (b) *Authority to increase the amount of any award is predicated on the condition that all provisions of the original award remain intact and unchanged.*
- (c) *Changes to executed contracts are prohibited which change the scope of work from its original proposal or bid. The County Administrator or his designee may approve extensions of delivery dates and performance time of contracts provided that such resultant changes to the established award amount comply with the provisions of this article.*

2. Change Orders are to be processed for ***all** changes that affect the original purchase order amount by an increase or decrease and shall be submitted in writing to the Office of Purchasing. Initiating department shall prepare a Change Order Request Form, F0020-1 (available in electronic format) and forward to the Office of Purchasing showing the adjustment to be made to the purchase order involved. Change Order(s) Request Form(s) shall be processed after Board approval when applicable.

***NOTE:** Change Orders are not required to closeout a Purchase Order. Closeout of the Purchase Order is accomplished by a final receiving report, which will result in the Clerk releasing any unused encumbrance.

- a.) Construction Change Order(s) require that the initiating department have the architect/engineer prepare backup documentation and the Construction Change Order Request Form (F0030) which lists the changes in the project work, the amount of the adjustment in the contract sum and the extent of the adjustment in contract time if any.



Board of County Commissioners
Office of Purchasing
Title: Amendments/Changes After Award

Effective Date: 7/25/02 Supersedes Date: 4/19/02

Procedure No: PP-050

Page No: 3 of 10

- b.) The Construction Change Order Request Form (F0030) will be signed by the contractor and the County in accordance with the Office of Purchasing Procedure #PP-020 Delegation of Signature Authority.
 - c.) A Change Order Request Form (F0020-1) and the Construction Change Order Request Form [F0030] will be sent together to the Office of Purchasing. After approval by the Board, when applicable, the Office of Purchasing will review, prepare and process the Change Order to the Purchase Order and the Contract. Those not approved by the Board will be returned to the department.
3. Change Orders with backup attachments (marked with the Purchase Order number) must be received in one package to assure accuracy, timely processing, and eliminate duplication. Do not fax Change Orders with backup attachments.
 4. In those cases where departments have a high priority Change Order request, please call the section supervisor, fax the requisition to 595-4805 with all related backup and then send the original to the purchasing agent, via courier, with a note that it was faxed previously.
 5. Change Orders are required regardless of the monetary value.
 6. Change Orders are required to alter, adjust and revise a purchase order.
- Note: Change Orders are not required to closeout a Purchase order.**
7. Submit to the Office of Purchasing changes requested to the original purchase order, utilizing the Change Order Request Form F0020-1 (available in electronic format), prior to executing the change.
 8. The initiating department completes the form with all required information and the department director or authorized representative signs on the Department Approval@line. Change orders will be sequentially numbered; i.e., Change Order #01, 02, 03, etc.
 9. The Office of Purchasing will **review** for completeness and accuracy, initial on the Office of Purchasing review line and generate a Change Order subject to approval or disapproval by the County Administrator.



Board of County Commissioners
Office of Purchasing
Title: Amendments/Changes After Award

Effective Date: 7/25/02 Supersedes Date: 1/10/02

Procedure No: PP-050

Page No: 4 of 10

10. The County Administrator may authorize cumulative increases of up to \$50,000.00 or ten percent (10%) of the award amount; whichever is greater.
11. Changes to an award that have reached or exceeded \$50,000.00 or ten percent (10%) of the award amount, whichever is greater, shall not be effective unless such increase is first approved by the Board of County Commissioners.
12. **Authority to increase the amount of any award is predicated on the condition that all provisions of the original award remain intact and unchanged. Changes to executed contracts are prohibited which change the scope of work from its original proposal or bid.**
13. The County Administrator or his designee may approve extensions of delivery dates and performance time on contracts provided that such resultant changes to the established award amount.

The following examples illustrate some of the cases:

Example A:

| <u>Original Award</u> | <u>Change Order No. and Amount</u> | <u>Cumulative Change Order Total</u> | <u>New Total w/Change Order</u> | <u>BCC Approval</u> | <u>Signature Authority</u> |
|-----------------------|------------------------------------|--------------------------------------|---------------------------------|---------------------|----------------------------|
| \$10,000 | CO #1 - 5,000 | 5,000 | 15,000 | NO | County Administrator |
| \$10,000 | CO #2 - 5,000 | 10,000 | 20,000 | NO | County Administrator |

Example B:

| <u>Original Award</u> | <u>Change Order No. and Amount</u> | <u>Cumulative Change Order Total</u> | <u>New Total w/Change Order</u> | <u>BCC Approval</u> | <u>Signature Authority</u> |
|-----------------------|------------------------------------|--------------------------------------|---------------------------------|---------------------|----------------------------|
| \$40,000 | CO #1 - 5,000 | 5,000 | 45,000 | NO | County Administrator |
| \$40,000 | CO #2 - 10,000 | 15,000 | 55,000 | YES | County Administrator |

Example C:

| <u>Original Award</u> | <u>Change Order No. and Amount</u> | <u>Cumulative Change Order Total</u> | <u>New Total w/Change Order</u> | <u>BCC Approval</u> | <u>Signature Authority</u> |
|-----------------------|------------------------------------|--------------------------------------|---------------------------------|---------------------|----------------------------|
| \$1,500,000 | CO #1 - 50,000 | 50,000 | 1,550,000 | NO | County Administrator |
| \$1,500,000 | CO #2 - 105,000 | 155,000 | 1,655,000 | YES | County Administrator |



Board of County Commissioners
Office of Purchasing
Title: Amendments/Changes After Award

Effective Date: 7/25/02 Supersedes Date: 12/31/01

Procedure No: PP-050

Page No: 5 of 10

VI. Change Order Recommendation Procedure

1. Changes to an award that have reached or exceeded \$50,000 or ten percent (10%) of the award amount, whichever is greater, shall not become effective unless such increase is first approved by the Board of County Commissioners in accordance with Ordinance 2002-32, Section 46-86, Amendments/Changes after Award.
2. The contract administrator will track all subsequent Change Orders for cumulative totals and once the cumulative total has reached or exceeded the amounts described in paragraph 1, a recommendation will be prepared and placed on the agenda by the department for Board approval.
3. Change Orders requiring Board approval will be the responsibility of the contract administrator to track for cumulative totals, prepare a recommendation and place on the agenda by the department for Board approval. The initiating department will prepare a Change Order Reporting Form F0021. All information at each header shall be correctly filled in, followed by a paragraph explaining the detailed reasons for the Change Order. The cumulative amount of Change Orders shall include all previous Change Orders and the one being requested. The following sample is provided:

Recommendation: That the Board approve the following Change Order(s) and authorize the County Administrator to execute the following:

- A. Department: _____
Type: _____
Amount: _____
Vendor: _____
Project Name: _____

Contract: _____
PO #: _____
CO #: _____
Original Award Amount: _____
Cumulative Amount of Change Orders thru CO #___: _____
New Contract Total: _____
(F0021)



Board of County Commissioners
Office of Purchasing
Title: Amendments/Changes After Award

Effective Date: 7/25/02 Supersedes Date: 12/31/01

Procedure No: PP-050

Page No: 6 of 10

4. Change Orders to Board awarded contracts where the **original amount of the award is \$50,000 or more** and will be increased require the signature of the County Administrator as outlined in the code, Section 46 86A and policy and procedure PP-020.

CHANGE ORDERS TO CONTRACTS WHICH ARE PERFORMANCE AND PAYMENT BONDED.

1. Change Orders which increase the contract price by \$25,000.00 or more during the duration of the contract shall require the contractor to provide proof in the form of a letter from his bonding company that the amount of the Performance and Payment Bonds have been increased to 100% of the new contract value.
2. The Contract Administrator [Client Department Representative] shall assure compliance and send such letters with the Change Order Request Form (F0020-1), as applicable, to the Office of Purchasing for processing.

VII. Amendment Recommendation Procedure

1. The contract administrator makes the determination that a change to the terms, conditions and requirements (scope of work) beyond which is specified in the contract is necessary and will initiate the processing of a contract amendment.
2. The contract administrator should consult with the Office of Purchasing to assist in the determination of whether an amendment or change order is required (See the definitions on page 1 of 7).
3. The Office of Purchasing in consultation with the County Attorney's Office will assist the client department's contract administrator as follows:
 - a) Discussions with the contractor, county attorney and any other necessary resources.
 - b) Assist the client department in preparing the recommendation, as all contract amendments require Board approval.
 - c) Assist the client department in coordinating with the County Attorney's Office to prepare an amendment to the contract (**See example of a contract amendment beginning on page 7**).
 - d) The County Attorney's Office will prepare and forward the amendment to the Office of Purchasing for the appropriate signatures.



Effective Date: 7/25/02 Supersedes Date:

4. The department will prepare a Change Order Request Form #F0021 and forward to the Office of Purchasing for processing.
5. Once the Board awards the amendment, the Office of Purchasing will have two (2) originals of the amendment executed by the Contractor and the County Administrator and prepare the subsequent Change Order. The Change Order describes the amendment and encumbrance changes.
6. The Office of Purchasing will distribute an original copy of the amendment to the Clerk's Office and the Contractor. Copies of the amendment and the Change Order will follow normal copy distribution

Example of a Contract Amendment

AMENDMENT #1 TO THE AGREEMENT BETWEEN THE BOARD OF COUNTY COMMISSIONERS OF ESCAMBIA COUNTY, FLORIDA AND

(Firm) _____ FOR

ENGINEERING SERVICES IN CONNECTION WITH

(Project) _____

(PD ___ - _____)

THIS IS THE FIRST AMENDMENT TO THE AGREEMENT entered into on the ____ day of _____, (year) between Escambia County, Florida, a political subdivision of the State of Florida, with its administrative offices at 223 South Palafox Place, Pensacola, Florida 32501, (hereinafter referred to as the "County"), and (Firm) _____, a for profit corporation authorized to do business in the State of Florida, which address is _____, and federal tax identification number is _____, (hereinafter referred to as the "Consultant").

WITNESSETH

WHEREAS, the County has revised and expanded the Consultant's duties requiring it to expend additional efforts relating to certain required professional engineering services for (Project) _____: and



Board of County Commissioners
Office of Purchasing
Title: Amendments/Changes After Award

Effective Date: 7/25/02 Supersedes Date:

Procedure No: PP-050

Page No: 8 of 10

WHEREAS, as a result of such additional work, the Board of County Commissioners finds it is in the best interest of the health, safety, and welfare of citizens of Escambia County that the Consultant's Agreement should be amended as provided herein.

NOW THEREFORE, in consideration of the mutual terms, conditions, promises, and covenants hereinafter set forth, the County and the Consultant agree to amend the Agreement dated (month-day-year) as follows:

1. That pursuant to Article 6 "Additional Services and Changes in Scope of Work", the parties agree to add the following additional professional services to the Project's Scope of Work:

- (a) (additional services); and
- (b) (additional services); and
- (c) (additional services).

The Consultant shall provide said services, which are hereinafter more fully described in the Scope of Work set forth in Exhibit "A-1" to this amendment that is attached hereto and made a part hereof.

2. That the County agrees to pay the Consultant as compensation for these additional services under this First Amendment as follows:

For the satisfactory completion of services detailed in Exhibit "A-1", the Consultant shall be paid a Lump Sum Fee amount of _____ (\$_____). This amount shall be paid in accordance with Article 5 "Compensation and Method of Payment" of the Agreement. This fee shall include all costs, expenses, fees, and reimbursables.

3. That the method of payment to the Consultant shall be as follows:

For the satisfactory completion of a Lump Sum Fee basis of the additional services set out in Exhibit "A-1", the Consultant may submit bills at the completion and approval of each phase of the work or for the partial completion of each phase on a pro-rata basis. After the approval of a request for payment by the County, payment to the Consultant will be made pursuant to Article 5 "Compensation and Method of Payment" of the Agreement; however, such requests for payment by the Consultant shall not be made more frequently than once a month.



Board of County Commissioners
Office of Purchasing
Title: Amendments/Changes After Award

Effective Date: 7/25/02 Supersedes Date:

Procedure No: PP-050

Page No: 9 of 10

4. That the time for completion will be within _____ (___) months from the date of the notice to Proceed from the County to the Consultant.
5. That the Parties hereby agree that all other provisions of the Agreement not in conflict with the provisions of this First Amendment shall remain in full force and effect.
6. That the effective date of the First Amendment shall be on the date last executed by the parties hereto.
7. That this Agreement shall be governed by and construed in accordance with the laws of the State of Florida, and the parties stipulate that venue for any state or federal court action or other proceeding relating to any matter, which is the subject of this Agreement, shall be in Escambia County, Florida.

IN WITNESS THEREOF, the parties hereto have made and executed this Agreement on the respective dates under each signature: Escambia County Florida through its Board of County Commissioners, signing by its duly authorized chairman and (Consultant) _____ through its duly authorized President.



Board of County Commissioners
Office of Purchasing
Title: Amendments/Changes After Award

Effective Date: 7/25/02 Supersedes Date:

Procedure No: PP-050

Page No: 10 of 10

COUNTY:
Escambia County, Florida, a political
subdivision of the State of Florida acting
by and through its duly authorized Board
of County Commissioners.

ATTEST: ERNIE LEE MAGAHA
Clerk to the Circuit Court

By: _____
George Touart, County Administrator

By: _____ Date: _____
Deputy Clerk

(Seal)

CONSULTANT:
_____,
a for profit corporation authorized to do
business in the State of Florida.

ATTEST: CORPORATE SECRETARY

By: _____
President

By: _____ Date: _____

(Corporate Seal)