



THE DEPARTMENT OF GENERAL SERVICES

CHANGE ORDER GUIDELINES

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THE DEPARTMENT OF GENERAL SERVICES

CHANGE ORDER GUIDELINES

I. Introduction

This document is intended as a guideline for those currently doing business and those interested in pursuing business with the Department of General Services on Construction projects. The document was created in response to the Change Order Fairness Act (§15-112 of the State Finance and Procurement Article, Annotated Code of Maryland) and the Change Order Fairness Act Construction Change Order Workgroup.

This document is intended to be a quick reference on contractor community general questions relating to the Construction Change Order process. It is not intended to replace or supersede the DGS Construction General Conditions

<http://dgs.maryland.gov/Documents/ofp/GeneralConditionsforConstruction.pdf>

or the DGS Project Procedure Manual <http://dgs.maryland.gov/Documents/ofp/Manual.pdf>

II. Definitions

- a. BPO – Blanket Purchase Order, a document generated from the FMIS system that assigns funds to a contract.
- b. BPW – Board of Public Works, a board consisting of the Governor, Comptroller and Treasurer. The Board approves contracts with certain cost thresholds or funding sources.
- c. CCD – Construction Change Directive, a written order signed by the Procurement Officer directing a change in the project and stating a basis for the adjustment, if any, to the contract sum or contract time.
- d. CO – Change Order
- e. DGS – Department of General Services
- f. DPRB – Department Procurement Review Board, a board consisting of the Assistant Secretary of Facilities Planning, Design & Construction, Chief of Construction, Chief of the Cost Center, Chief of Facilities Engineering, and Chief of Design. The Board reviews and approves contracts and changes to contracts within DGS's delegated authority
- g. FMIS – Financial Management Information System, an electronic system that tracks and processes the States financial transactions
- h. NTE – Not to Exceed
- i. PCO – Proposed Change Order
- j. TBD – To Be Determined
- k. T&M – Time and Materials

III. Change Order Process Diagram

The DGS Change Order Process Diagram provides the typical process and processing time for various stages in the Change Order process. Sometimes, unique circumstances can require different steps or timelines.

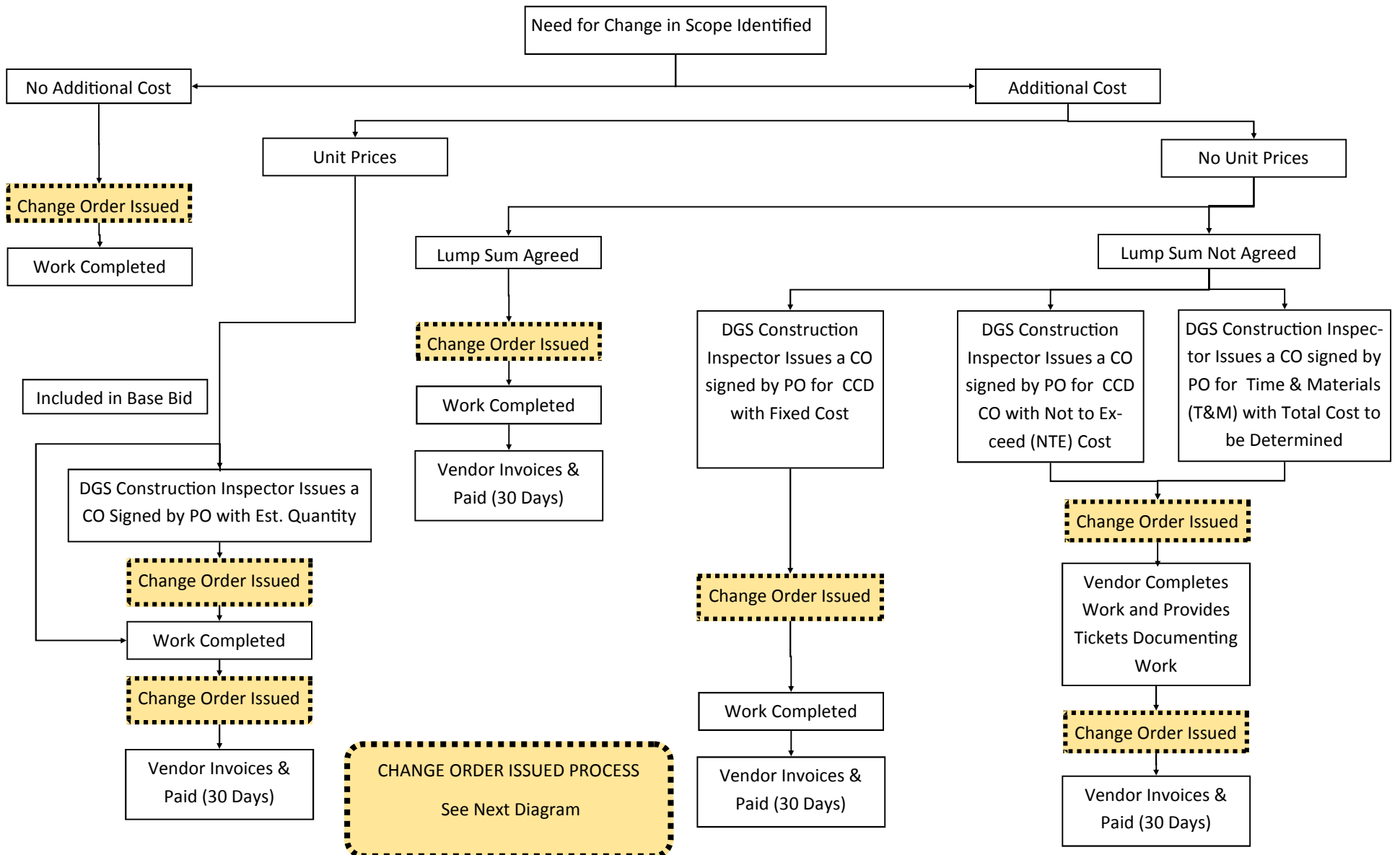
The diagrams on the next pages show the DGS process, both the big picture process and a blow up diagram with a look at internal processing.

Written Change Orders for some items with unknown quantities and total costs may require multiple change orders for the same item. The diagram indicates situations where this may occur. If this is anticipated, the first change order will include language describing why the quantity or cost provided is not complete at this time and an additional change order will be issued at a later date to finalize this change in scope.



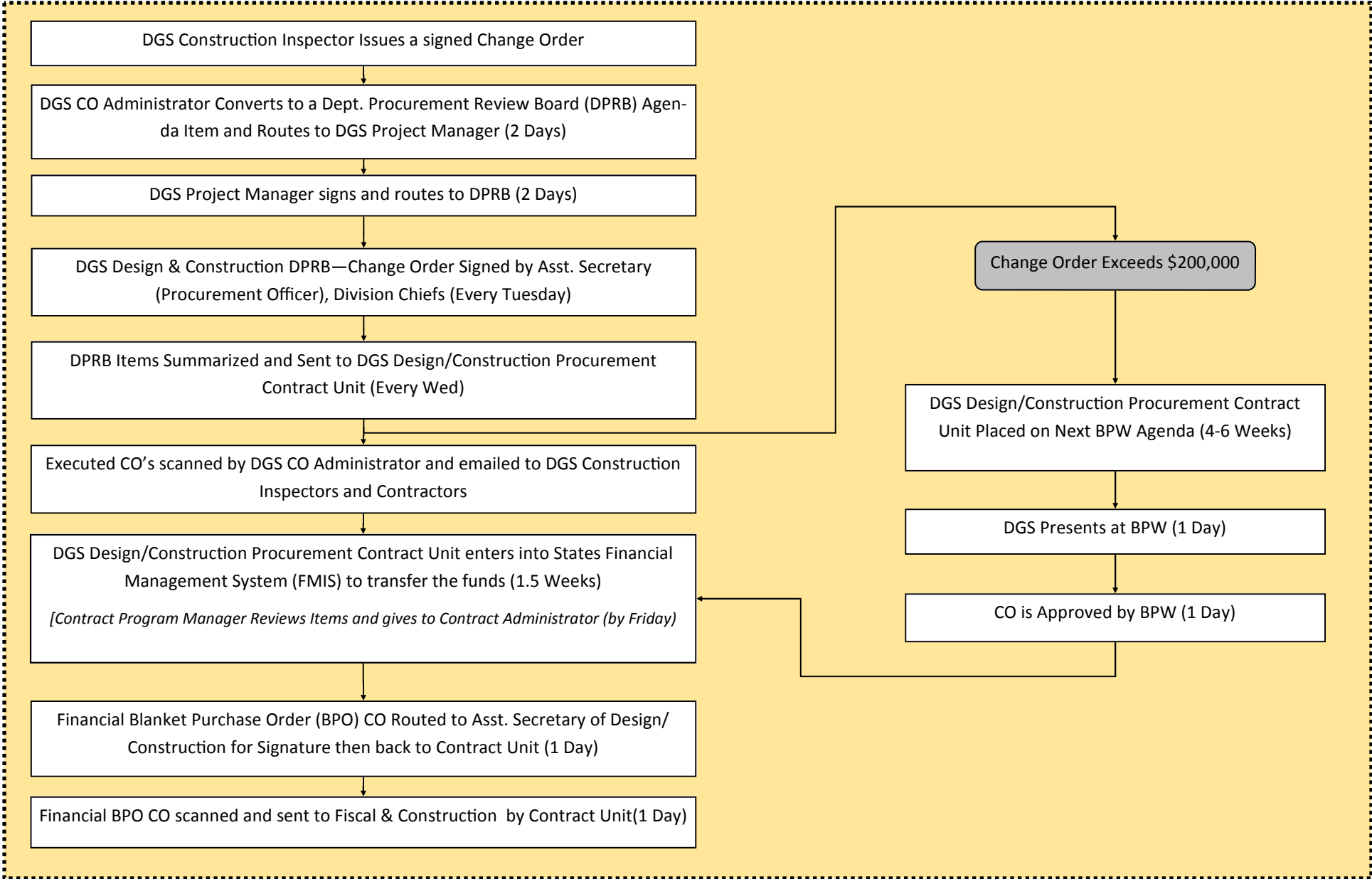
DGS CHANGE ORDER (CO) PROCESS

Updated 3/27/17





CHANGE ORDER ISSUED
PROCESS
Updated 4/17/17



IV. Change Order Forms

When changes in the work require modification of the contract price, the Contractor shall promptly submit a fully itemized breakdown of quantities and prices used in computing the value of the change along with a detailed explanation/justification on a Change Order Form provided by DGS. DGS shall complete the upper portion of the DGS Change Order form and provide it to the Contractor to be used as a cover page to his cost proposal. By his signature on this form, the Contractor agrees to provide the additional work for the additional cost and/or time indicated. Once the lower portion is signed by a DGS Procurement Officer, the modification to the contract is fully executed and the Contractor is authorized to proceed with the modified work.

A sample DGS Change Order form is shown on the next page.



MD Department of General Services
Construction Division
Change Order



Date: _____

Proposed Change Order No. _____

Awarded Contractor: _____

Contractor Email Address: _____

DGS Project Facility: _____

DGS Project Title: _____

DGS Project Number: _____

Change Order Title: _____

Change Order Description:

[Empty box for Change Order Description]

References (RFI, ASI, etc.):

Requested Time Extension:

_____ Days

Total Amount of PCO:

Contractor's Signature:

Date:

Print/Type Name & Title:

This signature certifies that all calculations of amounts requested under this PCO have been calculated in strict accordance with the terms and conditions of the contract (including the General Conditions) and applicable law.



Change Order #: _____

Change Order Type:

- Using Request
- Government Condition
- Government Condition

- _____ Design Omission
- _____ Design Error

Remarks / Justification:

[Empty box for Remarks / Justification]

Modification Amount: _____

Compensable Days: _____

Original Contract Amount: _____

Non-Compensable Days: _____

COs Previously Approved: _____

Revised Completion Date: _____

Revised Contract Amount: _____ \$ 0.00

A/E Signature: _____

Date: _____

This Change Order is:

- _____ Agreed - To Price/ Time
- _____ Force Account
- _____ Construction Change Directive

DGS Inspector _____
 DGS Area Supervisor _____
 DGS Regional Manager _____

Project Manager _____
 Chief / Deputy Chief _____
 Procurement Officer _____

Date Approved: _____

V. Work Order

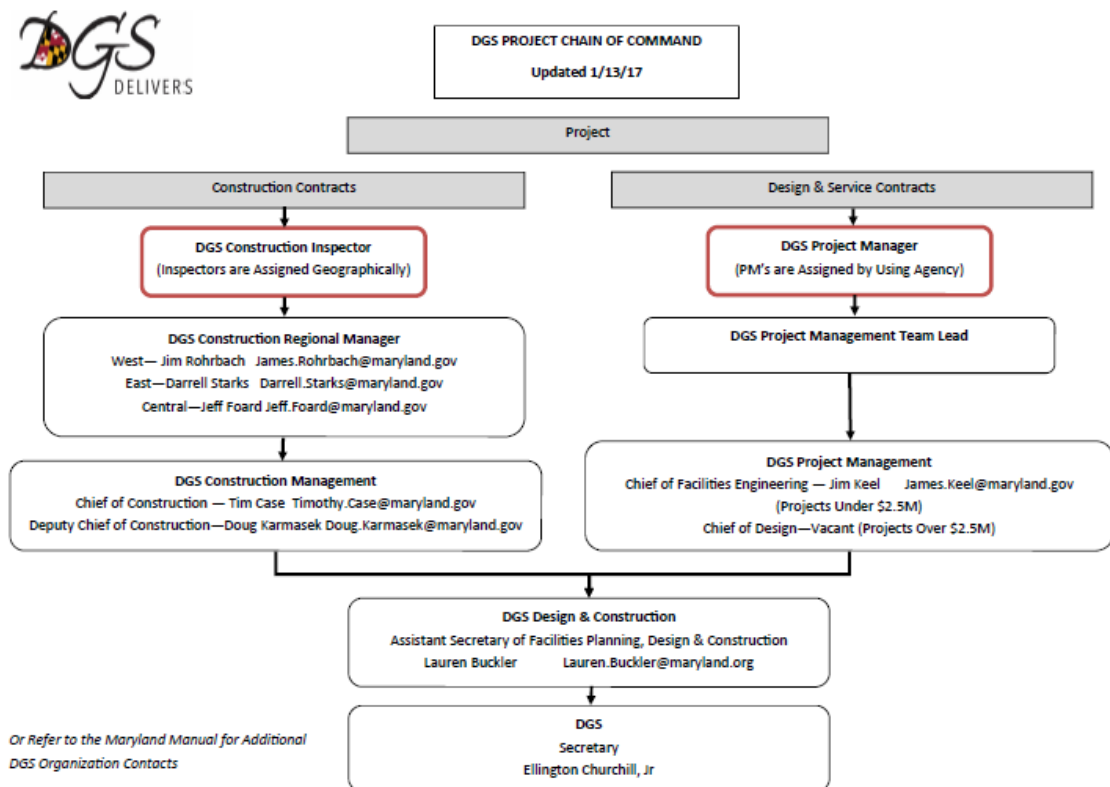
In accordance with Section 15-112 (b)(2), if the Procurement Officer and Prime Contractor do not agree that work is included within the original scope and terms of the contract, the Procurement Officer may issue an order to the Prime Contractor to perform work or to furnish labor or materials determined by the procurement officer to be required by the contract. This is further described in the General Conditions for Construction Contracts.

VI. Construction Chain of Command

DGS assigns a Project Manager to every construction project. A Construction Inspector is assigned to every construction project valued over \$25,000. The Construction Inspector is assigned based on the location of the project and is responsible for the construction contract. The Project Manager is assigned based on the Using Agency that the project is for and is responsible for the design contract and other similar design related service contracts.

The Construction Inspector and Project Manager should be the first line of communication on any project related issue. However, should they be unavailable or unable to resolve the project issue the following chain of command is available, please contact the next appropriate individual who will assist you.

The Diagram below shows the chain of command.



VII. Delegation of Authority

DGS has delegated authority from the Board of Public Works for change orders up to \$200,000. Change Orders over \$200,000 must be submitted to the Board of Public Works for review and approval, after this approval is received these change orders are signed by the individuals with Unlimited Authority within DGS.

Title	Construction Delegated Authority
Secretary	Unlimited
Deputy Secretary	Unlimited
Assistant Secretary of Procurement & Logistics	Unlimited
Director of Procurement	\$10,000,000
Procurement Program Manager, Construction Contracting	\$5,000,000
Procurement Officer Supervisor – Construction	\$1,000,000
Procurement Officer – Construction	\$200,000
Procurement Officer – A/E	\$200,000
Assistant Secretary of Facilities Design & Construction	\$200,000
Chief of Construction	\$200,000
Deputy Chief of Construction	\$25,000
Chief of Facilities Engineering	\$200,000
Construction Regional Manager	\$25,000

VIII. Payment Hierarchy

When a question arises on payment, first approach the Construction Inspector or Project Manager and discuss the item in question. If these individuals are unable to resolve the question, they will request that the Contractor put the request in writing to the Procurement Officer.

Submit a request in writing on company letterhead to the Procurement Officer explaining the payment issue. Include the name of the Job and Project number. The Procurement Officer will respond in writing to the written payment dispute submitted by the company.

DGS has an Office of Construction and A/E Procurement. The Procurement Officer contact information for each project is listed on the eMaryland Marketplace bid documentation and also on the contract. If neither is available and the procurement officer is unknown please call the contact listed below to be notified of the appropriate Procurement Officer and their contact information, please refer to the DGS Project # which can be found on the blueprints when calling in order to expedite assistance.

Contact Information:

Supervisor – Construction Procurement – Colleen Haynes

Colleen.Haynes@maryland.gov or (410) 767-4995

IX. Prime Contractor Bond Information

The Prime Contractor Bond information is available in the procurement file held by the assigned Procurement Officer.

DGS has an Office of Construction and A/E Procurement. The Procurement Officer contact information for each project is listed on the eMaryland Marketplace bid documentation and also on the contract. If neither is available and the Procurement Officer is unknown please call the contact listed below to be notified of the appropriate Procurement Officer, please refer to the DGS Project # which can be found on the blueprints when calling in order to expedite assistance.

Contact Information:

Supervisor – Construction Procurement – Colleen Haynes

Colleen.Haynes@maryland.gov or (410) 767-4995

Submit a request in writing on company letterhead to the Procurement Officer requesting the bond information on the Prime. Include the name of the Job and Project number. The Procurement Officer will respond in writing with the requested information.

All construction projects over \$100,000 require a bond.

X. Pre-Bid Meetings

Subcontractors are encouraged to attend pre-bid meetings, but not required to do so. Pre-Bid meeting attendance is required for Prime Contractors if there is an MBE Requirement. Pre-bid meeting locations, dates and times are indicated on the Solicitation Documents on eMaryland Marketplace. Meetings are typically held 1 week after advertising the project. Typically these meetings are held at the project location to allow all parties to walk the site.

XI. Pre-Construction Meetings

Subcontractors are encouraged to attend pre-construction meetings, but not required to do so. Pre-Construction meeting attendance is required for Prime Contractors. Typically these meetings are held at the project location to allow parties to walk the site.

Primes should notify sub-contractors of these meetings and allow attendance. It is strongly encouraged that MBE sub-contractors attend these meetings in order to understand documentation requirements associated with the MBE program.

XII. Subcontractor Notification

In accordance with Section 15-112 (d), within 5 days after receipt of a written change order, a Prime Contractor shall provide a subcontractor with a copy of the approved change order and the amount to be paid to the subcontractor based on the portion of the change order work to be completed by the subcontractor.