

Part II Chapter 24 Change Orders

- A. DGS Change Orders.** This procedure shall be used by Agencies when a correction or a change is required to a Purchase Order (PO) or statewide requirements contract generated by the Department of General Services (DGS) Bureau of Procurement (BOP).
- B. General.**
- 1.** Change Orders may be 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 that does not require a contract amendment.
 - g.** To exercise an option to purchase or early payment option.
 - h.** To modify the time of performance that does not alter the scope of the contract or order.
 - 2.** Change orders to POs are required when any of the following occur:
 - a.** POs may be changed as authorized by provisions in the contract.
 - b.** Change of shipping address.
 - c.** Change of supplier's address.
 - d.** Change if F.O.B. destination.
 - e.** Change in discount.
 - f.** Change in delivery date.
 - g.** Change in unit of purchase.
 - h.** Correction of price.
 - i.** Correction in quantities.
 - j.** Correction of method of shipment.

- k.** Cancellation of purchase.
 - l.** A voluntary price reduction is offered by the supplier.
 - m.** The supplier assigns its rights to payment to another party.
 - n.** There is a requirement to increase or decrease the quantities resulting from variations between estimated quantities and actual quantities.
 - o.** There is a requirement to make changes to the material within the scope of the contract that does not require an amendment.
 - p.** There is a requirement to exercise an option to purchase or early payment option.
 - q.** There is a requirement to modify the time of performance or to extend the completion date in accordance with the terms of the contract or PO.
- 3.** Change Orders 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.
 - 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.
 - 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.
 - e.** To make corrections and changes on statewide contracts and purchase orders created by DGS, BOP.
 - (1)** Corrections and changes to statewide requirements contracts, DGS generated purchase orders, and other contracts issued by DGS can only be made by the Department of General Services.

C. Agency Procedures for Change Orders to DGS Requirements Contracts or DGS Generated Purchase Orders.

1. Agency.

- a.** Checks copy of the contract or purchase order received from the Bureau of Procurement for accuracy and completeness.

- b.** Contacts the commodity specialist shown on the contract or purchase order if an error is discovered and a change to correct the error should be made or is required.
- c.** If verbal contact was made, sends a written notice to the commodity specialist confirming the conversation.
- d.** If a change order is needed to increase the contract or purchase order 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.

D. Agency Change Orders. This procedure must be used by agencies when a correction or a change to an agency purchase order (PO) is required. Agencies are not authorized to issue any changes to the Department of General Services' statewide requirements contracts or Purchase Orders.

E. General.

- 1.** Agencies are required to document the change(s) on the electronic version of the Purchase Order, in the appropriate area so that the comments and changes are viewable by the Supplier and PO approvers when the PO is printed. Document(s) supporting the changes may be attached to the Purchase Order.
- 2.** Change(s) to POs are required for any of the following:
 - a.** Change of shipping address.
 - b.** Change of supplier's address.
 - c.** Change in discount.
 - d.** Change in delivery date.
 - e.** Change in unit of purchase.
 - f.** Correction of method of shipment.
 - g.** Correction of account code.
 - h.** Overshipments which exceed the limitations imposed by [Part II Chapter 28](#) of this Handbook.
 - i.** Undershipments which exceed the limitations imposed by [Part II Chapter 28](#) of this Handbook.
 - j.** A voluntary price reduction is offered by the contractor.
 - k.** When a change in the name of the contractor occurs, but the federal identification number remains the same.

- l.** To make a change to the PO that falls within the scope of the contract or PO that does not require an amendment.
- m.** To exercise an option to purchase or early payment option.
- n.** To modify the time of performance that does not alter the scope of the contract or PO to extend the completion date beyond the expiration date of the contract or PO or any renewals or extensions.

F. Agency Procedures.

- 1.** Agency updates or corrects the PO to reflect the change(s) made.
- 2.** Agency sends a copy of the revised Purchase Order to the contractor, if required.