Administrative Policy No. 13-24

Subject:	**Contract Change Orders**
Information Contact:	Chief, Central Contracts & Legal Services Contracts, Legal, and Background Check Services Division MS 45811, (360) 664-6050 http://one.dshs.wa.lcl/fs/oss/ccs
Authorizing Source:	Chapter 39.26 RCW, Procurement of Goods and Services Chapter 39.34 RCW, Interlocal Cooperation Act Chapter 43.19 RCW, Department of Enterprise Services Chapter 43.105 RCW, Washington Technology Solutions
Effective Date:	April 11, 2016
Revised:	January 13, 2025
Approved By:	**Original approved by Pearlette J. Ramos** Senior Director, Office of Justice and Civil Rights

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Purpose

This policy establishes the requirements for completing a change order to an existing contract.

This policy, and any procedures or guidelines referenced, is intended for internal use only. The policy is not intended, nor can it be relied upon, to create any substantive or procedural rights enforceable by any party involved in matters with the Department of Social and Health Services (DSHS).

Scope

This policy applies to all organizational units of DSHS in the conduct of actions subject to the "authorizing sources" listed above, including:

- Contracts for information technology services;
- Contracts for other goods and services;
- Purchase orders;
- Interlocal agreements; and
- Intergovernmental agreements, including those with Indian tribes or nations.

Definitions

Central contracts and legal services (CCLS) is the contracting authority for DSHS. Organizationally, it is an office in the contracts, legal, and background check services division (CLBCS) of the Facilities, Finance, and Analytics Administration (FFAA). DSHS administrative policy 13.10 charges CCLS with the responsibility for establishing and maintaining statewide department policies and procedures governing all contracts for the agency.

Change request means a written request, submitted by either party to the existing contract, to modify, delete, or add, in whole or in part, to the deliverables or services of the contract, made in accordance with and within the scope of the original contract.

Change order means a written response to a change request, which is mutually agreed upon and signed by both parties to the existing contract, that modifies, deletes, or adds, in whole or in part, to the deliverables or services in the existing contract, and that is made in accordance with and within the scope of the original contract.

Contract means a legally enforceable agreement for either goods, services, or both, including information technology services. Contracts include purchase orders, interlocal agreements, and intergovernmental agreements, including those with Indian tribes or nations.

Contract manager means the specific individual in the relevant DSHS program, division, or administration who is charged with managing the contractor's continuing performance under the contract and conducting the contract monitoring activities required by administrative policy 13.11. The contract manager is often the person identified on the cover page of a DSHS-generated contract as the "DSHS contact." Alternatively, the contract manager may be the individual who is identified as such in the relevant contract's record in the DSHS agency contracts database (ACD).

Deliverable means a defined set or sub-set of certain performance obligations under the contract to be provided by the contractor (either independently or in concert with DSHS or other third parties), including without limitation those which are described in the statement of work, in the related competitive solicitation document, or in the contractor's solicitation response.

Scope means the original intent or objective of the contract. This objective or intent is defined in the contract through the contract's purpose statement and the pre-determined specific tasks, deliverables, or deadlines within the contract.

Statement of work means a document describing the work to be accomplished or product(s) to be delivered by the contractor to DSHS under the terms and conditions of a contract.

Policy Requirements

The secretary of DSHS, under authority in RCW 39.26.090 as delegated by the director of the Department of Enterprise Services (DES), and under authority in chapter 43.105 RCW, as delegated by Washington Technology Solutions, delegates authority to CCLS and its chief to sign contracts on behalf of DSHS. The chief of CCLS may sub-delegate signing authority to department staff who meet the requirements of DSHS administrative policy 13.10.

CCLS is authorized to establish and enforce statewide agency procurement and contracting policies and procedures; minimum standards for DSHS staff with sub-delegated authority to sign contracts; minimum training requirements for DSHS staff who prepare, sign, and monitor contracts; and standards for contract form and content, including general terms and conditions.

A.   Change request

1.   Change request general

    a. A change request may be created only when the statement of work in the original contract or in the original solicitation outlines a change management (change request or change order) process. If it does not, any modifications, deletions, or additions to the deliverables or services must be done via amendment or via a new contract per section C below.
    b. Either party to the original contract may submit a change request to the other party for consideration.

2.   Composition of a change request

    A change request should include the following information, if applicable:

    a. A statement as to why the change is needed;
    b. Total proposed costs, itemized by deliverable;
    c. Schedule impacts;
    d. A breakdown of the number of contractor staff hours by level needed to effect the change; and
    e. A breakdown of the number of DSHS staff hours by level needed to effect the change.

3.   Management of the change request

    The DSHS project manager, DSHS contract manager, or other DSHS point of contact as set out in the original contract, and the contractor project manager or designee set out in the original contract, are charged with managing the negotiation of the change request.

B.   Change order

1. Implementation of a change order

    a. Both parties to the original contract must agree to the terms of the change order.
    b. Only the authorized contract manager or other designee of the respective parties may sign a change order. In order to have authority to execute a change order, the DSHS contract manager or designee must have successfully completed all required DSHS contracts training.
    c. Once the parties reach agreement on a final change order, it must be documented in writing.
    d. The signed change order must be entered into the agency contracts database (ACD) in the document management tab of the original contract for tracking purposes.
    e. The DSHS contract manager must retain all approved and rejected change requests and change orders as part of the contract management file.

2. Effect of a change order

    Once a change order is finalized and signed by the authorized parties, the resulting change order becomes part of the original contract file and dictates the way in which both parties under the contract are performing work.

C.   Amendment vs. change order

Change orders are not appropriate when:

a. There is an increase or decrease in the maximum dollar value of the original contract;
b. There is a change to the end date of the original contract;
c. There is a substantial change beyond the original scope of the contract;
d. There is a substantial change beyond the original scope of the solicitation resulting in the original contract; or
e. There are changes to the terms and conditions of the original contract.

Any of the contract modifications, (a) through (e) of this section, must be made in accordance with relevant state procurement laws and policies, either via a contract amendment or through procurement of a new contract, as appropriate. DSHS programs should work directly with their key contract coordinator if there is any question as to when and how this section applies.