



**UNIVERSITY OF GUAM
UNIBETSEDÁT GUÅHAN
Board of Regents**

Resolution No. 20-42

**RELATIVE TO APPROVING A CHANGE ORDER STANDARD OPERATING
PROCEDURE FOR THE UNIVERSITY OF GUAM**

WHEREAS, the University of Guam (UOG) is the primary U.S. Land Grant institution accredited by the Western Association of Schools and Colleges Senior College and University Commission serving the post-secondary needs of the people of Guam and the Western Pacific region;

WHEREAS, the governance and well-being of the University is vested in the Board of Regents (BOR);

WHEREAS, UOG recently completed a project that required a number of change orders to bring to completion;

WHEREAS, the project revealed some weaknesses in the way change orders are handled at the University;

WHEREAS, the VPAF is recommending a new Standard Operating Procedure (SOP) governing change orders at UOG which includes a role for the BOR in approving change orders for all projects with a total contract value that exceeds \$500,000;

WHEREAS, the UOG President has concurred with the recommendation of creating a new SOP; and

WHEREAS, the Budget, Finance and Audit Committee and the Physical Facilities Committee have reviewed this resolution and recommend its approval by the BOR.

NOW, THEREFORE, BE IT RESOLVED, that the BOR hereby approves of the revised policy governing change orders incorporated into the attached Standard Operating Procedure.

Adopted this 24th day of November, 2020.

Jerold W. Filush, Chairperson

ATTESTED:

Thomas W. Krise, Ph.D., Executive Secretary

University of Guam

Request for Official Action on a Policy or Regulation

1. **Date of this request:** 11 / 10 / 2020
2. **Destination of request:** (as per governance guidance or manual)
 Board of Regents President SVP&P VPAF/CBO Other _____
 BOR Committee: Academic, Personnel, and Tenure Budget, Finance, Investments, and Audit
 Physical Facilities Student Affairs, Scholarship, Alumni Relations and Honorary Degree
3. **Originating organizational unit:** Business Office
4. **Action proponent name:** Randall V. Wiegand email: wiegandr@triton.uog.edu phone: 735-2900
5. **Action requested:** Standard Operating Procedures for the processing of Change Orders within the University
6. **Justification supporting action request:** See attached

7. **Requested effective date of action, if approved:** 11 / 24 / 2020

8. **Manual or document to be altered:**

<input checked="" type="checkbox"/> BOR Policy <input type="checkbox"/> Academics <input type="checkbox"/> Auxiliary Services _____ <input checked="" type="checkbox"/> Business Office <u>Manual</u> <input type="checkbox"/> Enrollment Management & Student Success <input type="checkbox"/> Facilities Maintenance & Services <input type="checkbox"/> Graduate Studies <input type="checkbox"/> Human Resources Office	<input type="checkbox"/> RFK Library or MARC <input type="checkbox"/> Office of Information Technology <input type="checkbox"/> Office of Marketing & Communications <input type="checkbox"/> Office of Research & Sponsored Programs <input type="checkbox"/> Safety & Security <input type="checkbox"/> Triton Athletics <input type="checkbox"/> Other _____
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Location of proposed alteration in manual: Business Office Manual **Version dated:** 11/24 / 2020

9. **Attach:**
 - a. Proposed Procedure, Regulation, or Policy language (*in unlocked finalized Word file only, no PDFs*).
 - b. Documentation showing reason and appropriate consultation with advisory and/or governance committees has been done.
 - c. Documentation of a public hearing, as applicable.

10. **Consultation Record** (as per governance guidance, manual, or courtesy)

Committee	Position	Name / Signature (use BLUE ink)	Date
Originating Unit AAC <input checked="" type="checkbox"/> NA	_____	_____	____/____/20
Appropriate Dean/Director/ Admin <input type="checkbox"/> NA	<u>VPAF/CBO</u>	<u>Randall V. Wiegand</u>	<u>November 12, 2020</u>
AD HOC Committee <input checked="" type="checkbox"/> NA	_____	_____	____/____/20
Student Gov Association <input checked="" type="checkbox"/> NA	_____	_____	____/____/20
Staff Council <input checked="" type="checkbox"/> NA	_____	_____	____/____/20
Administrative Council <input checked="" type="checkbox"/> NA	_____	_____	____/____/20
Faculty Senate <input checked="" type="checkbox"/> NA	_____	_____	____/____/20
Faculty Union <input checked="" type="checkbox"/> NA	_____	_____	____/____/20

11. **Administration Approvals** (as applicable)

<u>Anthony R. Camacho, Esq., General Counsel</u>	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	____/____/20
<u>Randall V. Wiegand</u> , VPAF/CBO	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved	<u>November 12, 2020</u>
<u>Dr. Thomas W. Krise</u> , UOG President	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved	<u>11 / 12 / 2020</u>

University of Guam Policy

Policy Type	[X] Board; [] Board-approved; [] President; [] President-approved; [] Other				
Policy/Procedure Manual Name	UNIVERSITY CHANGE ORDERS APPROVAL PROCESS				
Article No.	II	Article Title	Policies of the Business Office		
Insert Policy / Procedure in	Business Office Manual				
Approval Authority	Board of Regents	Effective	11/24/2020	Most Recent Review	11/24/2020
Responsible Executive	VPAF	Resolution No 20-42 (or other tracking no).		Date of Next Required Review (date set by Board)	As needed by VPAF
Responsible Office	Business Office	Revision Tracking	2/2/1980; 7/7/1983; 10/11/2013; 12/6/2017; 11/24/2020		
Policy/Procedure Contact & Website where document is maintained	671.735-3000; boardofregents@triton.uog.edu ; https://www.uog.edu/policy-procedures-library/				
Who Should Review (not in specific order)	[] Creating group; [] Unit Administrator(s); [] Unit Academic Affairs Committee; [] Human Resources Office; [X] Business Office; [X] Facilities & Maintenance; [] Institutional Safety Committee; [] Faculty Senate; [] Faculty Union; [] Student Government Association; [] Administrative Council; [] Academic Officers Council; [X] Vice President Administration & Finance; [] Senior Vice President for Academic & Student Affairs; [X] UOG Legal Counsel; [X] UOG President; [X] UOG Board of Regents; [] Guam Legislature; [] Governor of Guam				
Initiation / Review / Consultation / Approval History	Created by working group of the Board of Regents 1/5/1987; Approved by BOR 4/21/1987; Revised by Board 06/1999 and 01/2001; Revisions endorsed by Admin Council 09/01/2001; Revisions endorsed by Faculty Senate 10/03/2001; Union endorsed/consulted 10/15/2001; Endorsed by President 10/18/2001; Approved by BOR 11/15/2001; Amendments approved by BOR 12/6/2017 [Res. 16-22].				

1. Policy Statement

This policy identifies the policies and procedures for the processing of Change Orders within the University. This policy flows out of the Delegation of Authority policy adopted by the Board of Regents.

2. Reason for the Policy

Change orders should be minimal if there are any at all. If a project is planned properly, there should be few to none unknowns in the scope of work used for bidding any project. This policy sets forth the standard within the University that change orders should be utilized only in appropriate circumstances. These circumstances include situations where information comes to light during a project that was unknown and possibly unknowable. Another appropriate use is when a contractor brings forth an innovation that can save present or future costs for the University. Change orders can also be appropriate for situations in which there is a change in law, regulation or policy that needs to be incorporated into the contractual relationship.

3. Scope of Policy and Exclusions

This policy applies to all change orders at the University.

4. Who Should Read this Policy

This policy should be read by Business Office professionals and those with a role in contract management or the University's contract approval process.

5. Responsibilities (list those essential to the administration, compliance, review, or reporting of the policy)

Compliance, monitoring, and review

- The University President through the Vice President of Administration and Finance ensures compliance of the University Change Order process.

Reporting

- The UOG Business Office through the Vice President of Administration and Finance ensure change orders are properly approved by the designated officials. In instances where change orders are reported to the Board of Regents, it will be reported to the Business, Finance and Audit Committee.

Records management

- The UOG Business Office, General Counsel, and units managing contracts should maintain all records related to the contract.

6. Definitions (should be referenced by, and in, the UOG central definitions catalog URL)

Change Order - means a written order signed by the authorized signer directing the contractor to make changes which are approved by both parties. Change orders are needed when information becomes known that was not known or foreseen at the time of contracting and in some cases was not knowable at the time of contracting.

7. Feedback

University staff and students may provide feedback about this document by emailing policy@triton.uog.edu

8. The Policy/Procedure (with references to related UOG and non-UOG policies / procedures)

Twenty percent (**20%**) of the original contract amount is a widely recognized threshold for contractual change orders. If a change order changes the value of a contract by more than 20%, there is risk that the contract is changed substantially. If a change order or series of change orders causes the value of a contract to be changed by more than 20%, a determination should be made as to the whether the project has changed so significantly so as to require re-bidding of the scope of work for the project.

A designated authority may sign change orders up to their designated authority level. If a change order or accumulated change order exceeds 20% of the original contract value, it must be approved by the next highest signing authority level.

The amended total value of a contract determines the signatory level required on the contract. See Appendix A, "UOG Delegation of Authority, Review, and Signature Approval Process, Req'd Signatories for Contract Types 2-11, by \$ Value". For example, if a Dean signs a contract below the threshold of their signing authority, then a change order is requested, and the change order causes the total value of the contract to exceed the signing authority of the Dean, the change order would need to be approved by the Senior Vice President for Academic and Student Affairs & Provost.

If a change order or series of change orders causes a contract with an original value in excess of \$500,000 to grow by more than 20%, the Board of Regents must be notified in a written format.

9. Appendix / Appendices (put required forms here)

Appendix A

University of Guam

Delegation of Authority, Review, and Signature Approval Process

These approvals are based on BOR Resolutions: Approval of Procurement Awards and Contracts BOR 13--28 (updating 05--54, 12--18, 13--08); Increase of the Threshold for Small Purchases 18--08 (04--25); and the Purchase Card Program BOR 17--22 (15--26). (ver. April 2019)

Spending Amount	Approving Officials
Petty cash up to \$250	Deans, Directors, or Administrators (DD, A)
P-cards up to \$2,000 (see BOR P-card rules)	Deans, Directors, or Administrators (DD, A)

Procurement Award Amount	Approving Officials
Reviews ALL contracts, MOUs, MOAs, etc. for form and legality	Legal Counsel (LC)
Up to \$25K (from approved unit budgets, excluding contracts)	Deans, Directors, or Assistant Vice President (DD, AVP)
>\$25K to \$100K	Senior Vice President--Academic & Student Affairs (SVP) or Vice President Administration & Finance (VPAF)
\$101K to \$200K	President (PRES)
\$201K to \$499K	President (PRES) + Chair--BOR (CBOR)
\$500K and Up	President (PRES) + Chair--BOR (CBOR) + Treasurer--BOR (TBOR) + Attorney General (AG)

Certifying Officials	Verification
Certifying Officer (CO) or General Accounting Supervisor (GAS)	Availability of funds
Associate Comptroller/Bursar (ACOB) or Comptroller (COMP)	Availability of funds
Supply Management Administrator (SMA)	Procurement regulations
Vice President for Administration & Finance (VPAF) or Comptroller (COMP)	Sole Source procurement

Types of Contracts (not all inclusive)	Minimum Set of Certifying Signatories
1. Purchase Order: (Micro--purchase) Good or Services, Open POs <=\$2K	Deans, Directors, or Assistant Vice President (DD, AVP)
Purchase Order: Goods or Services >\$2K to \$25K	DD&A + SMA + CO--GAS
Purchase Order: Goods or Services >\$25K to \$50K	DD&A + SMA + CO--GAS + ACOB
Purchase of Goods or Services >\$50K	DD&A + SMA + CO--GAS + COMP
2. Competitive Seal Bidding and RFPs >\$50K (\$100K -- CONST)	Req'd Signatories for Contract Types 2--11, by \$ value
3. Indefinite Quantity Agreement	
4. Partnership Agreement	
5. Independent Contractor Agreement	
6. Employment Agreement -- Tenure Track	
7. Special Employment Agreement	
8. Amendment to Contract	
9. MOU's for various purposes	
10. UOG Field House License Agreement	
11. A&E and CIP Contracts	

NOTES

1. Rule--making authority for the UOG Board of Regents is found in 17 GCA § 16108: "Notwithstanding any law, rule, or regulation to the contrary, the authority of the Board to establish personnel and administrative rules and regulations shall not be subject to the Administrative Adjudication Act."

2. Pursuant to 17 GCA, Chapter 16 -- UOG Charter -- the Board of Regents is the governing board who appoints the President with the advice and consent of the Guam Legislature. Pursuant to the UOG Procurement Regulations Section 2.5 the President or his designee has authority to sign and approve contracts.

3. All contracts of \$500,000 and up require the approval of the Attorney General of Guam. As a public corporation of the government of Guam, UOG's Legal Counsel holds delegated authority to serve as an Assistant Attorney General to (1) act as a legal advisor during all phases of the solicitation or procurement process; and (2) review and approve contracts of \$500,000 or more as to form and legality.

4. All contracts for goods or services must be in compliance with UOG's Procurement Regulations as well as distributed guidelines and procedures; the Guam Procurement Law (5 GCA Chapter 5); and Guam Procurement Regulations (2 GAR Div. 4). They shall comply with federal and local government statutes.

5. VPAF is authorized to adjust petty cash level and reduce purchase order authorization levels.