

HUB SUBCONTRACT PLAN CHANGE ORDER GUIDELINES

The Change Order Form and process are a result of the following Texas Administrative Code (TAC) Rule, TAC Title 34; Part 1; Chapter 20, Sub B, Rule 20.285. "If a state agency expands the original scope of work through a change order or contract amendment, including a contract renewal that expands the scope of work, the state agency shall determine if the additional scope of work contains additional probable subcontracting opportunities not identified in the initial solicitation. If the agency determines additional probable subcontracting opportunities exist, the agency will require the contractor/vendor to submit a HUB subcontracting plan/revised HUB subcontracting plan for the additional probable subcontracting opportunities.

The HUB subcontracting plan/revised HUB subcontracting plan shall comply with the provisions of this section relating to development and submission of a subcontracting plan before any modifications or performance in the awarded contract involving the additional scope of work can be authorized by the agency. If the contractor/vendor subcontracts any of the additional subcontracting opportunities identified by the agency without prior authorization and without complying with this section, the contractor/vendor would be deemed to have breached the contract and be subject to any remedial actions provided by Texas Government Code, Chapter 2161, state law and this section."

Frequently Asked Questions:

Q: When a HUB Plan is required with a Change Order, at what point in the process should we submit the HUB Plan for approval?

A: Submit the HUB Plan at the point price negotiation is complete.

Q: If the original contract amount is \$80,000, and the change order is for \$50,000, taking the total contract amount to \$130,000, is a HUB Plan required?

A: Yes, a HUB Plan would be required because the total of the order is now over \$100,000. Even when work is in progress, if subcontracting is occurring, the HUB Plan is required. **The HSP is due prior to issuance of the Change Order PO.**

Q: If the Change Order amount is a \$100,000 or more and there is no change in scope of work and no change in subcontractor, is HUB Plan required?

A: No. However, you will be required to fill in the appropriate sections on the Change Order Form.

Q: Who initiates the Change Order Form?

A: The MDA Project Manager initiates the Change Order Form.

Q: Regarding construction projects: The HUB Plan is due at the same time as the proposal. I do not have subcontract pricing. What is the best way to respond and not have my proposal rejected?

A: The subcontract pricing should be completed to your best estimate. The information submitted in the HSP's at this point is not shared with the subcontractors and may be revised should you receive the award. To submit as 'TBD' is not acceptable.

Q: How do I know when to complete a Change Order Form?

A: Completion of the Change Order Form will be required any time the Change Order amount equals or exceeds \$100,000. Therefore, as soon as MDA's Project Manager knows the PO will extend beyond the original amount, a Change Order will be required.

Q: Change Orders frequently require a quick turn-around. When a new HSP is required, the process stipulates giving HUBs a minimum of '5 days' to respond. How should this be handled when an immediate respond is required?

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A: When an immediate response to the Change Order occurs, provide detailed written justification with your HSP. The justification should indicate selection process of the subcontractors and reasons for bypassing the 5-day requirement.