SAN DIEGO COMMUNITY COLLEGE DISTRICT

Administrative Procedure

AP 7980.1 CONSTRUCTION CHANGE ORDERS

New Procedure

OVERVIEW

All construction projects have a certain element of unanticipated and potentially unknown conditions. In addition, the owner must be able to make adjustments in the construction program to reflect changes in operation or circumstances that occur after the design is completed. This section outlines the process used for change orders to construction contracts to address changed conditions.

The construction contract documents (general conditions, special conditions, supplementary conditions, contract documents, technical specifications, design drawings, etc.) become the baseline documents when a construction contract is awarded. Any requirement for change to these documents subsequent to contract award, or to subsequently approved baseline construction schedules, must be accomplished through issuance of a change order to the Contract.

The project Construction Manager (CM) reviews and evaluates requests for changes in consultation with the project Architect and DSA Project Inspector. The CM assists in negotiating cost and schedule impacts, and submits change order recommendations to Facilities Management using the standard format in the District's contract documents.

The CM must utilize the time and material records maintained by the DSA Project Inspector on authorized change order work performed on a time and material basis, or on the basis of actual costs of labor and materials, or other work requiring daily records.

DEFINITIONS

Change Order (CO): This is a <u>written</u> order to the contractor, approved by the Vice Chancellor of Facilities Management that is issued after the execution of the contract, authorizing a change in the work and/or an adjustment in the contract sum and/or the contract time.

Change Order Request (COR): This is a document issued in order to obtain the necessary information regarding the change to the contract so that the proposed change order request can be submitted to SDCCD for signature and to become a CO.

Field Work Order (FWO): This is a document issued when it is required to expedite necessary work and avoid adverse cost impacts to the project and/or to address other emergency situations that may arise during construction not covered by the contract. The field work order allows work be done on a time and material basis per the Construction Documents on a "not to exceed basis". This allows the project schedule to be maintained while actual costs for a change are being evaluated. Ultimately, all field work orders must be converted to a COR and subsequent CO in order for the contractor to be paid. Field work orders require approval by the District CM and Vice Chancellor of Facilities Management.

ORIGINATION

Change orders may originate from a variety of sources during the course of a construction project.

- The District may order a change (e.g., redesign of interior partitions to accommodate a new layout; change the location of doors and windows to satisfy new equipment).
- The Architect or Engineer (A/E) may recommend a change (e.g., to correct a deficiency in the design, DSA requirements, or receives direction from the owner to make design changes).
- The contractor may *request* formal changes as the need may arise during the course of the project due to a variety of issues including unforeseen site conditions.
- A regulatory agency may make changes to the project to force compliance with codes or regulations.
- Deductive change orders may be issued for deletion of scope of work in the contract; backcharges due to deficient work or impacts to other trades.

Not all change orders involve money. They can be for a substitution of material, time extension, and/or change in design.

PROCESS

If the DSA Project Inspector (PI), CM and the A/E determine that there is an entitlement to a contract change, the CM establishes a preliminary "not to exceed price" and then produces a Change Order Request (COR), which defines the change and the justification for the change.

The COR must clearly define the requirements of the change, including any supplemental or revised drawings.

The COR should identify the time span in which the change order work must be accomplished. A Classification Code indicating the reason for the change should be included.

While the Contractor is pricing the COR, the CM will prepare a detailed estimate of the change to be used for negotiating the price and for backup if the Change Order exceeds $10,000. Due diligence is required to confirm the value of COs less than $10,000; however, a detailed estimate is not necessarily required.

When the Contractor returns the COR with cost indicated and the backup breakdown-of-cost, a copy of the COR is transmitted to the A/E.

The CM and A/E evaluate the cost and time impact identified in the COR. If cost and/or time submitted require negotiation, the CM will negotiate the item with the Contractor.

The final change order package should include: a record of negotiation with the pertinent correspondence clearly explaining the change order history, costs broken down with supporting documentation, labor worksheet, and other pertinent backup information. Standard forms for the labor worksheet and price breakdown are included in the General Conditions of the contract for all projects.

Per the contract documents, change orders can be issued unilaterally if the contractor does not agree to the value or the schedule impact. Disputes are resolved per the contract general conditions.

The PI, CM, and A/E need to determine if the change needs to be approved by the Division of the State Architect (DSA). If so, the A/E is responsible for processing through DSA.

Board of Trustees approval is required for all COs which exceed a cumulative 10 percent of the original contract amount. In the case where the Board of Trustees has delegated authority for approval of subsequent COs exceeding 10 percent, ratification is required within 60 days.

A change order log shall be maintained for each contract.

Supersedes: New Procedure