

# COUNTY OF TULARE

## OFFICE OF THE COUNTY ADMINISTRATOR

### ADMINISTRATIVE REGULATION NO. 14, Revision #2 (Resolution No. 96-0615 (as amended by 96-1044 & 2009-0936 ))

**SUBJECT: CONSTRUCTION CONTRACT CHANGE ORDERS**

EFFECTIVE DATE: November 3, 2009

#### DEFINITION

This regulation establishes the guidelines and procedures to be followed for the review, processing, approval and reporting of Construction Contract Change Orders.

Any change to a construction contract that involves doing any work not specified in the contract, adding or deleting work, changing methods or materials, or changing of the general provisions of the contract, requires a Change Order.

Change Order requests should be initiated as far as possible in advance of the time when the extra work is to be performed. This will allow time for negotiations, help avoid out-of-sequence work and avoid claims for delays.

When a change order is proposed, the Project Manager (the designated County representative for each project) is responsible for its timely evaluation and processing.

#### CHANGE ORDER REQUEST

The Project Manager (PM) will receive a Change Order (CO) Request, justifying the need for the proposed construction change. For each change requested, justification shall include the following items:

1. Description of the Nature of Work to be Performed.
2. Explanation of Why the Work is Necessary.
3. Budget Impacts-provide a cost estimate for all direct and indirect charges required for the proposed change including labor, materials and equipment costs, including the percentage of the additional cost in relation to the total construction cost.
4. Scope Impacts-Identify impacts upon the construction contract and building design.

5. Scheduling and Timeframe Impacts-Indicate the time requirements to perform the additional work and the impacts upon the construction schedule, including whether a time extension is required.
6. Impact of Non-approval-Indicate the impact(s) upon the project and the functionality and operation of the facility if the CO request is not approved.
7. Alternative-Indicate alternatives to the change proposal if the requested change is not approved.

### CHANGE ORDER REVIEW, ANALYSIS, SUMMARY AND RECOMMENDATION

The proposed change will be analyzed by the PM who will review the request for work adds or deletes to construction plans, specifications or design; determine the budget and schedule impacts; and determine if the proposed change is reasonably required and adequately justified.

The PM will meet with the user department, Construction Management (CM) representatives and other technical personnel, if necessary, regarding the requested change.

The user Department and CM representative will sign-off to indicate their support or rejection of the proposed change.

### FINAL REVIEW AND APPROVAL

The PM will prepare a report to summarize the justification items contained in the CO Request, and recommend approval or rejection of the proposed change. The summary report will be attached to the CO Request and submitted to the County Administrative Officer (CAO).

County of Tulare Board Resolution No. 96-0615 authorizes the CAO to approve construction CO Requests for all County construction contracts except those administered by the Public Works Director in his capacity as Road Commissioner.

### CHANGE ORDER VARIANCES

#### Change Orders of 10% or less of the Original Contract Cost

Change order amounts of 10% or less of the original contract cost may be approved by the CAO and will be reported to the Board of Supervisors at the completion of the project when the Notice of Completion is brought to the Board of Supervisors for final project acceptance.

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Change Orders Exceeding 10% of the Original Contract Cost

Change Orders exceeding 10% of the original contract cost requires competitive bidding.

NOTIFICATION

If approved, the CO document will be signed by the signing authority as delineated above. The PM or CM representative will deliver the signed CO to the construction firm.

If NOT approved, the PM or CM representative will notify the construction firm.

PAYMENT

The approved CO will be delivered to the construction firm by the PM or CM representatives. The authorized costs incurred for completing the work specified in the change order should be submitted during the construction firm's regular billing cycle.

REPORTING

Upon request of any Board member, the CAO shall provide each member of the Board of Supervisors with a copy of any approved change order in excess of \$10,000, and/or a report of all change orders signed in the preceding month.