

CAMBRIAN SCHOOL DISTRICT
MEASURE R CONSTRUCTION PROGRAM
CHANGE ORDER PROCEDURES

1. The Construction Manager (CM) maintains a Potential Change Order (PCO) Log for each project. The PCO log will provide a summary description of each PCO item and its current estimated cost and status. The PCO log will also indicate a running estimate of total changes for the project with a comparison to the Change Order budget. Weekly or as often as necessary, the Program Manager provides a pdf copy of the PCO log along with a short narrative of each PCO to the CFO to keep the Superintendent and School Board knowledgeable about potential change orders.
2. During construction, the Project Team identifies potential change orders and assigns a Potential Change Order number (PCO #) to each change for tracking purposes.
3. The Architect issues a technical solution in the form of a Request for Information (RFI) response or issues an Instruction Bulletin (IB) or Construction Change Directive (CCD) to implement a change to the construction.
4. The Project Team classifies the change which determines the necessary approval process. Classifications are:
 - a. **Necessary and urgent** – The contract work cannot proceed as designed and quick direction is required to mitigate delays and impact costs or correct a safety issue. An example would be discovering an unforeseen utility line that is in the way of a building foundation installation which is on the critical path of the construction schedule. A delay in providing direction could cause a compensable delay cost to a mobilized contractor.
 - b. **Necessary, but not urgent** – The contract work cannot proceed as designed, but the project will not be delayed or experience a significant cost increase if direction can be provided at a future board meeting. An example would be discovering an unforeseen storm drain that eventually needs to be relocated, but is not immediately impacting the construction progress.
 - c. **Discretionary, but urgent** – The contract work could proceed as designed, but an opportunity is discovered that would improve the project or save time, but the window of opportunity to act is short. An example would be discovering old galvanized water lines in a wall that needs to be covered up soon to keep on schedule. The water lines may not yet be leaking, but are nearing the end of their useful life and it would be wise to replace them while the wall is open.
 - d. **Discretionary, and not urgent** – An opportunity is discovered that would improve the project, but time is available to fully evaluate the opportunity and can wait until a future board meeting for approval. Adding additional whiteboards for instance.

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5. Based on the classification of the change, the CFO issues direction to the Team as follows:
 - a. **Necessary and urgent** –CFO provides authorization to proceed on Time and Material or fixed price up to \$60K. Above \$60K the board’s facility committee is consulted prior to giving authorization to proceed. Change order is ratified at a future board meeting.
 - b. **Necessary, but not urgent** – Construction Manager solicits cost proposal or best estimate of cost. CFO provides authorization to proceed up to \$60K. Above \$60K the board’s facility committee is consulted about whether or not the change is really necessary and can possibly wait until the next board meeting for discussion and direction.
 - c. **Discretionary, but urgent** – CFO provides authorization to proceed on Time and Material or fixed price up to \$40K. Above \$40K the board’s facility committee is consulted prior to giving authorization to proceed. Construction Manager follows up with a report of actual cost or best estimate as soon as possible. Change order is ratified at a future board meeting.
 - d. **Discretionary, and not urgent** – Construction Manager solicits cost proposal or best estimate of cost. CFO provides authorization to proceed up to \$40K. Above \$40K board direction is solicited at the next available board meeting.
6. Contractor finalizes cost proposals for each PCO and negotiates final cost and possible time extension with Program Manager.
7. The CM combines multiple PCO’s into a proposed Contract Change Order (CCO) which is submitted to the school board for ratification by consent or is placed on the agenda for discussion and approval if the PCO was deemed discretionary, and not urgent.
8. The Architect drafts the CCO which is routed to the Contractor and District for signatures. The CCO then becomes an official change to the contract.
9. The District can pay for CCO on progress billings.

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By: _____

Stephen Corl, Chief Financial Officer

Date: _____

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