

**CARROLL COUNTY PUBLIC SCHOOLS
ADMINISTRATIVE REGULATIONS**

BOARD POLICY FEF - CONSTRUCTION CHANGE ORDERS AND SUBSTITUTIONS

INTRODUCTION

Changes occur during construction projects as a result of unknown conditions, owner initiated project enhancements or design errors. It is the responsibility of Carroll County Public Schools (CCPS) to evaluate and either approve or reject requested changes based on the acceptability and appropriateness of the change proposal. This evaluation is performed in conjunction with design consultants (architect and engineer) and the construction manager when appropriate.

In addition, CCPS is responsible for reporting change orders to the Maryland Public School Construction Program (PSCP) according to the guidelines established by the PSCP Administrative Procedures Guide.

PURPOSE

This procedure provides the steps to be followed from the inception of a possible change order through approval. Each step may involve the cooperative efforts of various construction team members to gather and evaluate information so as to make decisions in the best interest of CCPS. The process remains essentially the same for projects utilizing either General Contracting or Construction Management as the project delivery method. Project consultants are responsible to advise CCPS if the change is justified and if the cost proposal is fair and conforms to the project documents. The major difference is that for the construction management project delivery method, the CM provides monitoring, evaluation and estimating services in conjunction with the consultants prior to making a recommendation to CCPS.

PROCEDURE

1. Monitoring change orders - In order to maintain proper project records and to practice effective budget management, each construction project shall have a change order log. The change order log is to contain information such as change order number, description, justification, status, estimated cost, actual cost, contractors involved, etc.

In addition, change orders and associated backup materials shall be maintained in the central project file.

2. Identification of a potential change order - The change order process begins at the point that it is first anticipated that the potential exists for modifications to the contract documents. A change order number and estimated cost should immediately be assigned to the modifications. If a change is not expected to have a financial impact, it should be listed as a no cost change order.
3. Types of change orders - There are four (4) ways a change order may proceed after identification:
 - a. Pricing followed by approval - This type should include most changes encountered on a project. There should be sufficient time allotted for the change to allow for the pricing to be prepared, evaluated and direction provided.
 - b. Price and proceed followed by approval - This type of change order usually occurs in those situations where an unknown condition is discovered and immediate direction is needed to prevent contractor delay claims or impact to the project schedule. Pricing should be received and approved ASAP after direction has been provided to the contractor.
 - c. Proceed on a time and material basis - Time and material change orders occur most often in those situations where the scope of work is not clearly defined and delay claims or schedule impact could result. Daily authorized work reports become the basis for payment. This method of change order should be utilized sparingly as the proper supervision to verify the man-hours and materials expended is extensive.
 - d. Directive to proceed followed by approval - This change order type usually becomes necessary when agreement on the cost of a change (usually change order type 3.a) cannot be reached between CCPS and the contractor. The directive authorizes the contractor to proceed to avoid schedule impact with the acknowledgment that cost negotiation will continue.
4. Change Order Authorization - There are four (4) threshold levels by which change order authorization is determined. Except where Board of Education approval is required, approval shall be provided by the Superintendent or the Superintendent's designee (i.e. Assistant Superintendent of Administration, Director of Facilities, Supervisor of Construction, Construction Project Manager).

After consensus is reached between the construction team members (architect, CM, Construction Project Manager, etc.) the Construction Project Manager will forward to the Supervisor of Construction **all** change orders with appropriate backup requesting authorization for those changes above the Construction Project Manager threshold level. The Supervisor of Construction will then obtain authorization from the Director of Facilities for those changes above the Supervisor of Construction threshold level. The Director of Facilities will then obtain authorization from the Assistant Superintendent of

Administration for those changes above the Director of Facilities threshold level. The Assistant Superintendent of Administration will then obtain authorization from the Superintendent for those changes above the Assistant Superintendent of Administration threshold level. The Superintendent will present those changes exceeding his/her threshold level to the Board of Education for approval.

It is acknowledged that there are circumstances that require direction to proceed with work prior to change order authorization by the appropriate parties. Change order types 3.b, 3.c and 3.d are examples of change orders that may require this action. Another situation arises when there is disagreement between the contractor and CCPS or A/E that a change order is valid. Under these conditions CCPS may direct the contractor, through a change directive as stipulated in the contract, to proceed with the disputed work knowing that a claim may be made in the future.

- a. Changes up to \$7,500 - Construction Project Manager authorization.
- b. Changes between \$7,501 AND \$15,000 – Construction Project Manager and Supervisor of Construction authorization.
- c. Changes between \$15,001 AND \$25,000 – Construction Project Manager, Supervisor of Construction and Director of Facilities authorization.
- d. Changes between \$25,001 AND \$40,000 – Construction Project Manager, Supervisor of Construction, Director of Facilities, and Assistant Superintendent of Administration authorization.
- e. Changes between \$40,001 and \$50,000 – Construction Project Manager, Supervisor of Construction, Director of Facilities, Assistant Superintendent of Administration Authorization, and Superintendent of Schools.
- f. Changes above \$50,000 - Board of Education authorization.

Upon final authorization, the contractor may include the cost of the change order in the following requisition for payment.

5. Notification of Public School Construction Program Office - After appropriate authorization, the Construction Project Manager will forward the change order to the Maryland Public School Construction Program in accordance with the procedures outlined in the PSCP Administrative Procedures Guide.
6. Notification of the Board of Education - Each month the values of the approved and pending change orders for projects exceeding \$500,000.00 shall be included in the School Construction Report presented to the Board of Education. This information shall be included along with the overall project budget status.