

bunker toolbox

CHANGE ORDER & CHANGE ORDER LOGS



CHANGE ORDER

Project:
Contractor:
Cost area:

Date:
Contract Date:

Title of change:
Description of change:

Contract impact:

Original contract price:

Net change by previously authorized change orders:

Total amended contract price before this change:

This change order will (increase) (decrease) the contract price by:

TOTAL AMENDED CONTRACT PRICE INCLUDING THIS CHANGE ORDER:

Basis for payment of change order:

Lump sum

YES NO

cost reimbursable

YES NO

other (see attached explanation)

YES NO

Effect on schedule: (increases) (decreases) "time of completion" by
completion date after this change order is

_____ days
____/____/____

The Contractor is hereby authorized to proceed with this above described work in accordance with the terms stated above. Execution of this change-order by both parties constitutes a binding agreement that, except as provided in this change order, no adjustment in compensation or time of performance shall be made as a result of the changes(s) described in this change order. Except as provided in this change order, all terms and conditions of the contract and all prior change orders remain in full force and effect.

CONTRACTOR APPROVAL:

OWNER APPROVAL:

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

Practical Suggestions for Change Management

From the owner's or superintendent's standpoint, consider the following suggestions in trying to cope with this potentially disastrous question of authority to or contract changes:

- (1) Carefully review the contract documents at the onset of the project to determine the changes procedures and to identify those authorized to make changes.
- (2) Make certain that your project management team understands the changes procedure to be followed, and the authority of those entitled to make changes.
- (3) Caution your project management team against reliance on changes (additions, deletions or substitutions) made informally or through the unapproved channels.
- (4) You should be watchful of Prime contractors and "informal" changes made with respect to their subcontractors work, which made be forced onto the owner/project management team as a valid change or otherwise.
- (5) If the authority to order changes is unclear, a letter should be sent immediately to all members of the external project team stating and identifying those authorized to make changes, and any limitations on the scope of that authority.
- (6) Periodically review your cost accounting procedures to see that you are adequately identifying and segregating extra costs.
- (7) Outline any procedural steps and contract time limitations, which may affect the entitlement to be paid for changed work, and make sure that your project management team has that information and operates in a manner consistent with preserving the entitlement to be paid for changes.
- (8) If you are a corporate owner, determine who is authorized to bind the corporation.
- (9) If you are a public owner, review the applicable laws to determine how the expenditure of public funds must be authorized, and follow strictly any limitations set out in those laws or in the contract documents with respect to contract changes.
- (10.) Where there is doubt, as to the scope of the Architect's or Construction Manager's authority, advise those individuals, in advance of any directive, of your plan or schedule to manage and approve any changes

As an owner, you do not want to discover late in the project that you have cloaked your project representative or architect with implied or apparent authority to order expensive changes in the work. Likewise, you do not want to have to deal with contractor claims that your brother-in-law or non-authorized consultant directed the performance of additional work. Clear definition in the contract documents of the change order procedures and those authorized to implement them is a good start to eliminating change order surprises.