Overview

- What is a Change Order
- How Change Order is created
- Change Order – Process & Controls
  - Steps 1 through 8
  - Typical Timeline Total = 75 workdays

Steps:
- Step #1: Starts process
- Step #2: RFI Request for Information (1-5 days)
- Step #3: Bulletin (15 days)
- Step #4: RFP Request for Pricing (20 days)
- Step #5: PCO Potential Change Order (20 days)
- Step #6: Process CO Change Order (10 days)
- Step #7: Approval
- Step #8: SMC Issues CO (1-5 days)
What is a Change Order

- Normal construction process for issuing changes during construction
- Alters price or time or both
- Change revisions to contract bid documents are changes to drawings and specifications
- A Change Order could be an Add or Deduct of either cost or time or both
- A Change Order could be a no cost or time change
  - Substitution of equal product or material
How Change Order is Created

- **Unforeseen Conditions**
  - Excavation / Foundations – below grade conditions
  - Existing building renovation – hidden conditions not exposed at time of design

- **Design discrepancies in drawings / specifications**
  - Architects
  - Engineers

- **District / Owner**
  - Add or Deduct any change to original scope of work
Step # 1: Contractor

<table>
<thead>
<tr>
<th>Action</th>
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<tr>
<td>Starts process</td>
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<tr>
<td>Request for Information (RFI)</td>
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- Contractor identifies potential problem
- Conflicts noted in documents
- Field questions by sub-contractors
- Clarifications of drawings or specifications
- Contractor issues RFI to SMC
Change Order Process & Controls

**Step # 2: SMC**

- **Duration = 1 to 5 workdays**
- **RFI Response** (clarification no change)
  - **Option No. 1**: Respond to RFI as clarification with no change
  - **Option No. 2**: SMC issue Field Directive if urgent due to schedule impact or potential delays
- **Field Directive** Contractor to Proceed with work (if critical to schedule)
- **SMC Process RFI or Field Directive** to Architect for Bulletin
  - **Option No. 3**: SMC process RFI or Field Directive to Architect for Bulletin
  - District to be notified as appropriate
- SMC evaluates (RFI) Request for Information
- Review drawings and specifications
### Step # 3: Architect

<table>
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<th>Duration = 15 workdays</th>
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<tr>
<td>Bulletin</td>
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- Architect evaluates Field Directive & RFI
- Determine design solutions
- Issue revisions to drawings/specifications
- SMC issue Bulletin to Contractor
- SMC request Contractor to issue (RFP) Request for pricing
### Change Order Process & Controls

#### Step # 4: Contractor

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<th>Duration = 20 workdays</th>
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<td>Request for Pricing RFP</td>
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- Contractor evaluates Bulletin
- Determine schedule impact
- Determine scope changes
- Issue cost estimate for Field Directive for time & materials work
- Issue cost estimate (price/time) from Bulletin
- SMC process as a PCO (Potential Change Order)
Step # 5: SMC

Duration = 20 workdays

Potential Change Order (PCO)

- SMC evaluates (RFP) Request for Pricing
- Estimate & reconcile price / time / scope
- Maintain monthly (PCO) Potential Change Order Log to track status
- Issue (PCO) Potential Change Order Summary showing cost / time to BOT each month
- SMC process a (CO) Change Order
Step # 6: SMC

<table>
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<th>Duration = 10 workdays</th>
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<tr>
<td>Process CO Change Order</td>
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</table>

- SMC process (PCO) Potential Change Orders into a (CO) Change Order
- Bundle PCO’s into a single CO
- Issue monthly Change Order Log
- Monitor & track changes and costs with project contingency
  - 15% - Modernization Projects
  - 10% - New Projects
- Process Change Order for BOT approval
## Change Order Process & Controls

### Step #7: BOT

<table>
<thead>
<tr>
<th>BOT Approval of Change Order</th>
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<td>At monthly meetings</td>
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- Issue to the Board of Trustees to approve Change Order
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<th>Step # 8: SMC</th>
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<tbody>
<tr>
<td>SMC issue Change Order to Contractor</td>
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<tr>
<td>Duration: 1 – 5 days</td>
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<tr>
<td>SMC issue Notice to Proceed with work</td>
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Change Order Process & Controls
Discussion

Legal Aspects

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