

CHANGE ORDER PROCEDURES

PART I: GENERAL

1.1 GENERAL REQUIREMENTS

- A. Procedures for processing Change Orders, including:
 - 1. Documentation of change in Contract Price and Contract Time;
 - 2. Execution of Change Orders;
 - 3. Correlation of Contractor submittals.

1.2 REFERENCES

- A. Blue Book is defined as the Rental Rate Blue Book for Construction Equipment (a.k.a. Data Quest Blue Book).
 - 1. Rental Rate is defined as the full-unadjusted base rental rate for the appropriate item of construction equipment.

1.3 DOCUMENTATION OF CHANGE IN THE CONTRACT PRICE AND THE CONTRACT TIME

- A. Maintain detailed records of changes in the Work. Provide full information required for identification and evaluation of proposed changes, and substantiate costs of changes in the Work.
- B. Document each proposal for change in the Contract Price or the Contract Time with sufficient data to allow evaluation of proposal.
- C. Include the following minimum information on proposals:
 - 1. Quantities of items in original Unit Price Form with additions, reductions, deletions, and substitutions.
 - 2. Quantities and cost of items in the original Schedule of Values with additions, reductions, deletions and substitutions.
 - 3. Provide Unit Prices for new items, with supporting information, for inclusion in the Schedule of Unit Price Work.
 - 4. Justification for changes in the Contract Time.
 - 5. Additional data upon request.
- D. For changes in the Work performed on a time-and-material basis, provide the following additional information:
 - 1. Quantities and description of Products.
 - 2. Taxes, insurance and Bonds.
 - 3. Overhead and profit.
 - 4. Dates, times and by who work was performed.
 - 5. Time records and certified copies of applicable payrolls.
 - 6. Invoices and receipts for Products, rental equipment, and subcontracts, similarly documented.
- E. For changes in the Work performed on a time-and-materials basis, rental equipment is paid as follows:
 - 1. Actual invoice cost for duration of time required to complete extra work without markup for overhead and profit. When extra work comprises only a portion of a rental invoice where

- equipment would otherwise be on site, compute hourly equipment rate by dividing the actual monthly invoice by one hundred and seventy-six (176). One day (1 D) equals eight hours (8 Hrs) and one week (1 Wk) equals forty hours (40 Hrs).
2. Do not exceed estimated operating costs given in Houston Area Blue Book for items of equipment. Overhead and profit will be allowed on the operating cost.
- F. For changes in the Work performed on a time-and-materials basis using Contractor-owned equipment, use Houston Area Blue Book rates as follows:
1. Contractor-owned equipment will be paid at the Houston Area Blue Book Rental Rate for the duration of time required to complete extra work without markup for overhead and profit. Utilize lowest cost combination of hourly, daily, weekly or monthly rates. Use one hundred fifty percent (150%) of Rental Rate for double shifts, one (1) extra shift per day, and two hundred percent (200%) of Rental Rate for more than two (2) shifts per day. Standby rates shall be fifty percent (50%) of the appropriate Rental Rate shown in Houston Area Blue Book. No other rate adjustments apply.
 2. Do not exceed estimated operating costs given in Houston Area Blue Book. Overhead and profit will be allowed on operating costs. Operating costs will not be allowed for equipment on standby.

1.4 WORK CHANGE DIRECTIVE

- A. The Project Manager may issue a signed Work Change Directive instructing the Contractor to proceed with a change in the Work. The Work Change Directive shall subsequently be incorporated into a Change Order.
- B. Work Change Directives shall describe changes in the Work and designate the method of determining change in the Contract Price or the Contract Time.
- C. Proceed promptly to execute changes in the Work in accordance with the Work Change Directive.

1.5 UNIT PRICE CHANGE ORDER

- A. Where Unit Prices for affected items of the Work are included in the original Unit Price Form, the Change Order will be based on Unit Prices.
- B. Where Unit Prices of the Work are not pre-determined in the original Unit Price Form, the Work Change Directive shall specify the Unit Prices to be used.

1.6 TIME-AND-MATERIAL CHANGE ORDER

- A. Provide itemized account and supporting data after completion of change, within time limits indicated for claims.

- B. The Project Manager shall determine the change allowable in the Contract Price and Contract Time.
- C. Provide full information required for evaluation of changes and substantiate costs for changes in the Work. The Project Manager shall verify all time-and-material items submitted.

1.7 CORREALATION OF CONTRACTOR SUBMITTALS

- A. For Total Stipulated Price Contracts, promptly revise the Schedule of Values and Application for Payment forms to record authorized Change Orders as a separate line item.
- B. For Unit Price Contracts, the next month's estimate of the Work after acceptance of a Change Order shall be revised to include new items not previously included with appropriate Unit Prices.
- C. Promptly revise progress schedules to reflect change in the Contract Time, and to adjust time for other items of work affected by the change and resubmit for review.
- D. Promptly enter changes to on-site and record copies of the Drawings, the Technical Specifications or the Contract Documents.

1.8 ACCEPTANCE OF CHANGE ORDER

- A. Change Orders, once executed by the Contractor and the City, shall be the only acceptable document that shall be allowed to change the Contract Price or the Contract Time.
- B. No work shall be performed that changes the Contract Price without an approved and signed Work Change Directive or Change Order. Any and all work that proceeds without authorization shall be at the Contractors expense and risk.
- C. If no change in the Contract Time is submitted at the time request for change in the Contract is submitted, it shall be awarded no time for the change. Time shall not be submitted at the end of the project to recoup lost time due to changes in the Work.
- D. Time-and-material changes shall be finalized in a Change Order after the change in work has been completed. Actually time paid under this Change Order shall be added to the Contract to change the Contract Time.

END OF SECTION