

<h1>POLICY MANUAL</h1>	Date Adopted: March 13, 2002
Classification: CONTRACT ADMINISTRATION	Date Last Amended:
Subject: Contract Change Orders	Approved By:

Background

Construction projects invariably require in-progress change orders. Change orders modify the description of the work to be performed and therefore change the cost of the project. Change orders result from (1) changes identified during the project which are necessary to complete the project as planned and to function as intended (these changes are within the scope of the original contract); and (2) changes which modify the scope of the project and which are pursued to achieve service or economic objectives not anticipated at the time of project design and contract award.

Because the need for change orders arises during construction, the time required to achieve change order approval can be critical to the project schedule. This policy prescribes the administrative procedures which are to be used to process and approve change orders.

Policy

It is the policy of the Board of Directors to prescribe administrative approval procedures for the two classes of change orders: (1) change orders within the scope of the original contract; and (2) change orders which modify the scope of the original contract. It is also the policy of the District that the negotiation and approval of change orders shall include the compensible work

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units, the compensation therefore, and the determination of the time, or means of determining the time, which will be allowed to perform any work added by change order.

I. Change Orders Within the Scope of Work

- A. The General Manager is authorized to execute change orders, which in their aggregate as to any contract do not exceed \$25,000.

- B. The Chairman of the Board of Directors and the General Manager are jointly authorized to execute change orders, which in their aggregate as to any contract, do not exceed the greater of \$50,000 or 10% of the original contract, up to a maximum of \$100,000.

- C. Change orders in excess of \$100,000 shall be approved by the Priorities and Programming Committee of the Board of Directors.

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II. Change Orders Which Modify the Scope of Work

By definition, these change orders include all contract change orders which substantially change the character and scope of the contracted project, work or product as described in the project/product specifications. Prior to executing such a change order, District staff shall evaluate the option of contracting separately for the involved work, and the benefits associated with the proceeding by means of a change order.

- A. The General Manager is authorized to execute change orders, which in their aggregate do not exceed \$25,000.

- B. Change orders in excess of the limits delegated to the General Manager in Section II. A., shall be first approved by the Board of Directors.