



ADMINISTRATIVE PROCEDURE

CHANGE ORDERS FOR CONSTRUCTION CONTRACTS

7430
Procedure No.

July 1, 2005
Date

- I. **PURPOSE:** To establish procedures for processing construction contract change orders and to assign responsibilities for Administrative approval.
- II. **POLICY:** The Chief Executive Officer (CEO) or appointed designee, is authorized to approve change orders that are less than or equal to \$25,000. The CEO will notify the Board of Education of all approved change orders at the time the completed project is submitted for final acceptance and payment. (Board Policy 7430)
- III. **INFORMATION:** Proposed change orders exceeding \$25,000 in construction contracts, or any other contract relating to a matter where prior approval of the State Interagency Committee on School Construction is a prerequisite, must be approved by the Board of Education at a duly constituted meeting prior to modifying the construction contract.
- IV. **DEFINITIONS:**
 - A. **Change Order:** Any change to an existing construction contract, which authorizes a change in the contract amount, plans and specifications or adjusts the number of days for contract completion.
 - B. **Letter of Modification:** A minor change in contract documents, which does not significantly alter the plans or specifications and does not involve a change in contract amount or time of completion.
- V. **PROCEDURES:** The following procedures apply to development and approval of change orders.
 - A. **Responsibilities:**
 1. **General:** The responsibilities of the owner, architect, and contractor shall be as specified in the general conditions of the contract, AIA Document 201, "General Conditions of the Contract for Construction" (latest version) as may be modified by supplemental general conditions. AIA Document 201 shall be made a part of each construction contract.
 2. **Architect:** The architect is responsible for the preparation of all change orders. He or she shall review all change order proposals and recommend approval or disapproval based on an interpretation of the contract documents and the contractor's proposal.
 3. **Planning and Architectural Services:** The Director of Planning and Architectural Services shall review all change order proposals



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submitted by the architect and make a recommendation for approval or disapproval. The Director of Planning and Architectural Services shall have the authority to approve all Letters of Modification.

B. Authority for Approval:

1. Director of Planning and Architectural Services: The Director of Planning and Architectural Services shall have the authority to approve change orders not exceeding \$5,000.
2. Chief Executive Officer or Designee: The CEO or designee shall have the authority to approve change orders above \$5,000 but not exceeding \$25,000.
3. Board of Education: The Board of Education must approve all change orders in excess of \$25,000.

C. Processing: All change orders shall be reviewed and prepared for the signature of the appropriate approval authority within ten (10) days of receipt. Change orders ready for and requiring Board of Education approval received ten (10) days prior to a Board meeting shall be placed on the Board of Education agenda for that meeting. In the event an urgent approval is necessary, the CEO may ask the Board Chair to poll the Board to obtain proper approval.

- VI. **RELATED POLICY AND PRODEDURE:** Administrative Procedure 7100, Capital Improvement Program – New Construction and Board of Education Policy 7100, Capital Improvement Program, may generate contracts requiring change order administration.
- VII. **MAINTENANCE AND UPDATE OF THESE PROCEDURES:** These procedures originate with the Office of the Chief Administrator for Supporting Services and updating will be accomplished as may be necessary.
- VIII. **CANCELLATIONS AND SUPERSEDURES:** This Administrative Procedure cancels and supersedes Administrative Procedure 7430, dated October 21, 1975.
- IX. **EFFECTIVE DATE:** July 1, 2005.

Approved by:
Howard A. Burnett
Interim Chief Executive Officer

Distribution: Lists 1, 2, 3, 4, 5, 6, 10, and 11