

## **Change Orders**

Effective: January 2, 1996

## **UDOT 08B-10**

Revised: October 5, 2016

### **Purpose**

To establish policy, procedure, and responsibility for developing and approving construction contract Change Orders for the Utah Department of Transportation (Department).

### **Policy**

Change Orders are a necessary tool to change the conditions of construction contracts as it is not possible to anticipate every condition that may be encountered during the contract. In no instance will extra work be started without a Change Order or Authorization to Proceed being first prepared and executed in accordance with the following procedure. Authority to approve Change Orders on projects is assigned as designated herein.

Procedures in this policy require an understanding of the applicable articles of Sections 00555, 00725, and 01282 of the Utah Standard Specifications for Road and Bridge Construction and the Construction Manual of Instruction. Persons with responsibilities assigned in this policy should review these requirements and those of policy and procedure 08-4, Project and Program Cost Control.

## **Procedure**

### **Change Orders**

**UDOT 08B-10.1**

**Responsibility:** Resident Engineer (RE)

### **Actions**

#### **Resident Engineer Contingency**

1. Negotiate with the project manager prior to advertising the amount that will be held as RE contingency on the project.
  - a. This amount will be a minimum of \$5,000 and a maximum of \$25,000 per project, and will be included as a non-bid item in the contract.
  - b. Use RE contingency during construction to make minor adjustments to the contract for items that do not require a change order.
    - 1) These adjustments will not change the project scope beyond the project definition document, change specifications, add contract days, or exceed the RE contingency amount.
2. Document all RE contingency spent on an Exception Agreement Memorandum Form.

#### **Change Orders**

3. Recommend approval of all Change Orders to the approving authority.
4. Review the proposed Change Order with the District Engineer and Project Manager prior to negotiations with the Contractor.
5. Identify potential project issues that may result in contract change orders as early as possible. Discuss proposed contract changes with the Project Manager and District Engineer.
6. Include the Department technical area representatives and Local Government's representative in this discussion when applicable.
7. Define the scope of proposed changes to the contract; including a preliminary estimate of quantities, costs, and additional time required before negotiating changes with the Contractor.

8. Prepare the change order after completing negotiations with the Contractor.
9. Prepare an Authorization to Proceed (Form C107 - Record of Authorization to Proceed With Extra Work or Revision of Contract) for a contract change when the time necessary to prepare, submit, and obtain approval of a Change Order would delay the orderly progress of work.
10. Finalize a Change Order within thirty days of executing a C107 for the work delineated in this document.

**Responsibility:** District Engineer

11. Approve all Change Orders for Federal participation and specification changes, according to the Federal Highway Administration – Department Stewardship and Oversight Agreement.
12. Review all adjustments on the Exception Agreement Memorandum form periodically to determine federal eligibility of these items.

**Responsibility:** Project Manager

13. Approve budget for Change Orders valued up to \$100,000, provided the Change Order doesn't increase the Total Project Cost Estimate (TPCE) above the Project Value (PV).
14. Approve change orders that change the scope or impact the duration of the contract.
15. Recommend for approval Change Orders that exceed the approval limit.
16. Consult with the Region Director, Program Manager, District Engineer, and others as necessary.
17. Obtain additional project funding before final approval of change orders that increase the TPCE above the PV.

**Responsibility:** Program Manager

18. Coordinate with the Region Director and Program Finance to obtain additional funding for the project or help adjust the revised project scope to stay within the PV when the TPCE with the addition of the Change order exceeds the PV.

19. Help the Region Director and Program Finance prepare the presentation to the Commission or Joint Highway Commission (JHC), when Commission or JHC approval is required for additional funding.

**Responsibility:** Region Director

20. Approve Change Orders exceeding \$100,000 up to an amount that increases the TPC by 25 percent or \$500,000 over the Commission Approved Amount (CAA), whichever is less, when the Region Director has available funds to cover the increased TPCE.
  - a. The Region Director's approval authority is limited to \$250,000 on projects where funding is administered by Metropolitan Planning Organizations (MPOs) or the JHC.
  - b. The funding categories affected by the \$250,000 limit include STP – Urban, CMAQ, STP – Rural, STP – Small Urban, and Bridge Off System.
21. Obtain approval for additional funding from the Transportation Commission or JHC or both in the case the change order causes the TPCE to exceed the CAA by 25 percent or \$500,000 for Commission approved projects or \$250,000 for JHC or MPO administered projects.