




<p>Title</p> <p>Change Order/Amendment Administration</p>	<p>Document Code No.</p> <p>CON 7-8-2 (AEP)</p>
<p>Department/issuing Agency</p> <p>King County Executive</p>	<p>Effective Date.</p> <p>MAY 15, 2009</p>
<p>Approved</p> 	

1.0 SUBJECT TITLE: Change Order/Amendment Administration

1.1 EFFECTIVE DATE: 10 days after approval

1.2 TYPE OF ACTION: Supersedes CON 7-8-1 (AEP) "Change Order/Amendment Administration" dated October 1, 2000

1.3 KEY WORDS: Change Order, Amendment Administration

2.0 PURPOSE:

2.1 To establish policies and procedures for administration of CHANGE ORDERS/AMENDMENTS for PROFESSIONAL SERVICE and CONSTRUCTION SERVICE CONTRACTS.

3.0 ORGANIZATIONS AFFECTED:

3.1 All Executive Departments, Offices and Agencies.

4.0 REFERENCES:

4.1 CON 7-13-1 (AEP) Introduction to Construction Management Policies and Procedures.

4.2 CON 7-9-2 (AEP) Capital Project Planning and Management.

4.3 CON 7-7-2 (AEP) Procurement for Capital Projects.

4.4 CON 7-14 (AEP) Design Management.

4.5 CON 7-10-2 (AEP) Project Control Officer.

4.6 CON 7-5-1 (AEP) Project Closeout.

4.7 FIN 15-2-1 (AEP) Audits of Construction Management Practices.

5.0 DEFINITIONS:

5.1 See CON 7-13-1 (AEP) Appendix A "P&P Defined Terminology".

5.2 Project Control Officer (PCO)

6.0 POLICIES:

6.1 The following policies shall apply to the use of CHANGE ORDERS and AMENDMENTS:

6.1.1 All CONTRACT changes shall be documented by an approved CHANGE ORDER or AMENDMENT.

6.1.2 CHANGE ORDERS/AMENDMENTS shall be used to add or delete work from a CONTRACT only when the work is within the CONTRACT'S "SCOPE OF WORK".

6.1.3 CHANGE ORDERS/AMENDMENTS shall not be used to add work to a CONTRACT that is outside of the CONTRACT'S "SCOPE OF WORK" unless it is accompanied by a PROCUREMENT WAIVER.

6.1.4 All CHANGE ORDERS/AMENDMENTS shall be executed by the IA section or division manager or designee, subject to the provisions of Policy

6.1.5. If the proposed CHANGE ORDER/AMENDMENT causes cumulative CHANGE ORDERS/AMENDMENTS to exceed 10% of the original CONTRACT value, the IAD or their designee must approve the CHANGE ORDER/AMENDMENT Justification Form (attached as Exhibit A) prior to submitting the CHANGE ORDER/AMENDMENT to the CONTRACTOR or CONSULTANT for signature and the County's execution of the CHANGE ORDER/AMENDMENT. Verbal authorization by the IAD or designee is acceptable, so long as a written authorization is then documented in the project files. Based on individual CONTRACT circumstances, the IAD or designee may at their discretion, and establish in writing an increase or decrease to the threshold for requiring management signature approval for CHANGE ORDERS/AMENDMENTS. The IAD or designee may also increase this threshold during the course of a CONTRACT at their discretion.

6.1.6 The PCO will always be available to assist IAs during the CHANGE ORDER/AMENDMENT process if questions arise regarding use of the CHANGE ORDER/AMENDMENT Justification Form or the required approval process.

7.0 PROCEDURES:

Action By Action

Project
Representative

7.1 DOCUMENTATION procedures for CHANGE ORDERS/AMENDMENTS shall be as follows:

7.1.1 The required DOCUMENTATION elements are shown on the attached form at Appendix C.

7.1.2 The CHANGE ORDER/AMENDMENT Justification Form should be completed as the CHANGE ORDER/AMENDMENT is developed, approved (if required), and negotiated, but prior to submitting the CHANGE ORDER/AMENDMENT to the CONTRACTOR or CONSULTANT for signature and the County's execution of the CHANGE ORDER/AMENDMENT.

7.1.3 The CHANGE ORDER/AMENDMENT Justification Form includes a description of the change, the reason for the change, the contractual entitlement for the change, and the effect of the change on the cost and schedule of the project.

7.1.4 For CONSULTANT CONTRACTS and/or AMENDMENTS over the established threshold, the IA PROJECT REPRESENTATIVE shall refer the SCOPE OF WORK and accompanying cost ESTIMATE, at the same time, to the responsible PCO for advice and consultation in advance of the final round of negotiations. See also CON 7.10 Project Control Officer for established PCO thresholds.

7.1.5 Recognizing that the IA has both the authority and responsibility to negotiate the CONSULTANT CONTRACT and/or AMENDMENT scope and costs which includes internal department processes for review, the IA shall take PCO recommendations under consideration, particularly those identified as significant. The IA PROJECT REPRESENTATIVE will notify in writing the responsible PCO if he or she is not incorporating or addressing PCO significant recommendations in the final negotiated CONTRACT or AMENDMENT prior to its execution.

7.1.6 The IA PROJECT REPRESENTATIVE is responsible to refer CONSULTANT CONTRACT AMENDMENTS to the assigned PCO for review according to the following thresholds:

A. For all IA's except WTD (Wastewater Treatment Division):

1. AMENDMENTS valued at or over \$150 thousand on CONTRACTS under \$2 million are referred to the IA PCO for review according to the IA's review guidelines.

2. AMENDMENTS valued at or over \$150 thousand on CONTRACTS over \$2 million are referred to the DOF PCO for advice and consultation.

B. For WTD (Wastewater Treatment Division):

1. AMENDMENTS valued at or over \$300 thousand on CONTRACTS under \$4 million are referred to the IA PCO for review according to the IA's review guidelines.

2. AMENDMENTS valued at or over \$300 thousand on CONTRACTS over \$4 million are referred to the DOF PCO for advice and consultation.

7.1.7 The PCO and the County Executive Auditor may, from time to time on a selective basis in their oversight roles, review project change files and provide an evaluation of the adequacy of the required DOCUMENTATION. The objective of this review is to ensure project compliance by providing additional training, advice, and recommendations as needed to ensure future project compliance with the P&Ps.

7.2 Changes outside the SCOPE OF WORK:

7.2.1 The PROJECT REPRESENTATIVE must obtain a PROCUREMENT WAIVER prior to the performance of any work outside the previously agreed upon SCOPE OF WORK.

Project Representative

7.2.2 If the PROCUREMENT WAIVER is approved, the work may be added via a CHANGE ORDER/AMENDMENT, in accordance with the procedures outlined above for Changes within the SCOPE OF WORK. A copy of the fully executed PROCUREMENT WAIVER must be attached to the CHANGE ORDER/AMENDMENT in the project file.

7.2.3 If the PROCUREMENT WAIVER is not approved, the proposed work must be competitively solicited or performed by County forces within statutory guidelines.

8.0 RESPONSIBILITIES:

8.1 The PROJECT MANAGER and PROJECT REPRESENTATIVE are responsible for insuring all CHANGE ORDERS/AMENDMENTS are administered, documented, and approved in accordance with the requirements of this policy and procedure.

Division: King County Executive

Effective Date: 5/25/09 CON 7-8-2 (AEP)

9.0 APPENDICES:

9.1 Appendix C: King County Change Order/Amendment Justification Form.

**Appendix C
King County
Change Order Justification Form**

*** This form is to be used for change orders only, not field directives.

Contract No.:	Project Name:	Contractor / Consultant:
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Proposed Change No.:	County's Project Representative / Phone No.:
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<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:20%;">Schedule</td> <td>Original Start / End:</td> </tr> <tr> <td></td> <td>Previous Changes:</td> </tr> <tr> <td></td> <td>Days This Change:</td> </tr> <tr> <td></td> <td>Revised Start / End:</td> </tr> </table>	Schedule	Original Start / End:		Previous Changes:		Days This Change:		Revised Start / End:	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:20%;">Contract Value</td> <td>Original:</td> </tr> <tr> <td></td> <td>Previous Changes:</td> </tr> <tr> <td></td> <td>Amount of this Change:</td> </tr> <tr> <td></td> <td>Revised Contract Value:</td> </tr> </table>	Contract Value	Original:		Previous Changes:		Amount of this Change:		Revised Contract Value:
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Contract Value	Original:																
	Previous Changes:																
	Amount of this Change:																
	Revised Contract Value:																

Findings of Fact:	
Change Description and Chronology of Key Events:	
Reason for Change:	
Relevant Contract Provisions: (Include contract provision citations & reference to specifications or drawings)	
Record of Negotiation:	
Outstanding Issues:	

Contractor's Cost Proposal:	\$	Negotiated Amount:	\$		
County's Independent Cost Estimate:	\$	Contingency Remaining After Proposed Change:	\$	%	

Documentation Checklist & Dates of Submission:					
Date	In File		Date	In File	
/ /	_____	Change Order Form	/ /	_____	County's Independent Cost Estimate
/ /	_____	Draft Change Order	/ /	_____	Budget Revision Form
/ /	_____	Contractor's Change Proposal	/ /	_____	Verification of Funds Available for the Change Order

Project Representative's Signature:	
Department Management Signatures:	(As defined by Dept's project management plan)
Pre-Authorization	Circle: YES or NO Not to Exceed: \$ _____ And/Or _____ Days