

# **Attachment 1**

## **Change Order Management and Disposition**

### **Change Order Oversight Committee – CO<sub>2</sub> Creation, Function, and Authority**

Due to the extremely tight schedule for this construction, and in an effort to avoid potentially costly delays, Staff is proposing that all construction Change Orders be managed, reviewed and approved utilizing a Change Order process, which will include the Contractor, Project staff (CM Team) and Village Senior Management (CO<sub>2</sub> Committee). Change Orders will be prepared by the Contractor, presented to the Construction Manager, reviewed by the CM Team, with final disposition by the CO<sub>2</sub> Committee.

In no event can the cumulative value of all Approved Change Orders, less the value of the work remaining, exceed the Board's approved not-to-exceed construction budget.

#### **Contractor's Role**

The Change Order process proposed requires the Contractor to provide a written, signed and dated detailed scope and cost proposal for the added or changed work being requested, as well as two possible alternates (if they exist), as well as a justification for the requested additional work. The Change Order will be presented to the Construction Manager, who will date and sign it as being received.

#### **CM Team**

Within 48 hours of receipt the Change Order will be reviewed by the Construction Manager and Village Staff, including the Director of Public Works (CM Team), for further action and recommendation for disposition by the CO<sub>2</sub> Committee. Prior to providing recommendation, the CM Team may call upon the Design Engineer for further review, clarification or recommendation regarding technical matters concerning the Change Order before forwarding the Change Order to the CO<sub>2</sub> Committee for review and recommendation.

#### **Change Order Oversight Committee – CO<sub>2</sub>**

A Change Order Oversight (CO<sub>2</sub>) Committee comprised of the Village Manager, the Director of Public Works and Engineering, the Director of Finance, the Director of Public Works and Engineering, and the project's consultant Construction Manager is proposed to provide timely disposition of every Change Order presented .

This Committee will meet weekly (or more or less frequently as needed) to provide direction to the Contractor regarding the Contractor's requests for the authorization of changes that affect the Contractor's bid, or ability to perform the work per the approved schedule.

After receiving the Change Order from the CM Team, the CO<sub>2</sub> Committee will review all Change Order requests, and shall make a determination regarding every request that will either Authorize, provide a Request for Information (RFI), or Reject the Change Order.

### **Approved Change Orders**

Upon the authorization of the Change Order by the CO<sub>2</sub> Committee, the Contractor may proceed with the requested work per the terms of the Authorized Change Order. Authorization is defined as the signature on the Change Order by the Village Manager, the Director of Finance, and the Director of Public Works and Engineering, or any of their Proxy's (Notice of Proxy to be provided to CM Team by member requesting temporary substitution).

### **Returned Change Orders**

When Change Orders are returned to the Contractor bearing a Request for Information, a short narrative by the CM Team shall be placed on the returned Change Order stating why it was returned, and what shall be required of the Contractor before it may be resubmitted.

### **Rejected Change Orders**

If a Change Order is Rejected, a written explanation for the rejection will be noted on the Change Order, and the Change Order shall be returned to the Contractor by the Construction Manager.

### **Change Orders having a cumulative value up to \$2,500.00**

As Change Orders often involve small items that are of less significance and expense, for those Change Orders having an individual or cumulative value of \$2,500.00 or less, a more streamlined process may be utilized. Both processes require the exact same information from the Contractor with review by the Project staff. The difference is that signature authority rests with the Director of Public Works and Engineering, and more importantly the speed of resolution and approval.

All Change Orders individually or cumulatively less than or equal to \$2,500.00 for a given scope of work will follow the Contractor submittal and review process by the CM Team as outlined above, except that the Change Orders do not require CO<sub>2</sub> Authorization. In these instances, the Change Order Authorization may be provided by the Director of Public Works and Engineering, and shall be reported monthly as outlined above.

### **Potential Change Orders**

The Construction Manager will also keep a log of all "Potential Change Orders (PCO)" which shall consist of items not yet fully developed for presentation as a Change Order by the Contractor. This PCO log shall be reviewed by the CM Team who will provide written or verbal notice to the Village Manager and Director of Finance regarding matters of concern that may be forthcoming.

### **Reporting to Board of Trustees**

The CO<sub>2</sub> Committee shall provide to the Board of Trustees at their second meeting of each month, a monthly report regarding the Project's status, including a progress report and financial recap of construction costs, the cost of all approved and pending Change Orders, that have come before the Committee, and the costs associated with Potential Change Orders that have been submitted by the Contractor, but not yet acted upon by the CM Team. In no event can the cumulative value of all Authorized Change Orders, less the value of the work remaining, exceed the approved not-to-exceed budget value contained within the Ordinance authorizing the construction contract.