



# Change Orders Block 3 - How to Execute a Change Order

An Online Continuing Education Course for Engineers

**Course Number: P-2003**

**Credit: 2 Hours / 2 PDH / 2 CPD**

## **COURSE DESCRIPTION**

The course "How to Execute a Change Order" presents a procedure and forms for executing a change order, presents a procedure for a post-bid addendum, and considers some Change Order ethics.

## **PERFORMANCE OBJECTIVES**

#3A The Owner and the Architect determine the format of the change order process.

#3B Architect and Engineer, collect work items as appropriate and request a Change Order Proposal from the Contractor.

#3C Contractors, prepare Change Order Proposals with cover letter, summary page, and well prepared "breakdown" sheets.

#3D Owner, Architect and Engineers evaluate the Contractor's Change Order Proposal.

#3E Architect (or Engineer as prime professional on a project), prepare a Change Order Proposal and present it to the Owner for signature.

#3F If the Owner signs the Change Order Proposal, it becomes the change order.

#3G Architect and Engineer maintain and update a Change Order log as offense and defense against allegations of error or omission.

#3H Learn the meaning of Post-Bid Addendum and a method to prepare one.

#3I Contractor perform work only after receiving a signed change order.

#3J Consider some Change Orders Ethics

## **INTRODUCTION**

Construction is a process. Change orders are part of the construction process. It is necessary to understand the construction process before you will understand the purpose of change orders.

Change Order Proposals (COP) and Change Orders have a procedure. This course discusses one procedure and one set of forms. As you perform your work, I recommend that you adapt to the project Owner's change order procedure (if any) and to your company's policy.

A Post-Bid Addendum has a procedure. This course discusses one procedure. As you perform your work, I recommend that you adapt to the project Owner's procedure (if any) and to your company's policy.

## **CONCLUSION**

Architect and Engineer, take the initiative to present the Change Order procedure and form work for the Contractor to follow. Consider the Owner's requirements, if any. Contractor, present an orderly, thorough and well documented Change Order Proposal. In this manner the Owner, Architect and Engineer can better evaluate the COP. Please be fair with the Owner for both credits and charges. Architect and Engineer, work together to prepare the Change Order Proposal. Describe the proposed change items. Plan the approximate cost of the work. Owner, review the COP with the Architect to optimize understanding and confidence in the change order procedure. Architect and Engineer, update your change order log while you still remember the circumstances.

I wish for you that you will enjoy your work and make a profit. May a smooth change order procedure contribute to that objective.

## **CHANGE ORDERS BLOCK 3**

### **HOW TO EXECUTE A CHANGE ORDER**

#### **#1A WHAT IS A CHANGE ORDER?**

A Change Order is the Owner's order to revise the Owner's agreement with the Contractor regarding the contract work's cost, time, materials or methods.

Construction is a process. Change orders are part of the construction process.

The Owner employs an Architect and Engineers to develop the Owner's visualization into Contract Documents consisting of drawings and specifications.

The Owner bids these Contract Documents. During bidding, the Architect issues additions, deletions and corrections as addenda which are part of the Contract Documents.

The Owner's Agreement with the Contractor consists of a contractual agreement in writing signed by both the Owner and the Contractor. The agreement lists the Contract Documents (specifications, drawings, and addenda) which are part of the agreement.

The successful bidder becomes the Contractor. During construction, other contract documents are developed: submittals, shop drawings, field orders, field sketches, and CHANGE ORDERS.

## **HOW TO EXECUTE A CHANGE ORDER**

### **#3A DETERMINE THE CHANGE ORDER FORMAT**

The Architect should specify the Change Order procedure and format. The Owner may have a specific change order procedure and format. If not, the Architect may coordinate with the Owner and Engineers to establish a procedure and format for the project.

If the Architect does not establish a procedure or format, the Contractor will effectively determine the procedure from necessity. Contractors present many formats of cover letters, summary sheets, and “breakdown” sheets. Some Contractors have no format and invent a new arrangement for each letter.

### **EXAMPLE OF A CHANGE ORDER PROCEDURE**

On a hospital project the Owner had no set procedure. The Architect, Owner and Engineers met and agreed upon this procedure.

Whoever initiates a Request for a Change Order for a work item sends it to the Architect. The initiating person may be the Owner, Architect, an Engineer, a Contractor, or a Subcontractor.

The Architect issues a Request for a Change Order Proposal (COP) from the Contractor, who then prepares a material, price and time estimate. The Contractor sends the COP to the Architect.

The Architect sends copies of the COP to the Owner and Engineers for review and comment. They return their comments to the Architect.

The Architect works with the Owner to collect work items and to sort work items into Change Order Proposals.

The Architect prepares a Change Order Proposal (COP) and sends it to the Owner and Engineers for review. The Owner may work with the Architect to edit the COP.

When the Owner signs the COP, the COP becomes the Change Order. (CO)

### **ALTERNATE TERMS**

Some Architects or Owners use the term Change Order Proposal (COP). Other Owners use the term Proposal for a Change Order, and issue PCO numbers. In this course I will use the term Change Order Proposal (COP).



**No Change Orders !!!**

### #3B PREPARE A REQUEST FOR A CHANGE ORDER PROPOSAL

A request for a Change Order Proposal may originate with the Owner, Architect, or Engineer.

If an Engineer originates the request, the Engineer sends the request to the Architect.

The Architect sends requests for a Change Order Proposal to the Owner.

Since it is the Owner's money, time and facility, it is the Owner's decision. If the Owner approves, the Architect sends the request for a Change Order Proposal to the Contractor for pricing.

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