



Florida Agricultural & Mechanical University Board of Trustees Policy

Board of Trustees Policy Number: 2005-06	Date of Adoption/Revision: June 30, 2005
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Subject	Change Orders for Construction Contracts
Authority	Section 1013.48, Florida Statutes
Applicability	Any change order request associated with construction related activities of the University.

I. Policy Statement

In recognition of its responsibility for the construction of University buildings that are funded with state money, the Board of Trustees is ultimately responsible for the approval and oversight of construction change orders. Change orders add to, delete from or otherwise alter the work set forth in construction contract documents at the time that the construction contract was competitively bid. Since change orders are approved outside of the competitive bidding environment, this increases the possibility that a change order may be excessive and non-competitive. Therefore, the Board of Trustees finds it is important that the University takes steps to scrutinize the cost of change orders during the life of a construction project, ensure that change orders are justified and cost-efficient and ensure change orders are reviewed and controlled to protect the University's and state's interests. Furthermore, the Board of Trustees desires to develop a system to gather change order data which may assist in evaluating the cause of change orders and determining the types of construction projects which lead to higher change order costs.

II. Change Order Procedures

A. Change Order Proposal Request

The University's Construction Manager shall prepare a Change Order Proposal Request for submission to the University President for review and approval. The Change Order Proposal Request is not an authorization to do the work, but the Change Order Proposal Request shall serve to obtain all the necessary information to aid the University in making a decision to proceed with the change, modify it, or to cancel it.

Change Order Proposal Requests shall be signed by the University's Construction Manager and Facilities Planning staff representative and include but not be limited to:

1. Change Order Requestor information.
2. Cause of the proposed change, i.e., error or omission, unforeseen circumstances, scope/design change requested by the University, change in contract time, or other reason.
3. The contract professional's, and/or contractor's, complete cost

itemization of the proposed change, i.e. the type and quantities of materials, hours of labor, mark-ups, equipment rental rates, etc. from contractors and subcontractors.

4. Any required time extension for completion of the project based upon the change order. If no increase or decrease in time is needed, the change order will contain a statement to that effect.
5. The Facilities Planning Staff's evaluation of the reasonableness or the cost efficiency of the Change Order Proposal Request. In the determination of the reasonableness or the cost efficiency of the Change Order Proposal Request, the Facilities Planning Staff's shall take into considerations recommendations of the User Group for the project.
7. University staff and the Construction Manager's verification and certification that the Change Order Proposal Request costs are not already included in the University's construction contract.
8. An assessment by the Construction Manager and University staff regarding any possible liability associated with the change order request.

B. *Funding*

All change order increasing the construction cost must be approved as provided within this policy. If a change order will require the use of non-project funds, those funds must be added to the project budget and released to the University prior to the approval of the change order by the University.

C. *Projects with Facilities Programs*

For a project with a facilities program, the work identified in the change order must be within the scope of the approved facilities program.

D. *President's Review and Approval of Change Order Proposal Requests*

The President shall review the Change Order Proposal Request and its supporting documentation. If the President concurs with the Change Order Proposal Request and the change order, together with any other previous change order(s) for the project, is less than \$250,000, the President may authorize the Construction Manager and University staff to proceed with the change order.

E.. *Board Approval of Change Order*

If the change order totals greater than the amount granted the President as stated above, the change order shall be prepared for submission to the Facilities Planning Committee of the Board of Trustees for approval. The President shall make a request for approval of the change order to the Facilities Planning Committee at its next regularly scheduled meeting. The Facilities Planning Committee shall make reports of such change orders to the Board of Trustees.

F. Change Order Log

The University staff shall maintain a Change Order Log for each construction project. Each change order shall be serially numbered and recorded in the change order log for the construction project.

The Change Order Log shall be in such form as approved by the President and shall provide minimally the date of the change order approval, the status of the change order, and cost reviews of the change order.

III. Miscellaneous

1. No change order shall be approved which is funded from funds other than available funds approved for that project account number.
2. All change orders shall be distributed immediately upon approval to: controller=s office, contractor, Division of Facilities and Planning, consulting project, architect/engineer, or construction manager.
3. Staff may maintain and utilize such change order data to during a competitive bid process in rating contract professional on their work experience for the University.