

Change Order QA Checklist

- **Type** – Make sure the change order type is correct for the work described in the change order
 - Supplemental Agreement – This is a change to the contract. This type of change order is written any time the contractor's signature is required to amend the contract. It may involve new items of work for which prices must be established or it may only involve something administrative - such as changing the phasing on a project or adding a new specification to do some new item of work. A supplemental agreement is often generated as the result of a plan revision. If new items of work are required because of the plan revision, the supplemental agreement is required to document the establishment of prices for the new items.
 - Time Extension Document – This type of change order is written to adjust the number of calendar or working days provided by the contract. It also may include changes to milestone dates. Time extensions are based on determinations made by the Department and are not sent to the contractor for approval and signature.
 - Contingency* Change Orders – This category of change orders are those which do not require contractor approval because they are authorized by the terms of the contract. Contingency change orders can have a CO type of any of the following:
 - CONTINGENCY WORK - This type of change order is written to create items already authorized by the contract or supplemental agreements thereto. An example would be “pay cut-off for piling”. The Specifications establish the method of measurement and the basis of payment. The “contingency” work item of pay cut-off can then be added to the list of pay items without the need of a contractor's signature.
 - CONTRACT CORRECTION/ADJUSTMENT
 - DEDUCTION IN COMPENSATION - This type of change order is written to establish an item by which the contractor would be assessed some kind of deduction. Substandard core strengths, warning signs not returned to the Department, special internal damages, etc. These do not require the contractor's signature because they are based on determinations made by the Department.
 - FORCE ACCOUNT - This type of change order is used when a change is required but there is not yet an agreement on the cost of the change. This occurs when there is emergency work on the contract. A force account CO requires adding a new line item or items to the contract. A contingency type of force account is used after the Force Account Agreement (DR form 58) has been executed to provide payment to the contractor, see the Construction Manual and Standard Specifications for Highway Construction for more information.
 - INCENTIVES/DISINCENTIVES - Calculations (formulas and inputs) need to be fully documented and described
 - ITEM DISCREPANCY RESOLUTION - This type of change order is most often used for situations where a contractor agrees to a 25% overrun or under-run of a major item of work and has already documented his agreement by letter or diary notation.

Change Order QA/QC Checklist

- LIQUIDATED DAMAGES - Calculations (formulas and inputs) need to be fully documented and described
- MATERIAL ALLOWANCE
- PLAN REVISION – If no new items were created, a Plan Revision Contingency Type change order may be selected. This type of change order is written and approved internally to adjust existing contract quantities which were altered as the result of a plan revision
- SEQUENCE TRACKING ONLY – This is to keep the numbering system continuous and to not bypass, for example, a “#2 Change Order”. If #2 was created but will never be used, then it becomes a Sequence Tracking Only Change Order type.
- WORK AGREEMENT
 - * Adding time to a Contingency type change order is allowed as long as you are not adding a new item of work also.
- **Potential for Design Error/Omission** – Check this box if the change order work is due to an error or omission in the plans. An error or omission in design can have occurred any time from preliminary survey to letting. Checking the design error/omission box is appropriate if the extra work is due to making a change to make the project constructible as anticipated in the original design. If the “Potential for Design Error/Omission” box is checked, then the explanation of the change order work should include details that describe the error.
- **Pay Items**
 - Confirm that new items are 4000 series item code
 - Identify participating/non-participating funding
 - Non-Participating items can be:
 - some items added at the request of a city, county, or other government entity,
 - maintenance activities,
 - work outside the project limits or beyond the project’s original scope, or
 - items not incorporated into the work
 - Place non-participating items into the appropriate category; city, county, railroad, Game & Parks, etc.
 - In order to put new item in the appropriate funding the user may need to do one of two things:
 - Investigate how their existing categories are funded by looking at contract funding then the reference funding to determine what type of funding it is (if they don’t know from experience)
 - Trial and error - adding the item to an existing category and running CO report while in draft to see how it is indicated.
- **Change Order Explanation** - The content of the change order must be clear, understandable, and follow specs and standard practices. The description of work involved in the change order should be detailed enough so that someone reviewing the change order can understand why and how the terms of the change order were developed. If the

Change Order QA/QC Checklist

description needs to include attachments to make it understandable, then those attachments shall be included. Key elements to be included in change order explanations:

- Time Assessment – All change orders need a discussion of whether or not a time adjustment is necessary for the work discussed in the change order. Include a statement of whether or not the work incorporated in the change order requires additional time to accomplish and how the time was determined - 23 CFR 635.121 states that time extensions “shall be fully justified and adequately documented”
 - *“Additional working days or calendar days to the contract time allowance, if any, shall be granted on the monetary value in accordance with Paragraph para. 11 (2017 Spec Book)”* Use this statement when the extra work will not be controlling operation and yet the work may have an impact on the prosecution of the project through the use of project resources.
 - *“No additional working days or calendar days to the contract time allowance are being granted. Additional working day or calendar day consideration is not applicable to this change.”* Use this statement if the change in the contract has no effect on the time allowance.
 - *““ _____ ” additional working days or calendar days to the contract time allowance are being granted.”* Use this statement when the extra work has not yet been performed and you are using some other methodology such as previously established production rates to establish the number of days that you believe this work will be the controlling operation.
 - *“Additional working days or calendar days to the contract time allowance shall be granted on the basis of the actual working days or calendar days charged for performing the work under this agreement, provided that said work is judged to be the controlling operation.”* Use this statement when the extra work will be the controlling operation and has been accomplished and you know the number of days this work was the controlling operation.
- Cost - Explanation should be included to justify cost of new items of work. Include sufficient general information and cost details to justify the cost comparisons.
 - Reasonably close to current AUP; document the actual price used as the comparison price (often from AUP or Item AUP Summary)
 - Reasonably close to price bid on another project
 - Higher than desirable, but considered acceptable because of limited quantities, remoteness of location, emergency nature of work, etc.
 - Based on invoices, actual hours and wages, blue book rental rates, etc.
 - If any items are non-participating, add a statement – ‘Item XXXX has been placed in a Non-Participating Category.’
- Environmental Review – All change orders require that a statement be incorporated in the change order language that discusses the environmental impacts of the work described in the change order. Use the ‘Environmental Review for Change Orders Process’ document in making this assessment. (This document is in draft version as of this date. Until formal, use the interim guidance emailed January 6, 2017 with subject: Environmental Review of Contract Changes)

Change Order QA/QC Checklist

- If the change order work is exempt from environmental review (as described in the 'Environmental Review for Change Orders Process' document), include the following statement in the change order language:
"The work described in this change order has been evaluated in the District and has been determined to be exempt from further environmental review."
- If the proposed work is in compliance with the environmental commitments and permit conditions, include the following statement in your change order language:
"The work described in this change order has been reviewed for effects to the environment and compliance with the project contract. The additional work, as described, complies with the current contract environmental commitments."
- If there are changes proposed that might not meet the environmental commitments and permit conditions in the project contract or if you are not sure, contact Ron Poe before you submit the change order. He will have guidance for you that will impact how you address the environmental review required in the change order.
- If the change order is due to a plan revision**, the environmental review will be completed in the Central Complex. The design staff will need to coordinate the revision work with the environmental liaison unit head to determine whether the work contemplated in the plan revision will require additional environmental review. The environmental review will then be completed by the Environmental Section. The project manager should receive a notification from the Environmental Section saying that the environmental review has been completed and the work on the revision may proceed with any noted stipulations. Please include a statement in the Change Order that the environmental process has been completed in the central complex.
"The work described in this change order has been reviewed in the NDOR Environmental Section and determined to be in compliance with environmental commitments and permit conditions."
**If the work described in the plan revision must take place prior to completion of the revision, it is the responsibility of the District to ensure that the environmental review is accomplished prior to work commencing.
- FHWA review – If FHWA was contacted in regard to the change order work, indicate the date of the contact, the individual contacted, and the result of the discussion
 - FHWA must be contacted in advance of a major change and provide written approval in advance of performance of the work
 - 23 CFR 635.102 – defines a major change as “a change which will significantly affect the cost of the project to the Federal government or alter the termini, character, or scope of the work”
 - FHWA approval is required for projects identified as PoDI projects on the National Highway System. (See below, in “Signatures” for determination of PoDI project)
- **Attachments** - If the change order refers to an attachment, ensure that the attachment is filed in OnBase under the document type “NDOR CNST Change Order Attachments”.

Change Order QA/QC Checklist

- **Signatures** - Check that the change order approval levels are correct for the type of change order
 - Refer to Change Order Approval Level Document “CO SA REQ Signatures.pdf”
 - PoDI – is the project one identified by the FHWA as a Project Of Division Interest (PoDI)? If yes, include FHWA as a required signature. You can find out if a project is a PoDI by looking in SiteManager Main Panel – Contract Administration – Contract Records – Contracts Select the Contract ID
Select the ‘Generic Fields’ icon at the top toolbar
Look at the PoDI field for a TRUE (yes) or a FALSE (no)
- **Supporting Documentation** – Working documents used to develop information for the change order should be filed in OnBase under “NDOR DIST Change Order – Supporting Docs”. This is information that is not necessary to be referenced or attached to the change order document, such as computations, environmental reviews, etc. Do NOT reference the OnBase location in the change order because not all parties to the change order have access to OnBase.