Purpose
This policy outlines the use of change orders and change directives, and determines the appropriate signing levels for their use.

Note: The use of multiple Contract Orders or Contracts to the same vendor on the same project in lieu of change orders is prohibited.

Note: The use of multiple Change Orders for a single change is prohibited.

Procedural Reference
Physical Resources policy 1.3.1 Physical Resources Construction Project Procurement Policy

Procedure
1. Use of Change Orders
   1.1. Use change orders as opposed to sequential contracts when work is performed by one contractor under one project.

   1.2. The use of multiple contracts to avoid justifications, higher level signing authority or enhanced contract requirements (i.e. formal quotes, electronic tenders, etc.) is not an acceptable practice. For projects with split codes for payment, and where a Change Order is issued for that project, ensure that the Change Order is also split coded correctly as this supports more accurate 'commitments' and 'forecasts'. The project numbers and associated commitments should be written on the face of the Change Order, or the Project Coordinator/Manager initials written beside the project number (where not split coded) to confirm that the costs are being committed to the correct project.

2. Change Order Requirements
   2.1. Change Orders are to contain the following information indicated in the standard change order:
       - project name and number
       - (prime) consultant name
       - contractor's name and address
       - date
       - cross-references to proposed changes, change directive or supplementary instructions that formed the basis for the change order
       - description of change
       - summary of values and effect on contract price
       - effect on contract time
       - reason for change
2.2. Change Orders are to be complete with all supporting data, such as: consultant approvals, contractor quotes, and the initial request for change, including drawings, sketches, etc.

2.3. Change Orders may include more than one item. List the reason for and the value of each item individually.

2.4. Reasons for Change Orders are to be brief and accurate while including enough information to describe the situation. For example, the term “site condition” is insufficient; indicate if the site condition is a condition discovered behind a wall that was opened, or unforeseen conditions exposed by excavation and not anticipated by geotechnical, etc.

2.5. Descriptions of reasons are to be complete enough to determine where responsibility lays for the change i.e., the client, Physical Resources, site conditions, designer (and indicate by which discipline/firm), etc. Where the change is one that arises from an oversight on the part of the designer, the terms “requested by the service provider” (or architect/structural engineer/mechanical engineer/electrical engineer, etc., as applicable), or the terms “not shown in bid documents” are examples of acceptable language. Client or Owner request alone is not an acceptable reason.

3. Certificates for Payment and Change Orders

Certificates for Payment may only include draws pertaining to those Change Orders that have been signed by all concerned as per 4.0.

4. Change Order Authorization

The following outlines the method for determining when we need external parties to sign Change Orders and which internal parties are required to sign them.

4.1. Internal Change Order Approvals

It is expected that all staff will exercise professional discretion when approving and verifying contract changes. As such, the signing limits for all change orders will be based on the dollar value limits for contracts as outlined in 1.3.1 Physical Resources Construction Project Procurement Policy. These limits are outlined below for review.

Please note that in ALL cases, if there are exceptions, outstanding circumstances, budgetary concerns or large changes relative to the original contract value or contingency allowance, it will be anticipated that the staff member will review the changes with his/her supervisor and get approval before finalizing the change, regardless of the dollar value of the change.

- All base change orders up to $25,000 must be authorized (signed) by the appropriate Project Manager.
- All base change orders from $25,000 to $99,999 must be recommended (signed) by the appropriate Project Manager and authorized (signed) by the appropriate DEC Manager.
- All base change orders from $100,000 to $499,999 must be recommended (signed) by the appropriate DEC Manager and authorized (signed) by the Director.
- All base change orders from $500,000 to $999,999 must be recommended (signed) by the appropriate DEC Manager, confirmed (signed) by the Director and authorized (signed) by the Assistant Vice-President (Physical Resources).
• All base change orders in excess of $1,000,000 must be recommended (signed) by the appropriate DEC Manager, confirmed (signed) by the Director, approved (signed) by the Assistant Vice-President (Physical Resources), and the Vice President, Finance and Administration.

Note: In all cases the designate may sign as necessary.

4.2. Change Orders Relating to CCDC Contract or a Bid Form and Contract Agreement
If the Change Order relates to a CCDC Contract or a Bid Form and Contract Agreement, the consultant shall sign to recommend the Change Order and the contractor shall sign to accept the Change Order.

4.3. Change Orders Relating to a Contract Order
If the Change Order relates to a Contract Order it does not require an external signature from the contractor or consultant.

4.4. Change Orders Relating to a Contract with a Consultant or Service Provider
If the Change Order relates to a Contract (other than a contract order) for consultant services, all change orders shall be signed by the external parties to ensure that all parties are aware of the change, except as in 4.4.2 below.

4.4.1. The Consultant or Service Provider is to sign and return one original copy of the Change Order for PR files.

4.4.2. If the change order is pertaining to an invoice we have already received, the contractor is not required to sign the change order.

5. Signing Authority for Consulting and Service Provider Contracts
Change Order signing authority for consulting and service provider contracts is as above in 4.1.

6. Change Directives

6.1. Change Directives are subject to the signing requirements in 4.1 except that firm values are not required prior to issue by the consultant. An estimate of order of magnitude should be requested where possible at the time of approval. This value shall be used to determine the required University signatures. Once the work is complete the Change Directive shall be replaced by a Change Order as per CCDC2. If an estimate is not possible, the Manager and Director must sign the Change Directive.

6.2. Use of a Change Directive is discouraged except when time does not permit and/or a Change Order value cannot be reached in a timely manner.

6.3. All Change Directives are to be processed through Capital Accounting in a similar manner to a Change Order. As they are replaced by formal Change Orders, the Change Directive being replaced needs to be referenced on the Change Order. The capital records will then be updated accordingly.

6.4. Only amounts for the work not in dispute and that can be substantiated may be authorized for payment.