



American Council of Engineering Companies of New York

City of New York Registration of Contract Change Orders to Engineering Contracts

Goal: to reduce the time required for registration of change orders to two (2) months

The American Council of Engineering Companies of New York (ACEC New York) believes the process of registering a Contract Change Order to an Engineering Contract is excessively long and has negative impacts on the City, the taxpayers, and general public. Contract Change Orders are required to address changes or additions to the Scope of Work as described in the original Engineering Contract. Based on a sample of recent Contract Change Orders registered to a cross section of the Engineering Community, it takes from **4 to 12** months from agreement on the additional scope (which itself can take many months) to registration.

This unnecessarily long period of time has the following negative impacts:

- Delays much needed improvements to infrastructure and essential services when engineering firms are unable to borrow.
- Increases costs to New York City to process the Contract Change Orders because design firms must price in the delays.
- Increases costs to New York City due to escalation of engineering services.
- Increases costs to engineering firms doing business with New York City. Firms must borrow money and bear the entire financial cost of borrowing.
- Decreases quality due to staff turnover while waiting for approvals.
- Risks the solvency of smaller, disadvantaged, and minority owned businesses.

In order to achieve Change Order reform, it is recommended that the City reduce the time required for registering a Contract Change Order to a period of no longer than two (2) months from the initial request of a change or addition to the Scope of Work.

Examples of Recent Contract Change Orders for Professional Design Services/NYC Agencies

Amount Increase (CO)	Overall Contract Start Date	Agreement with Agency on Scope and Budget (negotiation date)	Change Order Registration Date	Time/Months
\$3.63M	6/19/2009	11/17/2016	11/20/2017	12 months
\$0.69M	1/9/2014	1/21/2016	2/2/2017	12 months
\$0.98M	1/9/2014	10/1/2016	8/28/2017	11 months
\$0.11M	6/30/1997	11/1/2016	6/6/2017	8 months
\$3.12M	2/14/2011	9/7/2017	3/9/2018	6 months
\$1.19M	10/7/2005	4/4/2016	8/1/2016	4 months

Average time = 8.8 months

Median time = 9.5 months

Time range = 4 months to 12 months

ACEC New York Recommendation: 2 months