CHANGE ORDER AND WDC PROCESS

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INDY DPW/ACEC 2023 RPR WORKSHOP
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CHANGE ORDER AND WDC PROCESS
DEFINING THE DIFFERENT DOCUMENTS:

• WDC
• COD
• Change Order
• RFI
• RFP
• FO
WDC – Work Directive Change:

• Required to perform additional work or delete work

• Assures the Contractor they are authorized to proceed with work and will be compensated for said work and/or time extension

• Can be issued for work less than $150,000 and not beyond 5% of original contract amount per WDC

• WDC’s are not utilized for scope changes

• Does not require Contractor signature
COD – Change Order Detail:

• Written modification to a contract and must receive Board approval before the work is done

• Encompasses scope changes

• Can be in excess of the $150,000 and 5% of original contract amount

• Does not require signatures as it is an add on to the change order which will obtain signatures
Change Order:

- Cumulation of approved WDCs and CODs into one document for Board approval

- Once in progress WDCs approach a combined $150,000 or 5% of the original contract amount it is time to proceed with a Change Order

- Requires signatures from RPR, Contractor and Indy DPW

- Create Final CO button cannot be used until all other work is complete
  - This button locks the contract from creating additional WDC and COD!
  - Final CO also corrects small rounding error in overall contract cost
RFI – Request for Information:

- Request for clarification, information or interpretation of project related documents
- Originated by Contractor and provided to RPR
- Can be reviewed by either RPR or designer representative
RFP – Request for Proposal:

- Written request to a Contractor to provide proposal and cost to perform requested work
- Originated by RPR on behalf of Indy DPW
- Once reviewed and approved by DPW Project Manager it is sent to Contractor representative
- Typically returned for review from Contractor in 7 days
FO – Field Order:

• Written request instruction to a Contractor

• Issued by the RPR or Project Manager

• Provides directive but does not affect either cost or project time
CHANGE ORDER AND WDC PROCESS
REVIEW OF CONTRACTOR COST SUBMITTAL:

• Is the Cost Reasonable???
• Tools of an RPR
• Contractor Backup Documentation
  • Breaking Down Where a Cost Came From
• Comparison to INDOT Item BID History
Review of Contractor Cost Submittal:
Tools of an RPR

• Contract Documents
  • Plans, Contract Book, Addendums...

• Thorough project documentation

• Pictures! Pictures! Pictures!

• RPR Policy and Procedures Manual

• General Conditions for Contractors

• Prior to any new cost review, can the work be done under existing line items?
Review of Contractor Cost Submittal: General Conditions for Contractors – Articles 9 and 10

• DPW may order additions, deletions or revisions to work
• Should new line item prices be submitted for the requested work?
• Work that cannot be paid under existing line items
• Warranted changes in existing major line item costs
  • Major Versus Minor Items
  • Major = In Excess of 5% or Original Contract Amount
  • If a major item is increased in excess of 125% or decreased below 75% of original contract quantity it is considered significantly changed
  • Change in cost only applies to the portion in excess of 125% or below 75%
  • Minor pay item costs are not adjusted if quantity is increased or decreased
Review of Contractor Cost Submittal: Contractor Backup Documentation

• Allowable percent markup limited to 10%
• General Conditions for Contractors Section 10.4 – Cost of the Work
  • Materials
  • Subcontractor costs and breakdowns
  • Payrolls/Hourly personnel breakdown
    • Contractor is not to include time for Superintendents or other supervisory personnel
  • Equipment to perform the work
    • Breaking out hours in use versus idle hours
    • Rental equipment documentation

• T&M is a last resort if an agreement to cost cannot be reached
Review of Contractor Submittal:
INDOT BID Item History

• Pay Items List/Unit Price Summaries (in.gov)
Review of Contractor Submittal:
INDOT BID Item History

<table>
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<tr>
<th>DESCRIPTION</th>
<th>UNI</th>
<th>LOW PRICE</th>
<th>HIGH PRICE</th>
<th>WGT AVG</th>
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CHANGE ORDER AND WDC PROCESS

WDC SETUP:

• Steps of CIP WDC Input

• Offsetting Added Costs

• Backup Documentation
WDC Setup: Steps of CIP WDC Input

• Approved WDC in place prior to any work being performed!
• Can you include any underrunning pay items to offset cost of new work?
• Change Reason
• Be detailed in “Change Description”
  • Location of work such as stationing
  • Schedule impact statement – Even if no days are added!
• Why it occurred
• What is included in this WDC
  • Operations or work performed
WDC Setup: Backup Documentation

- Attached files relevant to WDC other than just Contractor cost breakdown
- Examples:
  - Revised plan sheets
  - Photos/sketches/calculations
  - Pertinent correspondence
  - RFI or RFP files
  - INDOT BID item history comparison
CHANGE ORDER AND WDC PROCESS
INDY DPW SPECIFIC POLICIES/PROCEDURES:

- Protocol for Force Account Work
- Foreseen Versus Unforeseen
- Changes in Paying WDCs
- Time Extension as Exclusive Remedy
Indy DPW Specific Policies and Procedures:
Protocol for Force Account Work

• Force Account AKA “Time and Materials”

• Still requires up front WDC to be processed
  • Based on anticipated costs not to exceed

• Upon completion of work, process an adjustment WDC
  • Based on actual tracked time and materials
Indy DPW Specific Policies and Procedures: Foreseen Versus Unforeseen

- **Foreseen**
  - Could it have been reasonably identified beforehand such as during design or planning?
  - Often work above ground
  - Foreseen changes not to exceed 20% of the total original contract price

- **Unforeseen**
  - Something that could not reasonably have been identified beforehand such as during design or planning
  - Usually underground items
  - Only DPW will make final determination if an item is unforeseen
Indy DPW Specific Policies and Procedures: New Changes in Paying WDCs

- Construction Administrator can authorize WDCs that do not exceed 5% of original awarded contract total
- Individual WDC not to exceed $150,000
- When total WDCs approach Construction Administrator authority cap of 5%, incorporate onto a change order
  - Approval authority cap then resets
- Previously waited until change order containing WDC was approved by Board of Works
- New update:
  - WDCs can be paid upon approval as long as there are funds to compensate for the work in the contract
Indy DPW Specific Policies and Procedures:
Time as Exclusive Remedy

• General Conditions for Contractors Section 11.6 – *Time as an Exclusive Remedy*

*Time Extension as Exclusive Remedy.* Unless otherwise specified in the Special Conditions, Technical Specifications or noted on the Contract Drawings, CONTRACTOR shall assume the risk of any and all suspensions of, delays or interferences in or hindrances to the performance of the Work, regardless of the length thereof or the party responsible therefore and arising from any and all causes whatsoever, including without limitation, those due to any acts or omissions of or interference by OWNER, CONSTRUCTION INSPECTOR, ENGINEER, other contractors or Subcontractors, except only to the extent that an extension of time may be due to CONTRACTOR as
Final Construction Records
Make sure your Contractor is turning all closeout documents into the RPR including:

- Contractor's letter requesting release of retainage
- Contractor's Final Application for Payment
- Warranty Bond with Power of Attorney
- Consent of Surety to Final Payment with Power of Attorney
- Property Releases [IF ANY]
- Prime Contractor's Waiver of Lien
- All Subcontractors' Waiver of Lien(s)
- Final DPW Subcontractor/Supplier Payment Report (All Subcontractors/Suppliers)
- List of all Subcontractors and Suppliers utilized for the project with address, phone number, and email
- As-builts
Lien Waivers:
Important Requirements

- All subcontractor lien waivers should show $0 left owed to them

- Indy DPW has form templates the Contractor can use with this listed as a default

- Encourage them to utilize the DPW provided forms available at:

- These are due prior to release of retainage!
As-Builts:
Important Requirements

• Both Contractor and RPR are responsible for compiling as-built records of a project
• Direct Contractors to the General Conditions document for as-built requirements
• RPR as-builts are to be created electronically. Preferably by adding comments to the PDF plan set
  • Handwritten comments can be less legible. Paper as-builts no longer accepted
• The RPR shall collect both the Contractor and RPR as-builts and send to the Designer by the due date of the FCR
• Designer then has 45 days to compile into a master as-built plan set and electronically deliver to Indy DPW
• All projects require as-built drawings
• General Conditions for Contractors Section 6.19:

6.19 As-Built Documents.

6.19.1 CONTRACTOR shall maintain in a safe place at the site one copy of all Specifications, Drawings, Addenda, Written Amendments, Change Orders, Work Directive Changes, Field Orders and written interpretations and clarifications (issued pursuant to Section 8.4) in good order and annotated to show all changes made during construction. These documents together with all approved samples and a counterpart of all approved Shop Drawings shall be available to OWNER and OWNER’s representatives for reference. Upon completion of the Work, these documents, samples, and Shop Drawings shall be delivered to CONSTRUCTION INSPECTOR as a condition to CONTRACTOR’s right to receive final payment.

6.19.2 CONTRACTOR shall, during the progress of the work, keep a master set of prints on the job site, on which is kept a careful and neat record of all deviations from the Contract Drawings made during the course of the work.

6.19.3 CONTRACTOR shall provide OWNER with the master set of prints annotated as per Section 6.19.2, and specifications incorporating the revisions and changes made during construction up to acceptance of the project. These updated documents shall reflect all changes to the original construction documents to indicate the “As-Built” conditions, including revisions in site and building area tabulations. These drawings and specifications shall be certified as to their correctness by the signature of CONTRACTOR.