

CHANGE ORDER & AMENDMENT POLICY
University of Illinois Office of Capital Programs and Real Estate Services
June 2014

I. Governance of University of Illinois Capital Projects

The majority of capital projects undertaken by the University of Illinois are subject to the requirements of the Illinois Procurement Code (30 ILCS 500). The Board of Trustees of the University of Illinois is a Construction Agency pursuant to the Code. The Board of Trustees and University Administration, through the University Office of Capital Programs and Real Estate Services, establish policies, procedures, systems and other considerations related to capital projects.

This Policy governs expenditures in excess of a capital contract's original price and was developed by the University Office of Capital Programs and Real Estate Services in conjunction with the Office of University Counsel.

II. Change Orders and Amendments Pursuant to the Illinois Procurement Code

After a contract has been formed pursuant to the Procurement Code, Section 30-35 of the Code (30 ILCS 500/30-35) permits expenditures in excess of the original contract price provided that the additional work to be performed or material to be furnished: (1) is germane to the original contract; and (2) the expenditure for work is approved in writing by the appropriate authority level prior to the performance of the work or procurement of material. Additional expenditures generally take the form of "Change Orders" in the case of construction contracts and "Amendments" in the case of Professional Services Agreements.

The Procurement Code, procurement rules, University policies, and Contract Documents seek to expedite the process contemplated in Section 30-35 by allowing flexibility to utilize methodologies such as "time and materials" or hourly rates, while requiring the maintenance of adequate cost-control mechanisms. University policies and procedures must be followed to ensure that the proposals underlying the anticipated increased expenditures are appropriate, accurate and cost efficient. University personnel shall negotiate the best possible price for the University when seeking expenditures in excess of the original contract price. Prior written approval by appropriate authority in accordance with this policy must be obtained prior to the obligation of any additional funds.

Should an 'emergency purchase' be required which is not germane to an existing project construction contract, Procurement Code Section 20-30 (30 ILCS 500/20-30) shall be applicable. An 'emergency purchase' pursuant to this section shall be utilized only in instances of a threat to public health or safety, or when immediate expenditure is necessary for repairs to property in order to protect against further loss of or damage to property or the integrity of vital records, or serious disruption of essential services. Issuance of an 'emergency purchase' is entirely within the discretion of the Owner. Prior written approval by appropriate University administrators in accordance with this policy must be obtained prior to the obligation of any funds.

III. Definition of Terms, Routing for Approval, & Signature Authorization

In order to comply with the requirements of the Procurement Code, the University has established Contract Documents, including General Conditions, and utilizes the following definitions, rules and procedures:

A. Change Orders

“Change Order” means a written order to a Contractor executed by the Owner in accordance with an existing project construction contract authorizing and directing an addition to, deletion from, or adjustment or revision of the requirements of the Contract Documents, or an adjustment to the compensation payable to Contractor, or to the time for performance of the contract and completion of the Project, or a combination thereof. All additional expenditures related to work performed or material purchased through an agreement with a Contractor will ultimately take the form of a Change Order. Change Orders shall utilize the approved format identified by the Office of University Counsel and University Office of Capital Programs and Real Estate Services. In order to comply with Section 30-35 of the Procurement Code, directives of the Board of Trustees, this Policy and other University and campus policies, all Change Orders shall be subject to approval by the appropriate.

1. Field Directive (FD) Definition

“Field Directive” means a written order to a Contractor executed by the Owner in accordance with the existing project construction contract authorizing and directing an addition to, deletion from, or adjustment or revision to the requirements of the Contract Documents, or an adjustment to the compensation payable to Contractor, or to the time for performance of the contract and completion of the Project, or a combination thereof. Field Directives may only be utilized in distinct and exceptional situations when, due to circumstances beyond the University’s control, a proposed Change Order is in dispute or the contemplated time of completion for the normal Change Order process would delay the project. Prior to commencement of work, the University shall set forth on the appropriate form “not-to-exceed” costs, which may be lump sum or time and material based, for the contemplated expenditure. A Field Directive is preliminarily authorized/supported with appropriate documentation (see Exhibit 1) and ultimately utilizes the Change Order form. Additional documentation supporting and justifying the completed work shall be required. Field Directives are subject to approval by the appropriate authority. Field directives must have appropriate University approval prior to commencement of the work. Field Directives in excess of the Small Purchase Threshold shall also be approved by the Chief Procurement Office and the Procurement Policy Board prior to the commencement of work.

2. Emergency Work Authorization (EWA) Definition

“Emergency Work Authorization” means a written order to a Contractor executed by the Owner in accordance with an existing project construction contract and directing an adjustment to the Contract Document requirements according to 30 ILCS 500/20-30. An Emergency Work Authorization shall be utilized only in instances of a threat to public health or safety, loss of or damage to property or the integrity of vital records, or serious disruption of essential services. Issuance of an Emergency Work Authorization is entirely within the discretion of the Owner. Prior to commencement of work, the University shall set forth on the appropriate form “not-to-exceed” time and material costs for the contemplated expenditure. The time of the emergency work shall be limited to no more than 90 days. The time may be extended beyond 90 days with approval by the CPO. An Emergency Work Authorization is preliminarily authorized/supported with appropriate documentation (see Exhibit 1) and ultimately utilizes the Change Order form. Prior to commencement of work, an Emergency Work Authorization shall be approved by the appropriate authority. Notice of emergency work shall be provided to the Procurement Policy Board no later than 3 business days after the emergency contract is awarded. When the actual final cost is determined, the cost shall also be provided to the Procurement Policy Board prior to the 10th day of the succeeding month.

B. Professional Services Consultant Agreement Amendments

“Amendment” means a written modification to a Professional Services Agreement and may authorize and direct an addition to, deletion from, or adjustment or revision of the requirements of the Agreement, or an adjustment to the compensation payable to Consultant, or to the time for performance of the contract and completion of the Project, or a combination thereof. Amendments to Professional Service Agreements shall utilize the approved format identified by the Office of University Counsel and University Office of Capital Programs and Real Estate Services. All Professional Services Agreement Amendments shall be approved by the Office of University Counsel and the University Office of Capital Programs and Real Estate Services. Prior written approval by appropriate authority must be obtained prior to the obligation of any additional funds. Amendments in excess of the Small Purchase Threshold shall be approved by the Chief Procurement Office and the Procurement Policy Board prior to commencement of the work.

IV. Signature Authority

Approval delegated signature authority are established by the University of Illinois Board of Trustees and the University. Amendments and Change Orders that are cumulatively in excess of 5% of the original contract for non-medical center projects and 25% for medical center projects must be reported to the Board of Trustees through the University Office of Capital Programs and Real Estate Services.

V. Amendment Process for Approval

A. Documentation required

1. Project name and number
2. Professional Services Consultant's (PSC) name
3. Proposed amendment number
4. Copy of original professional services agreement (PSA) and all previous amendments
5. Proposed change in scope and rationale for the change including backup documentation
6. Compensation changes submitted in contract format
7. Proposed changes to relevant PSA scope sections
8. Anticipated start date of added scope

B. Initial Approval

1. Campus Construction Unit's (CCU) Project Manager sends an e-mail request with the required documentation for a PSA amendment to the CCU Director.
2. CCU Director forwards e-mail for review by the Senior Associate Vice President of Business and Finance & Deputy Comptroller for projects that have been approved by the Deputy Comptroller or the Board of Trustees.
3. Deputy Comptroller will send an e-mail response with comments or approval to the CCU Director.

C. Final Approval

1. The CCU PM shall obtain the PSC's wet signatures original PSA amendment.
2. If required, the CCU PM shall request the staff at UOCP&RES to post the amendment to the Public Higher Education Procurement Bulletin.
3. The two amendments shall be routed for University of Illinois signatures after approval by the PPB, if PPB approval was required, using a standard PSA amendment router form with required documentation.
4. CCU shall verify that the executed amendment has been appropriately filed within 7 calendar days of the date of the last binding signature with the OBFS Contract Records Office (107 Coble Hall, Urbana).
5. CCU shall send an executed original amendment to the PSC.

VI. Signature Authorization

The current limitations established by the University of Illinois Board of Trustees as executed by the Senior Associate Vice President of Business and Finance & Deputy Comptroller required for authorization of University funds will be followed to approve amendments.

VII. Illinois Public Higher Education Procurement Bulletin Posting

In accordance with the Illinois Procurement Code (Section 15-25(b)), and the Procurement Rules for Higher Education (Section 526.3005) the Higher Education Chief Procurement Officer is responsible for publishing amendments/contract change orders and the respective required information in the Illinois Procurement Bulletin. The

University Office of Capital Programs & Real Estate Services will post to the Illinois Public Higher Education Procurement Bulletin website

(<http://www.procure.stateuniv.state.il.us>) all amendments/change orders greater than the Small Purchase Threshold, in accordance with agreement with the Procurement Policy Board and the Capital Development Board.

VIII. University Office for Business and Financial Services (OBFS) Manual

The University OBFS manual contains statements of policy and directives that guide University business practices, including but not limited to, information relating to the approval of financial documents.

IX. Flowchart

See attached Visio Flowchart for Change Order Process

X. Forms –See Exhibit 1 for examples of those forms which can be found on the UOCP&RES website at: <http://www.uocpres.uillinois.edu/>

Change Order Form (Single)

Emergency Work Authorization/Field Directive Form (Single)

Change Order Form (Multiple)

Emergency Work Authorization/Field Directive Form (Multiple)

XI. Reporting

A Change Order and Amendment Report showing the Project, Change Order, Amendment, dollar value, and approval routing shall be compiled quarterly by the UOCP&RES using data in FCPWeb and copies of routing sheets

Any questions regarding this policy shall be directed to:

University of Illinois

Office of Capital Programs & Real Estate Services

807 South Wright Street, Suite 340

Champaign, Illinois 61820

217-333-5688

Change Order (CO) Policy Workflow [Emergency Work Authorization (EWA)/Field Directive (FD)/Change Order (CO)]

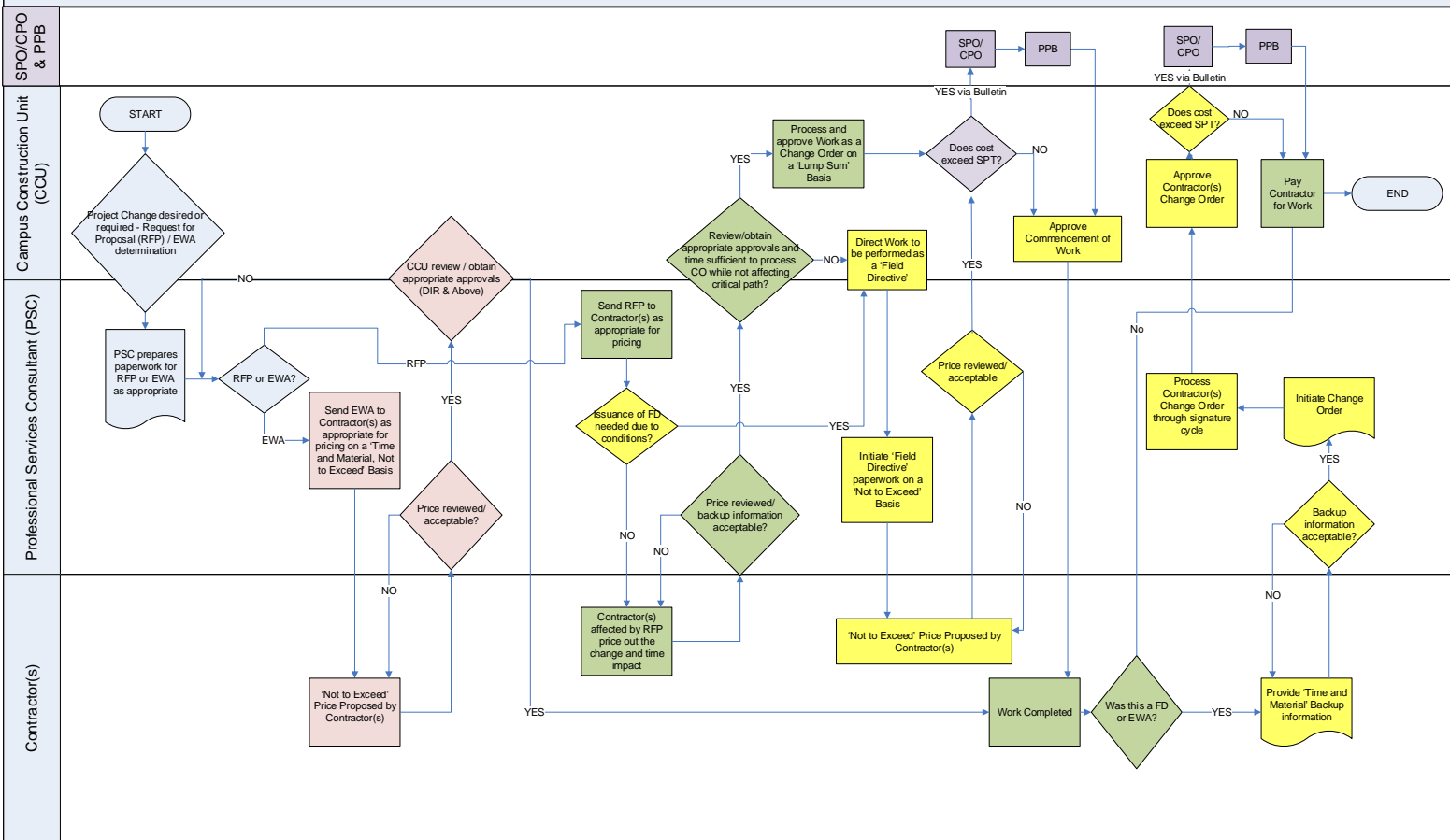


Exhibit 1 - Page 1

Construction Contract Change Order – Single (SAMPLE)

UNIVERSITY OF ILLINOIS

CONSTRUCTION CONTRACT CHANGE ORDER for

- Contractor (no assignment)

UI Change Order No. _____
 Change Order Amount _____
 UI Document No. _____
 UI Encumbrance No. _____

Project Name _____

UI Project No. _____

Contractor _____

Division of Work _____

PSC Project No. _____

Contractor Project No. _____

The above referenced contract is hereby amended to provide for the following described change(s) upon the terms set forth below:

Contractor shall provide: (SCOPE)

Original Calendar Days to Complete the Work	_____	Original Contract Amount	\$ _____
Increase/(Decrease) in Calendar Days by Previous Change Orders	_____	Total of Previous Change Order(s)	\$ _____
		Increase/(Decrease) by this Change Order	\$ _____
Increase/(Decrease) in Calendar Days by this Change Order	_____		
Current Calendar Days to Complete the Work	=====	Revised Contract Amount	\$ _____
Revised Substantial Completion Date	/ / _____		

As changed hereinabove, the above referenced contract shall continue in full force and effect.

CLASSIFICATION (for UI use only)						BUDGET/SCOPE (for UI use only)	
Client Request	PSC Error		CM Error	Code/Std	Unforeseen Conditions	Does NOT affect project budget and/or scope	
Staff Changes/Scope	PSC Omission		CM Omission	Delivery/Schedule	Closeout	Affects project budget and/or scope (see attached documentation)	

Chart *	Fund *	Organization *	Account *	Program *	Activity	Location

THE UNDERSIGNED HEREBY CERTIFY THAT THIS CONTRACT CHANGE ORDER IS GERMANE TO THE ORIGINAL CONTRACT AS SIGNED AND THAT THE CIRCUMSTANCES NECESSITATING THIS CONTRACT CHANGE ORDER WERE NOT REASONABLY FORESEEABLE AT THE TIME THE CONTRACT WAS SIGNED. THIS CONTRACT CHANGE ORDER IS IN THE BEST INTEREST OF THE UNIVERSITY OF ILLINOIS AND IS AUTHORIZED BY LAW.

PSC/CM/Contractor Approvals

University of Illinois Approvals

 Contractor Date _____

 Construction Manager (CM) (if applicable) Date _____

 Professional Services Consultant (PSC) Date _____

 Campus Date _____

 UOCP&RES (Change Orders \$25,000 or more) Date _____

 Board of Trustees of the University of Illinois - Comptroller Date _____

If this change is \$250,000 or more, the following additional University of Illinois signatures are required:

 Robert A. Easter, President Date _____

 Thomas R. Bearrows, University Counsel Date _____

Document Source: Template No Changes

Contract Type: Capital

Contract Sub Type: Construction

**Exhibit 1 – Page 2
EWA/FD – Single (SAMPLE)**

DATE

PROJECT TITLE

EMERGENCY WORK AUTHORIZATION (EWA) (No. _____)

FIELD DIRECTIVE (FD) (REFERENCE RFP # _____)

Reason for Urgency

Description of Problem:

Action to be Taken:

Total “Not to Exceed” Cost to Complete (Labor, Material, Mark up, etc.):

Minimum information to be included in this section: Costs shall not exceed \$AMOUNT without prior written authorization by the Owner. Work to be invoiced on an hourly basis with daily time records submitted to the Contractor and Professional Services Consultant for approval. Time and Material backup information required for full payment at completion of Work.

Work Completion Required By: _____ **Date** _____.

Remarks:

Recommended by: _____
CONTRACTOR (Name, Firm and Division(s) of Work)

Reviewed by: _____
PSC (scope & estimated cost(s) reviewed)

Reviewed by: _____
CM (scope & estimated cost(s) reviewed)

Reviewed by: _____
PM (scope & estimated cost(s) reviewed)

Approved by: _____
DIRECTOR or above for all EWA's (CCU/UOCP&RES)
PROJECT MANAGER or above per approval authority
for Field Directives.

pm/sec

c: Professional Services Consultant
Construction Manager (if applicable)
Contractor(s)
Project File

EXHIBIT 1 – PAGE 3

Construction Contract Change Order – Multiple (SAMPLE)

UNIVERSITY OF ILLINOIS

CONSTRUCTION CONTRACT CHANGE ORDER for

- Contractor with Assigned Subcontractor(s) (AS)
 Assigned Subcontractor(s) (AS)

UI Change Order No. _____
 Change Order Amount _____
 UI Document No. _____

Project _____
 Contractor/AS _____

UI Encumbrance No. _____
 UI Project No. _____
 Contractor/AS Project No. _____
 PSC Project No. _____

The above referenced contract is hereby amended to provide for the following described change(s) upon the terms set forth below:

Contractor shall provide: (SCOPE)

Original Calendar Days to Complete the Work _____ Current Calendar Days to Complete the Work _____
 Increase/(Decrease) in Calendar Days by Previous Change Orders _____ Revised Substantial Completion Date _____

Increase/(Decrease) in Calendar Days by this Change Order

	Column A	Column B	Column C	TOTAL A+B+C
Contractor's Original Base Bid + Accepted Alternate(s)	\$	Total of Previous Change Order(s)	Increase/(Decrease) by this Change Order	\$
		Total of Previous Change Order(s) Assignment Fee	TOTAL AS(s) increase(s) by this change order x 0.05	\$
Contractor's SUBTOTAL	\$	\$	\$	\$
Plumbing AS Original Subcontract Sum	\$	Total of Previous Change Order(s)	Increase/(Decrease) by this Change Order	\$
Heating AS Original Subcontract Sum	\$	Total of Previous Change Order(s)	Increase/(Decrease) by this Change Order	\$
Ventilation AS Original Subcontract Sum	\$	Total of Previous Change Order(s)	Increase/(Decrease) by this Change Order	\$
Electrical AS Original Subcontract Sum	\$	Total of Previous Change Order(s)	Increase/(Decrease) by this Change Order	\$
Fire Protection AS Original Subcontract Sum	\$	Total of Previous Change Order(s)	Increase/(Decrease) by this Change Order	\$
AS Original Subcontract Sum	\$	Total of Previous Change Order(s)	Increase/(Decrease) by this Change Order	\$
GRAND TOTAL (Contractor's Original Contract Sum)	\$	GRAND TOTAL of Contractor's Previous Change Order(s)	GRAND TOTAL of Contractor's Increase/(Decrease) by this Change Order	\$

As changed hereinabove, the above referenced contract shall continue in full force and effect.

CLASSIFICATION (for UI use only)					BUDGET/SCOPE (for UI use only)		
Client Request	PSC Error	CM Error	Code/Std	Unforeseen Conditions	Does NOT affect project budget and/or scope		
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PSC/Contractor Approvals

University of Illinois Approvals

Assigned Subcontractor (AS) _____ Date _____
 Contractor _____ Date _____
 Professional Services Consultant (PSC)* _____ Date _____
* Approvals only required for Contractor's Change Order

Campus* _____ Date _____
 UOCP&RES (Change Orders \$25,000 or more) _____ Date _____
 Board of Trustees of the University of Illinois – Comptroller* _____ Date _____
 Board of Trustees of the University of Illinois – Secretary* _____ Date _____

If this change is \$250,000 or more, the following additional University of Illinois signatures are required:

Robert A. Easter, President _____ Date _____ Thomas R. Bearrows, University Counsel _____ Date _____

Document Source: Template No Changes

Contract Type: Capital

Contract Sub Type: Construction

EXHIBIT 1 – Page 4
EWA/FD – Multiple (SAMPLE)

DATE

PROJECT TITLE

EMERGENCY WORK AUTHORIZATION (EWA) (No. _____)

FIELD DIRECTIVE (FD) (REFERENCE RFP # _____)

Reason for Urgency:

Description of Problem:

Action to be Taken:

Total “Not to Exceed” Cost to Complete (Labor, Material, Mark up, etc.):

Minimum information to be included in this section: Costs shall not exceed \$AMOUNT without prior written authorization by the Owner. Work to be invoiced on an hourly basis with daily time records submitted to the Contractor and Professional Services Consultant for approval. Time and Material backup information required for full payment at completion of Work.

Work Completion Required By: _____ **Date** _____.

Remarks:

Recommended by: _____
CONTRACTOR (Name, Firm and Division(s) of Work)

Reviewed by: _____
PSC (scope & estimated cost(s) reviewed)

Reviewed by: _____
CM (scope & estimated cost(s) reviewed)

Reviewed by: _____
PM (scope & estimated cost(s) reviewed)

Approved by: _____
DIRECTOR or above for all EWA's (CCU/UOCP&RES)
PROJECT MANAGER or above per approval authority
for Field Directives.

pm/sec

c: Professional Services Consultant
Construction Manager (if applicable)
Contractor(s)
Project File