

# Change Orders – Setting Expectations



# Generalizations

- Change orders, as a % of construction cost, increase as the contract amount decreases
- Change orders, as a % of construction cost, increase for modernization projects as compared to new construction
- The majority of change orders, as a % of construction cost, occur in site construction, rather than building construction

# Common Sources of Change Orders

- Discovery of unforeseen physical site or building conditions
- Designer mistake (error, omission, lack of coordination of documents)
- Owner-requested changes in the project
- Regulatory agency requirements

# Discovery of Unforeseen Conditions

- Examples:
  - Septic tank
  - Unsuitable soils
  - Buried debris

# Designer-Caused Change Orders

- Designers not perfect
- “Error or omission” versus “negligence”
  - Legal precedent
  - Designer insurance
- “Value Added” concept
  - Net cost to Owner
  - Change order premium

# Owner-Requested Change in Scope

- Intentional change in contract amount or schedule
- Usually educational program related
- Responsive to bids and available funds

# Regulatory Agency Requirements

- Change in regulations
- Change in interpretation of regulations
- New regulations
- Change in staff

# Woodland High School Specifics

- Normal K-12 new construction projects change order % = 2%-3% of construction cost
- WHS budget for construction change orders = 5% of construction cost
- Expect a change order to come before the Board about once a month
  - Made up of multiple “Construction Change Directives”