

MEMORANDUM

TO: District Engineering Administrators
District Construction Engineers

FROM: Robert E. Isgett III, P.E., Director of Construction

DATE: February 27, 2020

RE: Revision to Section 101.6.3.1 of the 2004 Construction Manual

In preparation for the update to the 2004 SCDOT Construction Manual and to create better efficiencies within project delivery, the above referenced section of the manual has been revised. The Change Order Types and Reasons in Site Manager have been updated to reflect this guidance and are effective with active contracts that have not reached substantial work completion.

Attached to this memorandum you will find the updated General Provision 101.6.3.1 Change Orders Types and Reason Codes.

Thank you for your continued support as we strive to improve our contract administration processes in order to more effectively deliver the Agency's construction program.

REI:kds

ec: Randall Young, P.E., Chief Engineer for Project Delivery

File:Con/Construction Manual/2004 Updates



101.6.3.1 Change Order Types and Reason Codes

SCDOT Personnel who create a Change Order in SiteManager must provide a Change Order Type and Reason Code that accurately describes why the Change Order is necessary. This information is critical, because Contract Administration analyzes this data for recurring changes to improve SCDOT's planning process, thus avoiding such changes in the future. NOTE: It may be necessary to create multiple change orders to address various types and reasons. For example, overruns as a result of weather related issues should not be included in change orders containing utility accommodations.

Change Order Types

During the creation of a Change Order in SiteManager, one of the following change order types must be selected.

- Standard (Field) – This is the normal change order type that will be used on a project and can include both item and time adjustments. Standard change orders containing both item and time adjustments must pertain to a single portion of work outlined in the Change Order Explanation.
- Extension / Deletion / Natural Disaster (HQ) – This change order type is only to be used for changes to the project scope that fall under Section 104.4 of the 2007 Standard Specification (Construction Manual Section 101.6.3.4) and scope changes associated with natural disasters. Extensions / Deletions typically add or remove roads to or from a contract or change the project limits of an existing contract. Extensions / Deletions / Natural Disaster Change Orders must be approved prior to being incorporated into the contract. This change order type should include both time and dollar adjustments if applicable. See reasons marked as (e) below.

Change Order Reasons

A listing of the Change Order Reasons and their explanations follows:

- Certified Claim Settlement – To be used when the contractor certifies a claim on the contract and the department completes a change order to pay the certified claim. This Change Order reason is not to be used to resolve a Notice of Claim (Form 100.04) that has not been certified. In the instance of a Notice of Claim, the root cause should be the Change Order reason.
- Value Engineering – Pertains to contract changes made as a result of Value Engineering Proposal submitted by the contractor.
- Design Oversights – To be used when an error or oversight in the plans. Time adjustments and additional scope due to permit or NOI delays are design oversights. Changes that arise from field conditions or conflicts that could not reasonably be anticipated in the design phase should not be assigned the reason code of Design Oversights.
- Field Changes by Engineer – To be used when construction personnel encounter field conditions that necessitate changes to the work, or if the change order is to apply district preferences that differ from design. If changes are due to conditions that could have been foreseen in the design phase, the Design Oversights reason code should be used.
- Plan / Contract Revision (e) – The Plan / Contract Revision reason code is used when the change order is to accommodate the changes to the work shown in a plan revision or approved extension issued from the Director of Construction office. This includes changes increasing the

scope of work and when an updated Specification, standard drawing, etc. are being incorporated into the current contract. If an updated Specification or standard drawings are being incorporated, the Director of Construction Office must be the final approval. If the plan revisions are issued as a result of a field change by RCE or the correction of a design oversight, those reason codes should be used. Examples of “plan revision” type changes are changes to typical sections, right of way areas, etc., that arise from late right of way settlements or from public or political requests to revise the design.

- Price Adjustment – If conditions on the project are encountered which significantly affect the scope or difficulty of a contract work item and a price adjustment is merited, this reason code should be used. See section 104.2 of the Standard Specifications for guidance. This reason code should not be used when the price adjustments are related to Fuel or Bituminous Indexes. Fuel or Bituminous Indexes (where appropriate) are already authorized in the contract and should be handled as line-item adjustments or contract adjustments.
- Utility Conflict/Utility Accommodation – Conflicts and accommodations due to utilities which may include adjusting pipe/drainage quantities, time adjustments, etc.
- Weather Delay – To be used when time adjustments are being granted on a project due to weather delays which are not considered related to natural disasters.
- Natural Disaster (e) – To be used when specifically directed by Headquarters for change orders related to natural disasters.

Responsibilities for Those Who Initiate, Review and Approve Change Orders: Persons who initiate, review, and approve the change order should compare the Change Order Type, Reason, and Function to see that the selections are appropriate and consistent. The Change Order description should include sufficient information to enable understanding by a third party who has no familiarity with the project or why the Change Order is being initiated. Additionally, the Change Order should state whether or not the PM has acknowledged that funding is available for the change if the Change Order exceeds the project contingency. The percentage change of all Change Order’s over original contract amount should also be included in the explanation. If supporting documentation is referenced, the location of the supporting document should be stated so it can easily be located.