

## SECTION 01 26 00

## CONTRACT MODIFICATION PROCEDURES

## PART 1 - General

## 1.1 SUMMARY

- A. Section Includes: General procedural requirements for changes, modifications, and extras.
- B. Related Sections:
  - 1. 00 72 00 – General Conditions, Article 6
  - 2. 01 20 00 – Price and Payment Procedures: Application Procedures
  - 3. 01 31 13 – Project Coordination: Requests for Information
  - 4. 01 33 00 – Submittal Procedures: Construction Schedule
  - 5. 01 78 39 – Project Record Documents

## 1.2 MINOR CHANGES

- A. Clarifications: The City will advise of minor changes in the Work not involving an adjustment to Contract Sum or Contract by issuing written interpretations or clarifications of the Contract Documents as the City deems necessary such as supplemental instructions on Request for Information (RFI) Form or by a written field order by the City Representative.
  - 1. Refer to Section 01 31 13 – Coordination for procedures for requesting information or clarifications on Contract Documents.
  - 2. Pursuant to Paragraph 6.03, Change Order Requests and Proposed Change Orders, of the General Conditions, such written interpretations and clarifications shall be binding on the City and Contractor. Promptly execute the work required by the City's written interpretation or clarification.
- B. Notification: If Contractor believes that a written interpretation or clarification justifies an adjustment in the Contract Sum or Time, submit to the City Representative a request for Change Order therefore before beginning the work required by the written interpretation or clarification or within seven calendar days from the date of the City's response.

## 1.3 DOCUMENTATION

- A. Document each quotation for a change in cost or time with sufficient data to allow evaluation of the quotation.
- B. On request and within a reasonable period of time, provide additional data to support computations:
  - 1. Quantities and type of products.
  - 2. Labor breakdown by trade classification, wage rates, and estimated hours.
  - 3. Equipment breakdown by type, size, rental rates, and equipment hours.
  - 4. Taxes, insurance and bonds.
  - 5. Mark-ups, including overhead and profit.
  - 6. Justification for any change in Contract Time, including a schedule analysis identifying critical progress schedule activities delayed by the PCO.
  - 7. Credit for deletions from Contract and work estimates of subcontractors, similarly documented.
- C. Support each claim for additional costs, and for work done on a force account basis, with additional information:

1. Origin and date of claim.
  2. Date of authorization for extra work by the City Representative as per Force Account Change Order issued to Contractor.
  3. Dates and times work was performed, and by whom.
  4. Time records and wage rates paid.
  5. Invoices and receipts for products, equipment, and subcontracts, similarly documented.
- D. Failure to properly document or provide supporting documents related to additional work or credit of a claim shall invalidate such claims or upon decision of the City, proceed with the City's best cost estimate of disputed additional work or credits.
- E. Documentation, data preparation, and administration of change orders shall be considered as incidental work and no additional payment will be made therefore.

#### 1.4 CHANGE PROCEDURES

- A. The City may issue a Proposed Change Order (PCO) Memorandum which includes a detailed description of a proposed change with supplementary or revised Drawings and Specifications, and a change in Contract Time for executing the change if necessary.
1. Prepare and submit a cost proposal estimate to the City Representative for approval upon receiving a PCO within the number of calendar days per General Conditions Paragraph 6.03D, furnishing a complete breakdown of costs of both credits and extras, itemizing materials, labor, taxes, and mark-up for overhead and profit. Subcontract work shall also be indicated on the same form as for Contractor's breakdown.
  2. Limit Contractor's and subcontractor's mark-ups to the maximum percentages as specified for force account work under Paragraph 6.06, Cost of the Change Order Work, of the General Conditions. Contractor's mark-up on work performed by a subcontractor shall be in accordance with Paragraph 6.06C of the General Conditions. No additional payment will be made by reason of performance of additional work by a subcontractor.
  3. All requests for time extensions pursuant to Paragraph 7.02, Delays and Extensions of Time, of the General Conditions or claims for damages for delay caused by the City's processing of Change Orders will be reduced by the additional time in excess of that allowed for Contractor to submit a PCO cost proposal as provided herein, provided that the activity was shown on the critical path on the base line schedule.
  4. Submit additional data as specified under Article "Documentation" as requested by the City Representative.
  5. The City will review Contractor's cost proposal estimate and will negotiate the final terms of Change Order with Contractor.
  6. Upon approval of PCO by the City, the City will issue Change Order directing Contractor to proceed with the change in the work.
- B. Contractor may propose a change by submitting a request for a PCO number to the City, describing the proposed change and its full effect on the Work, with a statement describing the reason for the change, and the effect on the Contract Sum and Contract Time with full documentation and a statement describing the effect on the Work schedule and operations.
1. Document any requested substitutions in accordance with Section 01 25 13.
  2. Contractor's RFI submittal shall not constitute a request for change.

#### 1.5 UNILATERAL CHANGE ORDER

- A. When time does not allow for the Change Order to be negotiated through the PCO process, or when the City and Contractor are unable to agree on the cost or time required to

complete the change in the Work described in a PCO, the City may issue a document instructing the Contractor to proceed with a change in the Work, for subsequent inclusion in a Change Order based on the City's estimate of costs, if any.

- B. The document will describe changes in the Work, and will indicate the City's determination of any change in cost.
- C. Promptly execute the change in Work.
- D. If Contractor disagrees with the City's estimate of cost and time or other conditions of a Unilateral Change Order, Contractor shall submit a written protest in accordance with Paragraph 6.05, Unilateral Change Orders, of the General Conditions within 15 calendar days of its receipt and before proceeding with the required work.
  - 1. After the written protest has been filed and within 7 calendar days of completing said disputed work, submit a notice of potential claim for the cost differential between Contractor's actual cost and the City's estimate included in the Unilateral Change Order.
  - 2. Within 30 calendar days of the date of said notice of potential claim submit to the City Representative a claim with written documentation as specified under Article "Documentation".

#### 1.6 FORCE ACCOUNT WORK

- A. All Force Account work shall be witnessed, documented and approved in writing by the City on the day that the work is performed. Force Account Work that is not reported to the City representative on the day the work is performed will not be paid by the City. The Contractor shall notify the City Representative in writing at least 24 hours in advance of its schedule before proceeding with the Force Account work. See also Section 00 73 00 - 1.5
- B. Force account charges, a definite price for which has not been agreed on in advance, shall be recorded daily on a Daily Force Account Report Form obtained from the City Representative.
  - 1. Contractor or authorized representative shall complete and sign Form.
  - 2. The Form shall provide an itemized account and supporting data and shall be countersigned by the City Representative.

#### 1.7 EXECUTION OF CHANGE ORDERS

- A. Execution of Change Orders: The City will issue Change Orders for signatures of parties as provided in the Conditions of the Contract.
- B. The City shall have the right to audit all records in possession of Contractor relating to activities covered by Contractor.

#### 1.8 CORRELATION OF CONTRACTOR SUBMITTALS

- A. Promptly revise Schedule of Values and Application for Payment forms to record each authorized Change Order as a separate line item and adjust the Contract Sum.
- B. Promptly revise progress schedules to reflect any change in Contract Time, revise sub-schedules to adjust time for other items of work affected by the change, and resubmit.
- C. Promptly enter changes in Project Record Documents.

## 1.9 CONTINUING WORK DURING DISPUTES

- A. The Contractor shall carry on and prosecute the work and maintain the progress schedule during all disputes and disagreements with the City. Time is of the essence. No work shall be delayed or postponed pending resolution of any disputes or disagreements, except as the City Representative and the Contractor may otherwise agree in writing.
- B. The Contractor shall notify the City Representative at the beginning of each single day, shift, or phase before performing the disputed work. Failure to notify the City Representative at the beginning of each day, shift or phases will result in no verification of any work performed under dispute or disagreement. The Contractor and the City Representative shall agree upon the size and number of manpower, equipment, and materials for documentation at the end of every day, shift or phase until resolution or completion of the disputed work.
- C. Submit a Disputed Work Report Form, obtained from the City Representative, on the day that work is performed if the City and Contractor disagree as to the City's determination of said work. See also Section 00 73 00 – 1.5

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF SECTION