Construction Contract Change Orders

Interscope + Training

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State Construction Office
Department of Administration
## Project Types and Approval Levels

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>PROJECT DESCRIPTION</th>
<th>OBJECT</th>
<th>OBJECT SUBTYPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Agency Project &gt; $500K</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER SCO</td>
</tr>
<tr>
<td>A2</td>
<td>Agency Project &lt; $500K (State Debt)</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER AGENCY</td>
</tr>
<tr>
<td>A3</td>
<td>Agency Project &lt; $500K (No State Debt)</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER NO WORKFLOW</td>
</tr>
<tr>
<td>C1</td>
<td>CC Project &lt; $500K</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER AGENCY (*)</td>
</tr>
<tr>
<td>C2</td>
<td>CC Project &gt; $500K</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER SCO</td>
</tr>
<tr>
<td>C3</td>
<td>CC Project &gt; $500K &lt;= $4M</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER AGENCY</td>
</tr>
<tr>
<td>C4</td>
<td>CC Project &gt; 4M (State Debt)</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER SCO</td>
</tr>
<tr>
<td>C5</td>
<td>CC Project &gt; 4M (No State Debt)</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER AGENCY</td>
</tr>
<tr>
<td>F1</td>
<td>Foundation Project/Other</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER NO WORKFLOW</td>
</tr>
<tr>
<td>F2</td>
<td>Foundation Project/Other</td>
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<td>CHANGE ORDER NO WORKFLOW</td>
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<td>G</td>
<td>Federal Oversight Project</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER NO WORKFLOW</td>
</tr>
<tr>
<td>H1</td>
<td>Hospital Project &gt; $500K</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER SCO</td>
</tr>
<tr>
<td>H2</td>
<td>Hospital Project &lt; $500K</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER AGENCY (*)</td>
</tr>
<tr>
<td>P1</td>
<td>Performance Contracts</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER NO WORKFLOW</td>
</tr>
<tr>
<td>P2</td>
<td>Performance Contracts</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER NO WORKFLOW</td>
</tr>
<tr>
<td>U1</td>
<td>UNC Project &gt; $2M</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER SCO</td>
</tr>
<tr>
<td>U2</td>
<td>UNC Project &gt; $500K &lt; $2M</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER AGENCY</td>
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<tr>
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<td>UNC Project &gt; $500K &lt; $1M</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER AGENCY</td>
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<tr>
<td>U4</td>
<td>UNC Project &lt; $500K</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER NO WORKFLOW</td>
</tr>
<tr>
<td>U5</td>
<td>UNC Project &lt; $500K</td>
<td>CHANGE ORDER</td>
<td>CHANGE ORDER NO WORKFLOW</td>
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</table>
The construction change order process provides an electronic process for submitting and approving changes to projects with construction costs over $500,000 and is controlled by a workflow that requires the sequential execution of the steps by the respective parties. Change orders for smaller projects are not processed electronically, but use a simple spreadsheet shown at the end of this section, to record change order information.

*Only Designers* (or InterscopePlus users given the appropriate permission) are allowed to create and submit change orders for review, processing and approval. The electronic change order process is used for all formal projects, both those subject to SCO oversight and University “download” projects.

*NOTE* University change orders follow a slightly different approval process, with the final approval being at the University level rather than at SCO.
Construction Contract Change Order Processing Steps with SCO Final Approval

Actors: The Designer, the Contractor, the Owner project manager, the SCO project manager (Monitor)

Prerequisites:
1. A project exists with a Project Type that defines SCO final approval for change Orders
2. A design contract has been executed under this project and is “Active”
3. A construction contract has been executed under this project and is “Under Construction”

Workflow Steps:
1. The Designer creates a change order
2. The Designer submits the change order for approval
3. The Contractor reviews and approves it
4. The Designer reviews and approves the Contractor’s approval
5. The Owner Project Manager reviews and approves it
6. The SCO Project Manager reviews and approves it
Construction Contract Change Order  
Processing Steps with Owner Final Approval

Actors: The Designer, the Contractor, the Owner project manager

Prerequisites:

1. A project exists with a Project Type that defines Owner final approval for change Orders
2. A design contract has been executed under this project and is “Active”
3. A construction contract has been executed under this project and is “Under Construction”

Workflow Steps:

1. The Designer creates a change order
2. The Designer submits the change order for approval
3. The Contractor reviews and approves it
4. The Designer reviews and approves the Contractor’s approval
5. The Owner Project Manager reviews and approves it
Construction Contract Change Order Change Order Entry (no workflow)

Actors: the Owner project manager

1. A project exists with a Project Type that defines no workflow approval for change orders
2. A design contract has been executed under this project and is “Active”
3. A construction contract has been executed under this project and is “Under Construction”

Steps:
1. The Owner Project Manager enters all change orders using a spreadsheet data entry screen.
Formal Projects - Change Orders

Creating the Change Order

NOTE: Each Proposed Change Order (PCO) requires supporting documentation to be uploaded for review and acceptance. A PCO cannot be added without supporting documentation. It is recommended that all supporting documentation be gathered prior to change order entry.

After logging in, the designer selects the Active Construction Contracts tab on his/her Home screen, then selects the contract for which the Change Order (CO) will be entered and clicks on it.

Use the **SCO File#** to identify the correct Construction Contract and double click to open.
Formal Projects - Change Orders
Creating the Change Order

Select the Construction Contracts Tab
Select the Contract you wish to create a change order.
Formal Projects - Change Orders
Creating the Change Order

1. From the Construction Contract Screen
2. Select the Change Orders Tab
3. Add Change Order
Formal Projects-Change Orders

Creating the Change Order

Fields in Red are required

To upload files, select “Upload Files”
Formal Projects-Change Orders
Creating the Change Order

In the File Uploader window, select Choose File to browse for the file to upload.

When the file is selected, it will be uploaded to the window. Upload as many files as necessary. Add a description and click “Upload Files”.

Formal Projects - Change Orders
Creating the Change Order

After it is saved, it will show as Change Order # (with the next sequential number) under status and the Work Flow icon appears.
Creating the Change Order

The Designer may continue to make changes to the Change Order up until the time that the Change Order is submitted. However, once it is submitted, no changes or deletions are allowed.

The Designer may choose to abandon or delete the Change Order using the Action button.
Formal Projects - Change Orders

Submitting the Change Order for Review

- To complete this workflow step, the Designer must submit the Change Order to initiate its review and approval by other Project participants. Up to this point, no other Project participant has been involved in the Change Order processing.

- Submit the Change Order by selecting the Submit button. A Confirmation window will appear to confirm this action. Select Yes to continue or No to return.

- The Change Order workflow is updated and processes any Alerts that are defined for this step.

- The system is configured to send Alerts to the Owner, Contractor and Project Monitor. An Alert is sent for each logon associated with each project role.
Formal Projects-Change Orders
Receiving and Responding to the Alert

Each participant will receive an alert via email concerning actions for each Change Order.

To access the Change Order, simply click on the link at the bottom of the Alert Email. You will be prompted to Logon and are then directed immediately to the Change Order page.
Formal Projects-Change Orders
Reviewing and Approving Change Orders

• Each participant will receive an alert via email concerning actions for each Change Order.

• When the Contractor logs on to InterscopePlus, he/she sees a “Change Orders In Progress” clipboard on his/her Home screen. By selecting a Change Order, he/she can view the Work Flow Activity of that Change Order. Change Orders that are awaiting their action are highlighted in yellow. At this workflow step there are only 2 options that can be performed – Approve or Reject. They are available from the.

• Approving the Change Order moves the process along to the next step in the Workflow.

• Rejecting the Change Order at any step in the Workflow causes the Change Order to be returned to Step 2 where the originator (Designer) can change and resubmit. The workflow is then reset and the audit trail (found at the bottom of the page) maintains a record of the prior workflow events.

• This process continues until the final Workflow Step is completed and the Change Order is marked as Approved (See Status field).

• Alerts are sent to all Project participants as a notification that the Change Order has been officially approved.
### Formal Projects - Change Orders

**Reviewing and Approving Change Orders**

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
<th>Active?</th>
<th>Role</th>
<th>Firm/Agency</th>
<th>User Completing Step</th>
<th>Completed On</th>
<th>Approved On</th>
<th>Result</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>CREATE</td>
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<td>DESIGNER</td>
<td>SCO Designer</td>
<td>scodesigner</td>
<td>04/21/2015 12:00</td>
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<td>SCO Designer</td>
<td>scodesigner</td>
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<tr>
<td>3</td>
<td>APPROVE</td>
<td>Y</td>
<td>CONTRACTOR</td>
<td>SCO Contractor</td>
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<tr>
<td>6</td>
<td>APPROVE</td>
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<td>SCO</td>
<td>SI Construction</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
Formal Projects-Change Orders
Reviewing and Approving Change Orders

The owner must certify that sufficient funds are available for the change order before approving. Sufficient funding must be reflected in the InterscopePlus system before the change will be approved by SCO.
• Change orders must be entered, submitted and approved in sequence. There are safeguards in place to check for any outstanding prior change orders before a newer change order can be approved.

• Change orders may also be deleted at any time before submission. The system will review the current sequence of change orders and re-sequence them as appropriate to maintain a consistent ordering.
Informal Project Change Orders

The change order process for informal projects involves making entries to identify the nature of the change, cost, and impact on contract days into a spreadsheet format on the ‘Change Order’ tab on the construction contract.

Click in the **Description** block and enter the description of the change. Tab to fill in any additional days and tab to enter amount of change. Change orders are automatically numbered in the order entered. You may enter as many change orders as necessary, then . The changes are reflected in the Change Orders Summary.
Informal Project Change Orders

On the ‘Construction Contract Detail’ tab, the total of all change order amounts are also shown.
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And search under “Training Materials”
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