

 PA TURNPIKE COMMISSION POLICY <i>This is a statement of official Pennsylvania Turnpike Policy</i>		NUMBER: 6.01 APPROVAL DATE: 04-08-2000 EFFECTIVE DATE: 05-04-2000 REVISED DATE: 06-05-2018
POLICY SUBJECT: Construction Contract Change Order Approval	RESPONSIBLE DEPARTMENT: Engineering	

A. PURPOSE:

The purpose is to establish a general policy governing the review and approval levels for changes required on construction contracts awarded by the Commission in accordance with Policy 7.4.

B. SCOPE:

This policy applies to all construction contracts awarded by the Commission.

C. GENERAL POLICY:

The Contingency Value originally established at contract award authorizes the maximum adjustment of the contract amount for Category 1 Change Orders.

The following establishes the review and approval levels required for construction contract Change Orders within Category 1 and having a Net Value under the available contingency. The limits represent the Absolute Value for individual Change Orders.

Review By	Approval
Construction Engineer Manager	\$250,000
Assistant Chief Engineer- Construction	\$500,000
Chief Engineer	Over \$500,000 and Under Contingency Amount Net

The following must be submitted for Commission approval:

- All Category 2 Change Orders.
- All final Change Orders.
- All Change Orders on Federally Funded Projects.

The Project Manager will be responsible for coordinating the preparation of Change Order documents and initiating the securing of required signatures prior to authorizing any payment to the Contractor against the Change Order.

An Independent Professional Review of Change Orders will be required based on the following criteria:

- Category 2 Change Order submissions (which includes Final Change Orders).
- Category 1 Change Order submissions that cumulatively exceed 20% of the absolute value of the original contract award amount.

An Independent Professional Review of Change Orders is not required for:

- Open-end contracts unless an independent review is requested.
- Change Orders that are the implementation of a decision of the Commission in resolving a claim by settlement, litigation, or a court decision.

The General Consulting Engineer (GCE) will perform the following reviews annually:

- Independent quality assurance review of the Change Order Policy and Procedures.
- Detailed review of all Change Orders on a minimum of 20% of selected projects with an approved final payment.

D. DEFINITIONS:

Absolute Value- The sum of all additions and deductions without consideration to the negative value of deductions.

Change Order- A written order authorizing any or all of the following on a specified contract: having the contractor perform additional or extra work, deleting work, or adjusting contract time.

A Change Order may be initiated for the following circumstances:

CATEGORY 1: CHANGES - Revisions within original scope

- Adjustments required to meet actual field conditions encountered.
- Work in amounts greater than the original scope.
- Adjustments in quantities to reflect actual work performed.
- Changes in design or specifications or both that maintain the original intent of the project.

CATEGORY 2: SUPPLEMENTS - Revisions outside the original scope

- Changes in design for addition of work beyond the original intent of the project.
- Specification changes for addition of work beyond the original intent of the project.
- Work required beyond the original scope or outside the project limits.
- Contract time adjustments.
- Implementation of a decision of the Commission in resolving a claim by settlement, litigation or a court decision.
- Assessment of liquidated damages, lane rental fees, road user costs, incentive/disincentive payments or payment of acceleration costs.
- Category 1 Change Orders above the contingency.

Contingency Value- A value added to the contract amount that provides authority for the maximum adjustment of the contract amount for Category 1 Change Orders. The original Contingency Value is established at contract award.

Net Value- The difference between total additions and total deductions.

E. PROCEDURES:

Procedures for review, approval, processing and distribution of construction contract Change Orders are defined in the Construction Operations Manual, section "B.5-1- Preparation of Change Orders on Construction Contracts".

Procedures for Independent Professional Review of Change Orders are defined in the Construction Contracting Operations Manual, Appendix F – Independent Professional Review Procedure and Form.

This Policy Letter supersedes all previous Policy Letters on this subject.