**LPA CHANGE ORDER GUIDANCE**

A change order is prepared and processed for any of the following reasons:

* An increase or decrease in any of the contract pay items;
* Changes in the work which were not originally delineated in the contract such as revised design considerations;
* The addition of a new or modified pay item required to complete the work in accordance with the contract;
* Changes caused by outside agencies such as utilities, railroads, etc.;
* Payment adjustments due to contract provisions;
* Quantity changes to meet field conditions;
* Plan errors;
* Suspension of Work;
* Final measurements/calculations; and
* Settlement of a dispute or claim resulting from any of the above reasons.
* Modify contract completion date.

The change order must provide sufficient explanation to ascertain that the work is necessary, consistent with specifications, within the scope and with concurrence of the CM. If the change order is concurred on by ODOT and Federal / State funds are available above current ODOT project encumbrances, but under the project capped amount, funding may be permitted. Funding of change orders not approved or for which no remaining Federal / State funds remain, is the sole responsibility of the LPA.

The processing of change orders usually begins with the recognition of a need for a change order at the project level. There is usually communication between the contractor and the CPE. If all parties agree that a change order should be generated, a decision is made as to the type of change order that is needed.

The performance of extra work or additional quantities of work may warrant an extension of contract time. Extensions of contract time may involve additional direct project overhead cost. Once the need to perform extra work on a project has been identified, a basis of payment for this work must be established.

The two types of pricing for extra work are usually Agreed Unit Price or Force Account Price. Agreed Unit Price is used when the extra work can be broken down into measurable units. The number of units necessary to perform the work is estimated and a unit price determined and agreed upon. The agreed upon unit price should be a unit price already established in the contract or comparative pricing may be used. The CPE may reference ODOTs website of average bid prices to assist with this effort.

Force Account Price is used when the work cannot be broken into measurable units or when a unit price cannot be agreed upon. This method reimburses the contractor the actual costs of labor, equipment and materials incurred in the performance of the work including allowable overhead and markup. This method requires a significant amount of record keeping.