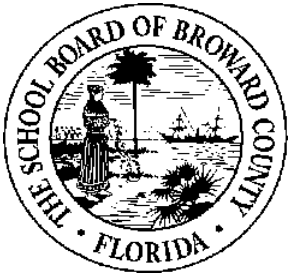




The School Board of Broward County, Florida
Facilities and Construction Management Division
1700 S.W. 14th Court
Fort Lauderdale, Florida 33312

CONTRACTING

NEW CHANGE ORDER ERRORS & OMISSION PROCEDURES



I. Change Process-

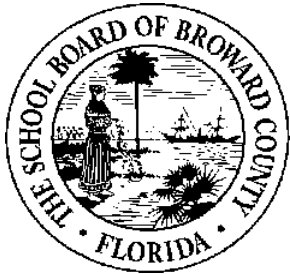
“As well –planned & thought-out as a construction contract may be-----
-- CHANGE ORDERS ARE INEVITABLE.”

1.1 Overview-

“The Change Management Process is undertaken to ensure that each change introduced to the PROJECT environment is properly define, evaluated and approved prior to implementation.”

1.1.01-General Applicability-

“....will apply to all contracts (constructions, alterations, modifications, and /or maintenance, job orders & /or work orders)



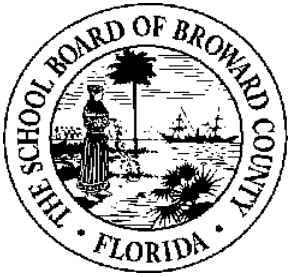
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1.2 – Change Order Process and /or Preparation

1. All change orders will be prepared by “PROJECT MANAGERS” or his designated representative such as the AE of record or Consultant. Once the Contractor issues a ‘Request for Interpretation’ or FORM 1310a- (this includes Change Orders (CO), Construction Change Directives(CCD’s), Contingency Change Directives (CUD))

a. At this stage it is determine whether or not a “Full Feasibility Study” is required to assess the full IMPACT of the Change– based on:

- (1) # of change options
- (2) Complexity
- (3) Scale of the Change solutions



2. The **Project Consultant** will prepare a-----:

a. *Cost Estimate, Construction Schedule* covering the needed change and prepares....

(1). The *Change Order package* & process the same to the contractor for his signature. (**IN THAT ORDER**)

b. The *PM will* process the Change Order Package to *Contracts* for;

(1) Entitlement Approval

(2) Evaluation

(3) Eligibility

(4) Cost Evaluation & Time Schedule verification

(5) Categorization & Contract Document compliance



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c. The *PM* will complete Form 1250g and sends the form to *Capital with a PFA & enters the form into PROLOG....& the Changes will be presented to ;-----*

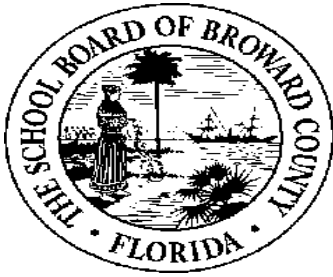
(1) *“APG” for final approval (IF CHANGES ARE REQUIRED BY THE APG THE PM WILL PERFORM THE REQUIRE CHANGES & RESUBMIT FOR “APG” APPROVAL)*

(2) *PM will email FORM 1250g to Contractor for “EXECUTION” (ONCE APPROVE) and one copy to the “CONSULTANT”*

(a) *The “Consultant” will execute and delivers one (1) original to Administration (Administration will SCAN INTO OPTIVIEW & Delivers to PM)*

(3) *PM will distribute to SENIOR PROJECT MANAGER COMPLETE CHANGE ORDER PACKAGE for :*

(a) *Final Review and approval and submits the CO package to ELT & final delivery*

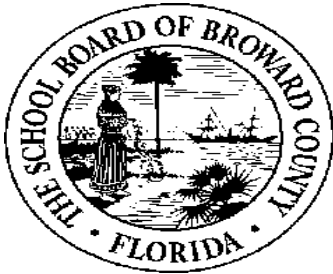


1.3 NOTE OF INFORMATION:

ELEGIBILITY & CULPABILITY

- **WHEN THE “PM & CONSULTANT” ARE IN THE PROCESS OF WRITING THE REASON FOR THE CHANGE YOU WILL NEED TO KEEP IN MIND THE FOLLOWING:**

- 1. Who is responsible to pay?**
- 2. Did the contractor fail to construct because (Reason)**
- 3. Is the Change Order a result of an Error & Omission?**
- 4. Is it due to a different site condition?**
- 5. Is it due to a change in code ; When was the coded implemented?**
- 6. Was the work written or drawn in the contract documents?**
- 7. Did the “General Contractor” give all the contract requirements to the SUBCONTRACTORS , for estimating and proposal preparation?”**
- 8. Unforeseen Conditions.**
- 9. Is it an Owners requested Change?**

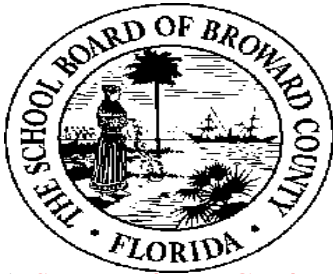


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1.3 NOTE OF INFORMATION (Continuation) Therefore when writing;

“DESCRIPTION OF THE CHANGE”- In FORM 1250g- Will clearly describe , the change that the SBBC is receiving in a language without Technical wording nor Details or Page Numbers:

1. Why we need the Modification
2. Is it required by code
3. State if its an Owner Request for enhancement; then the wording should state that the change is for “BETTERMENT” to the project & the District----- **”DO NOT TRY TO HIDE IT”**

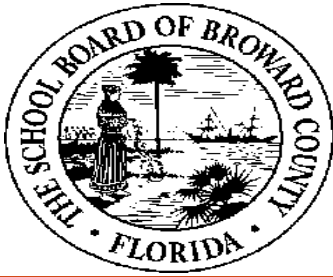


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1.4 **SUMMARY CHANGE ORDER PROCEDURES (CD's, CCD's, & CUD's)**

Any of the changes required by any reason need not be signed by the General Contractor, nor the Consultant- The Owners representative can in fact issue an Constructive Change Directive (CCD) better know as a “UNILATERAL” directive to avoid further delays and maintain the “Project” on schedule.

- a. The PM will evaluate all the submitted modifications with the assistance of the Project Consultant.(Opening Plans, and/ or Contract Documents)
- b. Review for completeness, prior to submittal to APG, Senior Project Manager ELT's.
- c. Determine who is responsible.
- d. Prepare the complete Change Package & placing all required documentation, which will have the following:
 1. Backup from general contractor, subs and suppliers.
 2. Cost estimate
 3. Construction Impact Schedules
 4. Plans Vs Modification & the required Specification
 5. Culpability; SF721 “ Change Order Agenda Item Request”; CO Summary
 6. Time Delays with a new Project up-dated Schedule



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e. The documents shall be process through the **“CONTRACTING DEPARTMENT”**

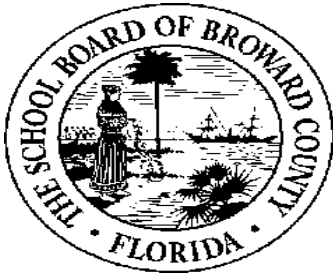
(1) Estimating & Scheduler will review/ Eligibility Determination

“KEEP IN MIND THAT FORM 01250G- WILL EXPLAIN THE NECESSARY CONTRACT MODIFICATION TO BOARD MEMBERS & THE PUBLIC”

(1) Description of the Change - shall clearly describe “What the District is Receiving/ in a clear language”

(2) Reason for the Change- Shall clearly describe “why” (Code change, unforeseen conditions, User Requested Change, Errors & Omissions)

DO NOT USE TECHNICAL LANGUAGE, DO NOT REFER TO DETAILS AND/OR PAGE NUMBERS



ERROR & OMISSIONS

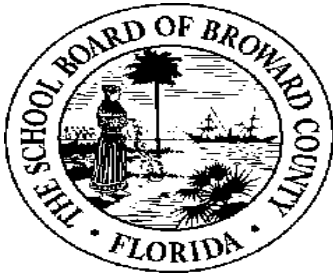
I. PROCESSING E & O AND RESPONSABILITIES

- a. Project consultant:-- Prepares Change Orders by instructions from the Owners Representative.

- b. Project Manager and /or Owners Representative- Reviews Change Orders Proposal Request (Initial Determination regarding “REASONS” “WHY”

- c. Project Manager & /or Owners Representative- Consult with “Project Consultant” & makes the determination regarding E & O.

- d. Project Manager & / or Owners Representative- Consults with estimating. Scheduling staff



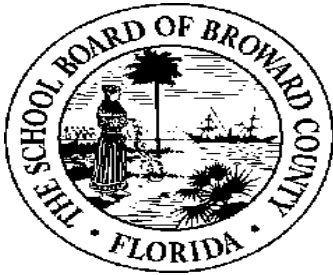
ERROR & OMISSIONS

FINAL PROJECT COMPLETION REQUIREMENTS (Continuation)

- e. *Project Manager and/or Owners Representative-* Determines the “FAIR & REASONABLE” values & submits to “CONTRACTS”

- f. *Contracts-* Reviews Change Order (reviews, determines eligibility & comments on E&O.

- g. *Project Manger and/ or Owners Representative-* Process CO & prepares SF 721 “Change Order Agenda Item Request & Change Order Summary & submits for Board approval.



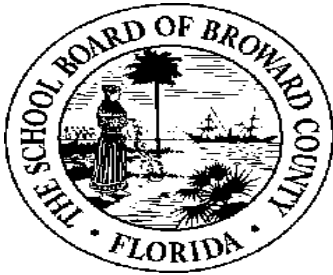
ERROR & OMISSIONS

II. FINAL PROJECT COMPLETION REQUIREMENTS

- a. **PM & / or Owners Representative-** Reconciles “FINAL PAYMENT” to project Consultant deducting “**Excess Cost**” from “**Error & Omissions**”

- b. **Project Consultant.-** May contest the deduction & PM will attempt to resolve the impasse.
 - (1) If PM is successful process the “FINAL PAYMENT” (with all supporting documents)

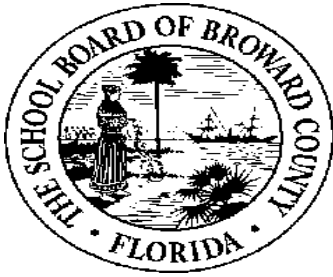
 - (2) If PM is not successful return the request for payment to the “Consultant” & submit the case to the “DISPUTE RESOLUTION” committee & further Legal Processing



ERROR & OMISSIONS

c. **CONTRACTS-** Will review Errors & Omissions report on a quarterly basis. The Quarterly Report will include;

- (1) Project Information (P #, total Cost, etc.)
- (2) Change Order Values; including
 - (i) Errors
 - (ii) Omissions
 - (iii) Value Received
 - (iv) Estimated Damages
 - (v) Assigned Responsibility (Staff, General Counsel & Assigned Cadre Counsel)



ERROR & OMISSIONS

- d. **Contracts;** will prepare the “ERROR & OMISSIONS” report to Deputy Superintendent.
- e. **Deputy Superintendent;** will forward “ERRORS & OMISSIONS” report to the “GENERAL COUNSEL”
- f. **General Counsel;** Evaluates quarterly report & takes appropriate action & instruct “Contracts”
- g. **Contracts;** will prepare “Errors & Omissions” demand letter (DL 001) to General Counsel & follows-up demand letter to “Project Consultant” from the E & O for values less than \$50,000 or may;
 - (1) Engage expert consultant
 - (2) Report status to Deputy Superintendent & copies to General Counsel



ERROR & OMISSIONS

- h. **General Counsel;** Will evaluate any response from the Consultant & take appropriate action, such as;
 - (1) Respond to Project Consultant
 - (2) Evaluate Damages & Recovery Cost; and /or refers to outside counsel

- i. **General Council;** provides status to Deputy Superintendent

- j. **Deputy Superintendent;** will report non-responsive Project Consultants to;
 - (1) Qualification Selection Evaluation Committee (QSEC)