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**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE
REFER TO FILE

January 11, 2022

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

46 January 11, 2022

CELIA ZAVALA
EXECUTIVE OFFICER

**CONSTRUCTION MANAGEMENT CORE SERVICE AREA
ADDITIONAL CHANGE ORDER DELEGATED AUTHORITY
FOR A CONSTRUCTION CONTRACT
PACOIMA SPREADING GROUNDS BASIN ENHANCEMENT PROJECT
PROJECT ID NO. FCC0001207
IN THE CITY OF LOS ANGELES
(SUPERVISORIAL DISTRICT 3)
(3 VOTES)**

SUBJECT

Public Works is seeking Board approval for additional delegated authority to approve and execute change orders for the Pacoima Spreading Grounds Basin Enhancement Project in the City of Los Angeles.

IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

1. Find that the proposed action is not a project under the California Environmental Quality Act for the reasons stated in this Board letter.
2. Delegate authority to the Chief Engineer of the Los Angeles County Flood Control District or his designee to approve and execute change orders up to a value of \$750,000 each, with a maximum aggregate total amount of 25 percent of the contract amount, adjusted annually to reflect the percentage change in the California Consumer Price Index for the Pacoima Spreading Grounds Basin Enhancement Project.

3. Find that Public Works' current change order procedure and submission of Delegation of Authority Quarterly Reports to the Board and posting thereof on the public facing Board Correspondence website are appropriate measures to prevent fraud and ensure accountability for this delegated authority.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will find that it is not subject to the California Environmental Quality Act (CEQA) and allow Public Works to execute change orders up to a value of \$750,000 each, with a maximum aggregate total amount of 25 percent of the contract amount, adjusted annually to reflect the percentage change in the California Consumer Price Index for the Pacoima Spreading Grounds Basin Enhancement Project.

The construction contract is for the Pacoima Spreading Grounds Basin Enhancement Project, which includes improvements to the Pacoima Spreading Grounds facility to increase stormwater conservation capacity, and the construction of a bike trail adjacent to the Pacoima Diversion Channel. The Board approved the project on March 9, 2021, and the construction contract for this project was executed on May 17, 2021, for an initial contract amount of \$54,483,460.

Existing limits on delegated authority for change orders has not kept pace with current construction markets or the need for flexibility in delivering large-scale projects. On large scale projects, the threshold requiring the Board's approval can easily be exceeded, resulting in delays. This time is critical to project delivery schedules and can also increase the cost of projects. Additionally, inflation has impacted what can be achieved within current delegated authority for change orders or additions on construction contracts, which have not been increased since 2010. The maximum individual change order amount of \$210,000 under these delegated authorities particularly impact Public Works' ability to deliver large-scale construction projects in an efficient and timely manner.

To partially address this issue, Los Angeles County initiated and advocated for the Local Agency Public Construction Act State Assembly Bill 712 (2021), which was signed by the Governor and became effective January 1, 2022. State Assembly Bill 712 (2021) makes temporary changes to certain portions of the California Contract Code. One of those changes authorizes the Board to delegate authority for changes of up to \$750,000 each on projects whose initial contract amount exceeds \$50,000,000. This temporary authority for the Board may be used on up to seven projects and expires on January 1, 2027. A requirement for the use of this authority is that the Board implement appropriate measures to prevent fraud and ensure accountability for that delegated authority at the time it is granted. To prevent fraud, Public Works will follow the latest approved Change Order Procedure, dated July 2016 when approving change orders under this delegated authority (see Enclosure).

The Change Order Procedure, based on Sections 20142 and 20145 of the State Public Contract Code describes the change order process and approval authority levels for change orders. Public Works will periodically update its Change Order Procedure to reflect changes in the County Code, State or federal law. To ensure accountability, all change orders authorized under delegated authority are reported to the Board of Supervisors on a quarterly basis and publicly posted on the Board Correspondence website at <https://lacounty.gov/bc>.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability, Objective III.3.2, Manage and Maximize County Assets. The recommended action supports ongoing efforts to manage and improve public infrastructure assets.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

Sufficient funds for each change order approved under delegated authority will be made available in the Flood Control District Fund (B07- Capital Assets-Infrastructure) prior to approval.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

State Assembly Bill 712 (2021) included changes to Public Contract Code Section 20998, which became effective on January 1, 2022. These changes allow the Board to delegate additional change order authority to the Chief Engineer of the Los Angeles County Flood Control District on a project-by-project basis for contracts whose original cost exceeds \$50,000,000. Pursuant to this code revision, the Board may delegate authority to the Chief Engineer of the Los Angeles County Flood Control District to approve change orders up to a value of \$750,000 per change order, adjusted annually to reflect the percentage change in the California Consumer Price Index, rather than the previous limit of \$210,000 per change order. This authority may apply on up to seven projects prior to this authority's expiration on January 1, 2027.

ENVIRONMENTAL DOCUMENTATION

The recommended action is not subject to CEQA because it is an activity that is excluded from the definition of a project by Section 21065 of the Public Resources Code and Section 15378 (b) of the State CEQA limit is an organizational or administrative activity of government, which will not result in direct or indirect physical changes to the environment.

All change orders approved under this delegated authority will be subject to prior determination and documentation by Public Works that the extra work is within the scope of the project in the previously adopted Mitigated Negative Declaration.

CONTRACTING PROCESS

The contract provides that the contractor be compensated for the work resulting from a change to the original plans and specifications or changed conditions encountered during the course of construction. The cost is based on contract unit prices, time and materials, or negotiated price under the provisions of the contract specifications.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The increase in change order delegated authority will minimize costly construction delays resulting from change orders and will ensure the timely completion of the work under the contract.

CONCLUSION

Please return an adopted copy of this letter to Public Works, Project Management Division III.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Pestrella". The signature is fluid and cursive, with the first name "Mark" and last name "Pestrella" clearly distinguishable.

MARK PESTRELLA, PE

Director

MP:SRB:ja

Enclosures

c: Chief Executive Office (Chia-Ann Yen)
County Counsel
Executive Office
Internal Services Department (Countywide
Contract Compliance)

July 5, 2016

TO: Steve Burger
Bob Gysel
Jalal Vahabnezhad
Ruben Amezcua
Imad Abboud
Office Supervisors
Field Supervisors
Office Engineers
Area Supervisors
Inspectors

FROM: James T. Sparks

CHANGE ORDER PROCEDURE 2016

The scope of this procedure is to provide direction to Construction Division staff on the processing of contract change orders and define authority limits when executing change orders.

Change orders are used to make changes to the original contract between the contractor and the County of Los Angeles as described in Section 3 of the contract specifications. Change orders can be used to make changes to the terms of the contract, make changes to the plans, adjust item quantities, add or delete work, clarify the terms of the contract, or resolve disputes. Change orders address both cost and time adjustments.

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- Exhibit A Change Order Log
- Exhibit B Proceed Order Letter
- Exhibit C Sample Change Order and Change in Work Content
- Exhibit D Change Order Line Items
- Exhibit E Budget Approval Process
- Exhibit F Time Impact Analysis and Written Determination
- Exhibit G Time and Materials Field Order

1.0 DEFINITIONS

1. **Administrative Change** – Change to the general provisions of the contract that does not change the work.
2. **Change in Work Request (CIW)** - Internal form that explains the need for a change order, justifies limits for cost and time, and authorizes staff to seek agreement with the contractor not to exceed those limits.
3. **Change Order** – A written order to the contractor that amends the original construction contract between the Contractor and the County to reflect changes in work as described in Section 3 of the contract specifications. A change order addresses both cost and time adjustment. For our purposes, change orders are also used to adjust bid item quantities, clarify contract terms, and resolve disputes.
4. **Compensable Delay** – A delay in the contract in which the contractor is entitled to an adjustment in time and costs.
5. **Delay** – An impact that extends the contract schedule's critical path.
6. **In-Scope Change** – Items of work necessary to complete the intent of the original scope of work. Changes resulting from unforeseen site conditions, design deficiencies, or jurisdictional agency requirements are considered in-scope changes.
7. **Non-Compensable Delay** – A delay that is beyond the control of the contractor and not a result of fault or negligence by the County. The contractor may be entitled to an adjustment in time but no associated cost.
8. **Out-of-Scope Change** – Items of work that are not needed to complete the intent of the original scope of work. They are usually requests from project sponsors that would like to add work to the project. The use of bid items to perform work in areas not shown on the plans, such as additional sidewalk repairs, may be considered out-of-scope. These type of changes require authorization from the Assistant Division Head or higher.

9. **Owner Requested Change** – Changes requested by the County. These types of changes are considered out-of-scope changes.
10. **Proceed Order** – A written directive to the contractor authorizing the start of change order work prior to fully executing a change order. A Proceed Order is used to minimize costly delays to the project.
11. **Request For Information (RFI)** – A document used to confirm written interpretation of specific provisions or details in the contract documents, or to obtain written direction or clarification of the work.
12. **Supplemental Change Order** – An additional agreement used to amend the original change order for cost and/or time between the contractor and the County for the same scope of work.
13. **Technical Change** – Any change to the signed plans or specifications. Approval from the engineer of record is required for a technical change.
14. **Time and Materials (T&M)** – Accumulation of costs including labor, material, and equipment, as provided in Section 3-3 of the specifications. Also referred as extra work at force account.
15. **Time Impact Analysis** - A schedule analysis technique that allows for an in depth review of the accepted contractor's schedule in order to determine the possible impact of the delay on the overall project completion. May also be used to evaluate potential impacts to the schedule for acceleration.
16. **Unilateral Change Order** - A change issued by the County without consent or signature of the contractor. Although a contractor must abide by a unilateral directive, he is free to file a claim for the additional costs or time incurred.

2.0 CHANGE ORDER PROCESS

Below is a summary of actions and the respective responsible staff for processing change orders. This process should be used in conjunction with the flow charts and all other sections included in this procedure.

Responsibility	Action
1. Office Engineer	<ul style="list-style-type: none">• Prior to the start of construction, determines the change order authority limits and provides this information to the Section Head and field staff (see sections 5.0 and 6.0).• Enters the authority limit amounts in the Construction Management Database (CMD) in the comment field.• Maintains a log of all change orders and Requests for Information (RFI) processed during the course of a project (see Exhibit A).• Determines if there are multiple jurisdictions or funding sources and if there is a need to separate costs and informs field staff.• Receives an RFI from the contractor or others, including field staff, designers, or sponsors.• Logs the RFI.• Reviews RFI with the Area Supervisor. <i>If the RFI is an owner requested change it is considered out of scope and must obtain approval from management prior to moving forward with the change order process; at minimum, Assistant Division Head level.</i>• Obtains the Designer's response if it is a technical matter.• Prepares draft response to the RFI and reviews response with the Area Supervisor.
2. Area Supervisor	<ul style="list-style-type: none">• Assists Office Engineer in reviewing the RFI and RFI response.

Responsibility	Action
3. Office Engineer	<ul style="list-style-type: none">• Forwards RFI response to the contractor.• Receives a request for a change order by the contractor, as appropriate. <i>A request for a change order by the contractor is typically in response to an RFI.</i>• Reviews request for a change order with Area Supervisor.
4. Area Supervisor	<ul style="list-style-type: none">• Reviews the request for a change order with the Office Engineer• Determines if a change order is warranted.• Determines if the proposed change order work is in-scope or not.
5. Office Engineer	<ul style="list-style-type: none">• <i>For proposed change order work that is out-of-scope, obtains approval from management prior to proceeding with the change order process, at minimum Assistant Division Head level.</i>• Determines if a Proceed Order is needed (see Section 7.0 and Exhibit B).• Provides written response to the contractor's request for a change order. Change order work that is determined to not be warranted or out-of-scope change order work not approved by management will end the change order process.
6. Contractor	<ul style="list-style-type: none">• Submits proposal with cost and time adjustment to Area Supervisor.
7. Area Supervisor	<ul style="list-style-type: none">• Reviews the contractor's proposal for cost and time with the Inspector.• Prepares the CIW form based on estimated not to exceed cost and time, and submits to the Office Engineer (see Section 8.0 and Exhibits C and D).• Begins negotiations with the contractor.

Responsibility	Action
8. Inspector	<ul style="list-style-type: none"> Assists Area Supervisor in reviewing the contractor's proposal for both cost and time.
9. Office Engineer	<ul style="list-style-type: none"> Reviews the CIW and ensures the CIW is accurate, complete, and has acceptable supporting documentation. Obtains signature on CIW from person with authority level. <i>Person with authority level must be for both cost and time. For work requiring Board of Supervisors' approval, routes the CIW through the Division Head for signature by the Deputy Director.</i> Obtains budget approval (see exhibit E). Obtains Board approval of CIW, if necessary. Reviews the contractor's proposal for time impacts and performs an analysis of the contractor's schedule and prepares a written determination of any time to be granted. The consultant scheduler can assist in preparing a time impact analysis (see exhibit F). Discusses determination of time to be granted with the Area Supervisor. Provides copy of written determination of time to Area Supervisor. Informs Area Supervisor once the CIW is signed and approved by the Board (where needed).
10. Area Supervisor	<ul style="list-style-type: none"> Reviews written determination of time with the Office Engineer Completes negotiations with the contractor. <i>(Time granted beyond what is included in the Office Engineer's written determination must be further justified in writing.)</i> If the change order cost and time is agreed, completes a Change Order form based on the terms of the agreement and submits the Change Order to the Office Engineer (see Section 8.0 and Exhibits C and D). If the change order work is not agreed on, informs the Office Engineer that an agreement could not be reached.

Responsibility	Action
11. Office Engineer	<p>Agreed cost and time:</p> <ul style="list-style-type: none">• Reviews the change order and ensures the change order is accurate, complete, and has acceptable supporting documentation.• Obtains the contractor's signature on the Change Order• Obtains signature on change order from person with authority level. <i>Person with authority level must be for both cost and time. For work requiring Board approval, obtains signature from Assistant Division Head or Division Head.</i>• Provides copy of executed change order to Area Supervisor and contractor. <p>Cost or time not agreed:</p> <ul style="list-style-type: none">• Discusses options with the Office Supervisor on how to proceed with the work, unilateral vs T&M.• Provides written instruction to contractor to proceed with the work on the basis of unilateral or T&M (see general rule 17 and exhibit G). For T&M work, the change order process continues to the next step.
12. Contractor	<p>Agreed cost and time:</p> <ul style="list-style-type: none">• Performs the change order work and this ends the change order process. <p>Cost or time not agreed:</p> <ul style="list-style-type: none">• Performs the change order work and submits daily T&M sheets to the Inspector. The change order process continues to the next step.
13. Inspector	<ul style="list-style-type: none">• Collects and reviews T&M sheets on a daily basis.• At the completion of the T&M work, prepares a written summary of all T&M costs and submits the T&M sheets and the summary to the Area Supervisor.

Responsibility	Action
14. Area Supervisor	<ul style="list-style-type: none">• Reviews T&M sheets and the summary.• Prepares change order form with the final cost obtained from the T&M sheets.• Forwards change order to the Office Engineer.
15. Office Engineer	<ul style="list-style-type: none">• Reviews the change order and ensures the change order is accurate, complete, and has acceptable supporting documentation.• Obtains the contractor's signature on the change order.• Obtains signature on change order from person with authority level. <i>Person with authority level must be for both cost and time. For work requiring Board approval, obtains signature from Assistant Division Head or Division Head.</i>• Provides copy of executed change order to Area Supervisor and contractor.• This ends the change order process.

3.0 FLOW CHARTS

See attached flow charts titled:

- Change Order Process (Identify Potential Change)
- Change Order Process (Change Order)
- Change Order Process (Proceed Order)

4.0 GENERAL RULES

1. Change orders must never be split to avoid requesting approval from higher levels of management or the Board. Occasionally, similar change orders may be required and executed at different stages of construction. These are not considered to be splitting.
2. Change order work shall only be performed after approval from the person with the authority level or the Board. Change orders must be approved based on authority levels for both cost and time per Sections 5 and 6 of this procedure. Only the cost and time included in the change order is authorized. If during the work the cost or time is expected to go past the amount shown on the approved change order, a supplemental change order per General Rule 11 must be processed before performing the work.

Ideally, no change order work is to be performed until staff has an executed change order in hand. On rare occasions, a verbal or e-mail approval to proceed with the change order work prior to issuance of an executed change order may be requested and approved by the person within the authority level. This prior approval may be appropriate if there is a cost/time benefit to the County or if it will minimize costly delays to the contract. This process must be followed up with a change order shortly after by the following work day.

3. All change orders must be supported by an RFI, either a contractor RFI or an owner RFI in cases where there is a change requested by the County.
4. A change order log must be maintained on every project. The log should list all change orders, costs and time adjustments, change order codes, submittal and approval dates, level of the approver, and a cumulative value of all change orders including a cumulative percentage of all change orders relative to the Board-approved contract amount. The log should be submitted and discussed with the Section Head on a monthly basis.
5. Changes to the plans and all other technical changes must be approved by the designer. The Designer's Section Head or higher must be aware of the changes and the cost and must not object to proceed with the work.

6. Every effort should be made to process change orders using agreed costs such as contract unit prices or negotiated. Time and material should only be used when an agreement cannot be reached with the contractor. The methods of payment, in order of preference are listed below:
 - Contract items at contract unit prices
 - Contract items at contract unit prices with an adjustment in compensation
 - Extra work at agreed unit price or negotiated (lump sum)
 - Extra work at time and materials
7. Change orders must include a contract time adjustment per Section 3 of the contract specifications. An adjustment in contract time may be shown as positive, negative, or zero.

Requests for extensions of time must be submitted in writing by the contractor. The request must include the amount of days requested and describe relationships and impacts to other activities on the contractor's schedule. The request must be reviewed in comparison to the contractor's schedule and a written determination must be made whether an extension of time is justified.

When it is not clear that a time extension is justified, a time impact analysis of the contractor's schedule may be performed to assist. A time impact analysis will allow for an in depth review of the contractor's schedule and determine the possible impacts of the change order work in relation to other activities on the contractor's schedule. The results of a time impact analysis, alone, do not justify an extension of time. A time impact analysis is simply a tool used to assist in preparing a written determination whether time adjustments are justified. Construction Division's consultant scheduler is available to assist with this analysis.

Requests for extensions of time that are not justified must be denied immediately.

8. Only in-scope changes will be accepted by management. All changes determined to be out of scope shall be rejected pending management's review. Out-of-scope changes require authorization to proceed from the Assistant Division Head or higher.
9. The contractor must sign the change order before the County, except for unilateral change orders, including those performed under time and materials. Unilateral change orders do not have to be signed by the contractor.

10. Supplemental change orders are used to make changes to the original approved change order. The method for processing supplemental change orders must follow the same procedure as the original change order. A supplemental change order must be numbered the same as the original followed by a letter.

When determining the level of signature authority to supplemental change orders, costs and time adjustments from the original change order and any previously approved supplemental change orders must be considered. For example, if a change order was approved by the Assistant Division Head for \$50,000 and at a later date a supplemental change order is prepared for an additional \$10,000; the supplemental change order requires approval from the Division Head since the two combined exceed the Assistant Division Head's authority level. The same applies when determining the level of signature authority for extensions of time.

11. Change orders must clearly identify the appropriate jurisdiction and/or funding source. It is common to have projects with work that is outside of the County's jurisdiction or with varying funding sources.
12. Change orders must include a code noting the reason for the change. Only one code is allowed per change order. For change orders where multiple codes may apply, the code with the greatest impact shall be used. The following is a list of codes:

- ARC – Agency Requested Change
- CMC – Code Mandated Change
- CRC – Contractor Requested Change
- DEO – Design Error or Omission
- DSC – Differing Site Condition
- JRC – Jurisdictional Agency Requested Change
- RBQ – Revision to Bid Quantities
- UCC – Utility Conflict Change

13. A change order is required when a determination has been made that there is a delay. Delays or suspensions to the work, even when granting nonworking days is a delay.
14. A change order is required when there is a variation in the bid quantities, either positive or negative. The change order must be prepared and executed as soon as it is determined that a bid quantity will be exceeded. The change order will be based on estimated quantities for the remaining work. At the completion

of the bid item work, a supplemental change order may be required to adjust the estimated quantities to match the final measured quantities. The original change order must not be discarded.

15. Time and materials is not to be confused with a Proceed Order. A change order based on time and materials will proceed on the accumulation of costs until the work is complete since an agreement on cost could not be reached. Whereas, a Proceed Order allows the work to proceed on the accumulation of costs with the goal to obtain an agreed price immediately.
16. Work that is performed on T&M cannot be paid until a change order has been signed by the County. In situations where a payment must be made but the work is not yet complete, a change order can be prepared and signed at that time with the accumulation of costs up to that point. A supplemental change order must be prepared at the completion of the work following General Rule 11; the supplemental change order must use the same numbering as the original change order followed by a letter.
17. Unilateral change orders may be issued to the contractor when the contractor and the County are unable to reach an agreement on cost or time. The use of unilateral change orders should be limited and should be discussed with the Section Head prior to issuing.

Unilateral change orders can be issued prior to the start of extra work, where T&M is not an option. In this case, staff must prepare a detailed and thorough breakdown of the cost and time. Care must be taken in determining the cost since this cost will be the final pay to the contractor. The cost must be a representation of what can be expected to cost most contractor's performing similar work. The cost breakdown can be created using bid unit prices, bid price history, or estimated using known labor, materials, and equipment rates; as appropriate. A time analysis must be performed to determine the impacts to the contractor's schedule. A change order must be prepared using the cost and time determined. The change order must be signed by the person with the level of authority based on both cost and time and then forwarded to the contractor instructing him to proceed with the work under a unilateral change order. During the work, staff is expected to track the work as if it were being performed under T&M and maintain accurate records in case of a future protest by the contractor.

Unilateral change orders can also be issued at the completion of work when the contractor and the County are unable to reach a final agreement on cost or time on specific items of work. In this case, staff is expected to determine a fair and

equitable cost and time based on available documentation and the project specifications. A change order will be prepared using this documentation. The change order must be signed by the person with the level of authority for both cost and time.

5.0 AUTHORITY LEVELS FOR COST

Per the State Public Contract Code, the Board is empowered by state statute to delegate change order signature authority to the Director of Public Works or her designee.

Table 1 shows authority limits or maximum change order amounts the Board has delegated to the Director by means of a resolution for road and flood projects, the Los Angeles County Code, or a Board letter. These limits can be found in Sections 20142 and 20145 of the State Public Contract Code.

Table 2 shows authority limits the Director has delegated to Construction Division staff.

When determining the authority level for cost, staff is expected to determine the type of project being worked on (aviation, flood, road, etc.) and make sure change orders are within the maximum change order amount (table 1) and then determine the Department's level of signature authority per Table 2. Costs that exceed those shown in Table 1 will require approval by the Board.

The State Public Contract Code limits the delegated approval of cumulative value of change orders to 25 percent of the original contract amount. If the total exceeds 25 percent, all subsequent change orders, regardless of value, shall be submitted to the Board for approval. If a prior change order exceeded the delegated limit and was submitted to the Board, its value does not apply toward the 25 percent limit.

TABLE 1 – Maximum Change Order Amounts

Original Contract Amount	Maximum Individual Change Order Limit
Up to \$50,000	\$5,000
\$50,001 to \$250,000	10% of contract amount
\$250,001 to \$3,950,000	\$25,000 plus 5% of Board-approved contract value in excess of \$250,000
\$3,950,000 and up	\$210,000

Aviation, Building, and Sewer Projects:

State Public Contract Code and the Los Angeles County Code limit change order amounts as shown in Table 1, with the exception that an individual change order cannot exceed 10 percent of the original contract amount. No one, not even the Board of Supervisors, has the authority to approve any individual change order in excess of 10 percent of the original contract amount.

Bridge, Flood, Road, Street Lighting, and Waterworks Projects:

Authority was granted to Public Works' Directors by a Board's resolution to delegate change orders approvals with amounts not to exceed \$10,000 for both flood and road projects. The preset monetary limit is per project for road projects and per change order for flood projects. This authority still remains valid but can be superseded as described below.

Use Table 1 as long as a recommendation has been inserted in the Advertise Board letter recommending the use of Section 2.18.050 of the Los Angeles County Code for change orders, which provides for the use of Sections 20142 and 20145 of the State Public Contract Code. Otherwise, use the \$10,000 limit as described in the above paragraph.

TABLE 2 –Construction Division's Authority Limits per Change

Authority Limit	Signature
≤ \$50,000	Assistant Division Head
≤ \$75,000	Division Head
Over \$75,000	Deputy Director

6.0 AUTHORITY LEVELS FOR TIME

Table 3 shows authority limits for time per change order for Construction Division staff.

Per Section 6 of the contract specifications, extensions of time will be granted only when it can be shown that the change order work delayed or will delay the progress of the work and possibly extend the project completion date. Extensions of time will not be granted for minor, noncontrolling change order work.

TABLE 3 – Construction Division's Authority Limits per Change

Extension Amount	Signer
≤ 3 working days	Field Supervisor
≤ 10 working days	Section Head
≤ 15 working days	Assistant Division Head
> 15 working days	Division Head

7.0 PROCEED ORDER

A proceed order is in essence a type of change order that is used to authorize work using delegated authority prior to executing a change order for the total sum of work. A proceed order should only be used when circumstances dictate that starting or continuing work is essential to avoid costly delay charges from the contractor. By using our delegated change order authority we can mitigate the impact or at least mitigate most of the time impact of going to the Board for approval of the final change order. A proceed order must clearly state cost and time limits. Multiple subsequent proceed orders may be used on a single change order while negotiations proceed but this situation should be the exception rather than the rule and all of these in total cannot exceed our delegated authority.

Proceed orders must be signed by someone with sufficient delegated authority to cover the projected value of the final change order. In other words, if a proceed order authorizes the contractor to perform work up to \$10,000 worth of work on a potential change order which is estimated to have a final value of \$80,000, the Deputy Director should sign the proceed order even though the Field Supervisor may have delegated authority of \$10,000. If the potential change order is estimated to have a final value beyond \$210,000, i.e., the change order must be approved by the Board then the Deputy will still be the signing authority on the proceed order. However, when this situation occurs, the matter should immediately be escalated to the Section Head, so the Division Head and Deputy Director may be briefed and make a final decision on whether the work should proceed prior to Board approval.

Costs for proceed orders must be kept as provided in Section 3-3, Extra Work, of the contract specifications until a negotiated cost can be agreed and a change order fully executed.

Attached is a sample Proceed Order form.

8.0 CHANGE ORDER CONTENT

Change orders require the completion of both a ***Change in Work Request*** and ***Change Order*** forms. The information contained in each form is described below.

The change in work is for internal purposes only and should not be given to the contractor. The change in work is used to explain the need for the change order work and why the work is needed. The change in work should be written in a manner that someone with minimal knowledge about the project or the proposed change can easily understand the work by just reading the change in work. At a minimum the change in work should include the following information:

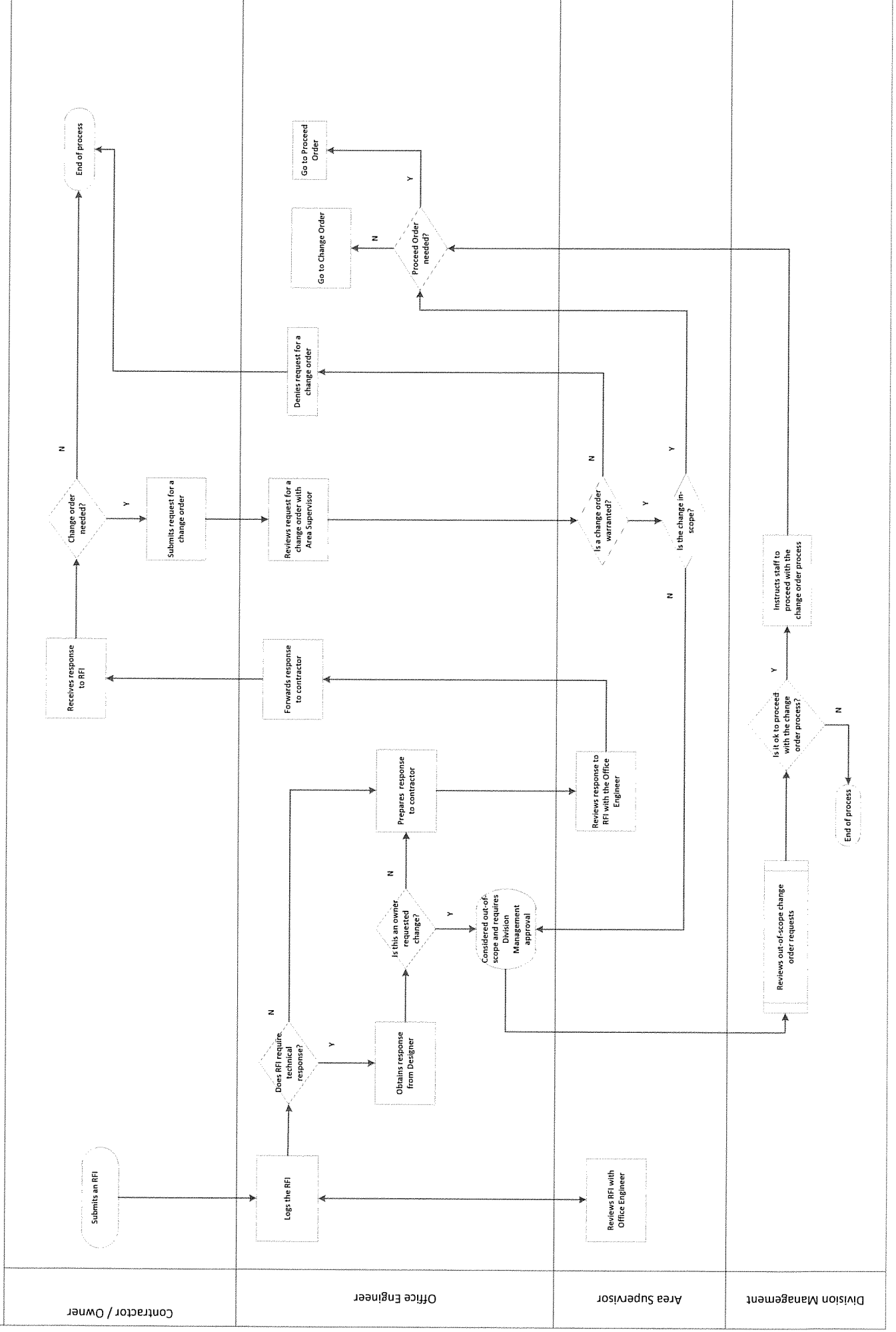
- a. A reference to an RFI.
- b. Description of the work.
- c. Why is the work needed?
- d. Where is the work taking place?
- e. How will the work be completed?
- f. Who requested the work?
- g. Does the designer agree with the work (for technical changes)?
- h. An estimate of cost and time adjustments.
- i. Copies of supporting e-mails or other correspondence.

The change order is the binding contract document between the contractor and the County. The change order should describe the work to be performed. Both the contractor and the County will sign the change order. The CO should include the following information.

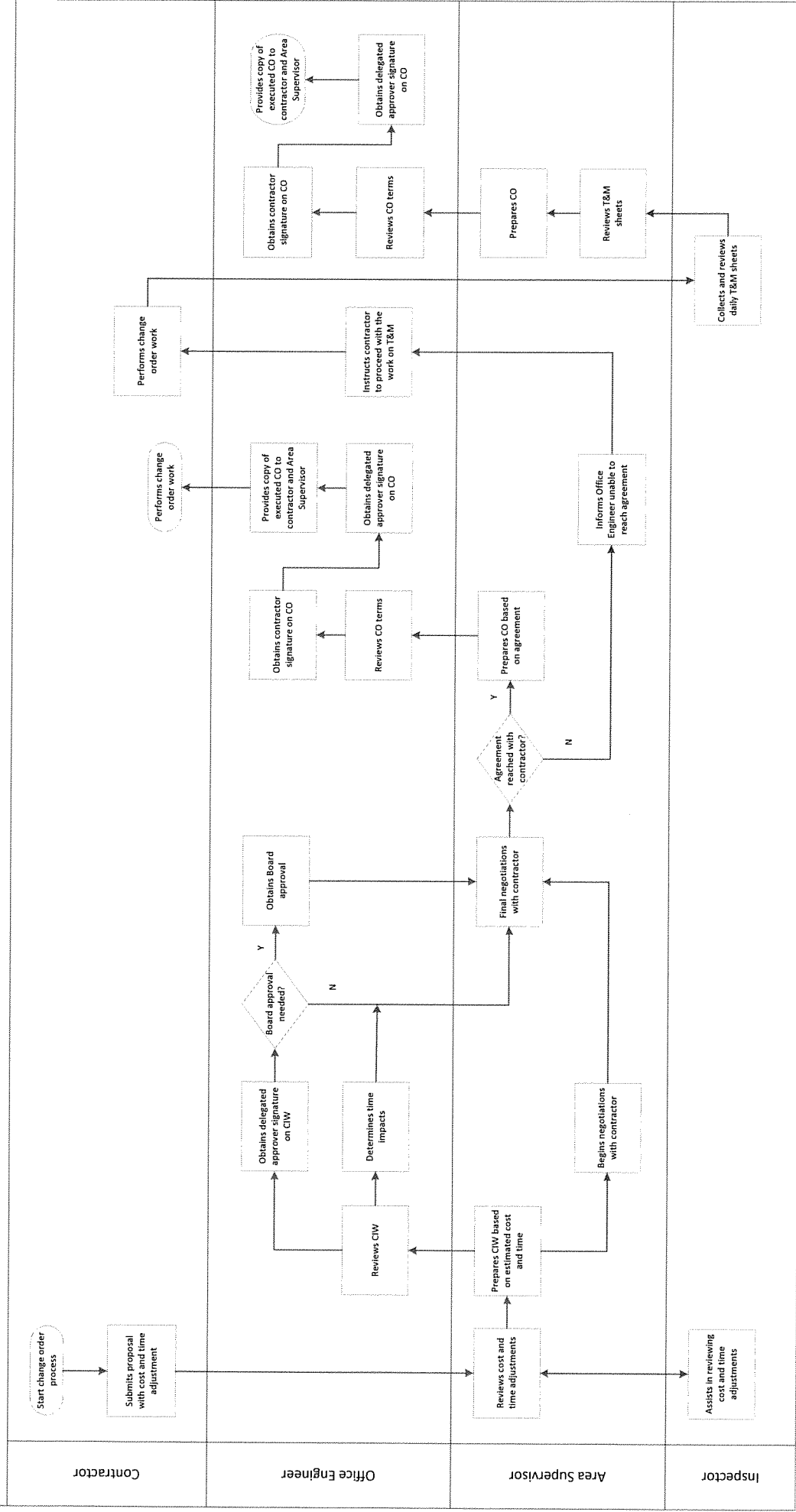
- a. A reference to an RFI (do not reference owner RFIs).
- b. Revised plans or make reference to sections in the plans or specifications where the change is being made (Revised plans must be stamped by the designer of record).
- c. Description of the work.
- d. Description of location and limits.
- e. Extensions of time to be granted.
- f. Method of payment.
- g. Reference the section in the plans or specifications on how the work is to be performed.

The change order is not used to explain the need for the work as is the case with the change in work.

3.0 Change Order Process (Identify Potential Change)



3.0 Change Order Process (Change Order)



3.0 Change Order Process (Proceed Order)

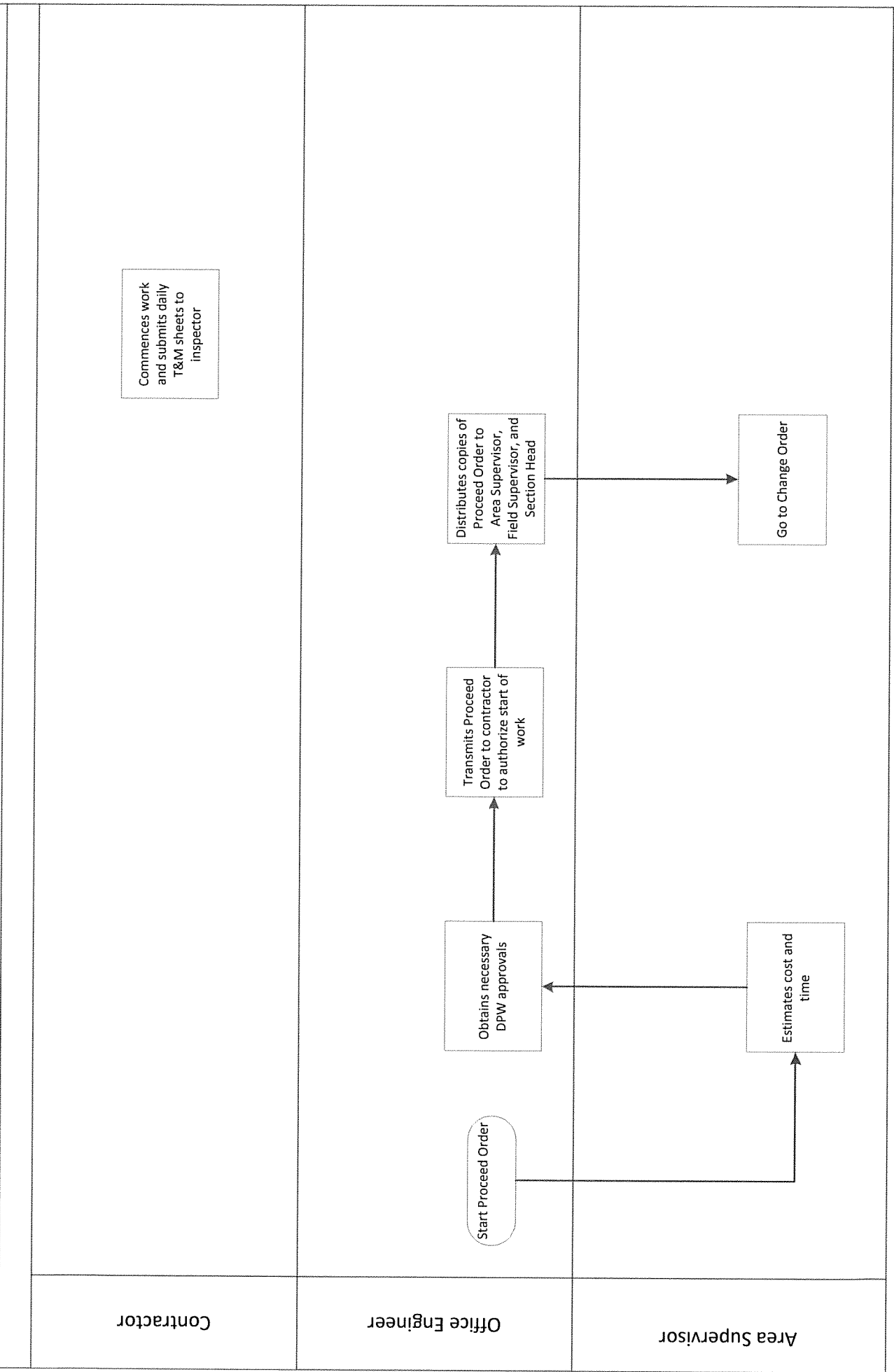


Exhibit A - Change Order Log

CHANGE ORDER LOG

[illegible]



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
REFER TO FILE: **C-1**

Date

Mr./Ms. Contractor
Company Name
Address 1
Address 2

Dear Mr./Ms. Contractor:

PROJECT ID NO.
PROJECT NAME
PROCEED ORDER NO.

In order to expedite the work and avoid/minimize delays to the construction schedule, you are directed to begin promptly with the changed work described herein, pursuant to the provisions outlined in your contract.

Description of work: *(Describe work to be done)*

Reference: *(Reference a Request for Information, Request for Change Order, Proposal, Meeting Minutes, or any other document that clearly identifies the change.)*

This is not a change order but an authorization to begin work while the terms of your change order are being finalized. The work authorized by this proceed order is limited to \$XX, and the time allowed to perform this limited work shall not exceed XX working days. Until a change order can be finalized, all costs shall be reported as provided in section 3-3, Extra Work, of the contract specifications. Work performed beyond these limitations will be at your own risk.

If you have any questions, please contact Mr./Ms. XXX at (626) 458-XXXX, or email at XXXX@dpw.lacounty.gov.

Very truly yours,

GAIL FARBER
Director of Public Works

SIGNATURE AUTHORITY
Title
Construction Division

XX:
File name

bc: Construction (field staff)

EXHIBIT C – SAMPLE CHANGE ORDER AND CHANGE IN WORK CONTENT

ADMINISTRATIVE CHANGE:

Example No. 1 (Extend Move-in Period)

CIW language:

The contractor requested additional time to complete Part 1 NTP activities with RFI No. 1. In addition to allowing more time for the contractor to complete Part 1 NTP activities, adding time will also allow time for agency submittal review of multiple complex submittals and balance inspection staff resources. The time added to complete Part 1 NTP activities has been determined to have no adverse impact to funding or construction deadlines. Changing the completion date of Part 1 NTP activities to 06/22/2016 warrants an extension of 20 Working Days. No additional payment is warranted.

CO language:

As stated in the response to RFI No. 1, the time for completion of Part 1 NTP activities shown in 6-1.2 shall be extended by 20 Working Days at no cost to the County. The revised required start of Part 2 NTP is 06/22/2016.

Example No. 2 (Permit Fee Reimbursement)

CIW language:

The Contractor requested reimbursement for the Caltrans encroachment permit fee with RFI No. 2. The response indicated that a change order was necessary to provide payment to the contractor since it was not covered under any of the Bid items. The time and material amount below is the actual paid permit fee receipt plus 15% markup. The amount is acceptable for payment. No adjustment in time is warranted since there is no impact on time for payment of work performed.

CO language:

As stated in the response to RFI No. 2 and in accordance with 3-3 of the Specifications, the County will reimburse the Contractor for the Caltrans encroachment permit fee (including 15% markup) necessary to obtain the permit required under 7-5.2 for work on the Imperial Highway over San Gabriel River Bridge. The amount below is considered full and final compensation for this change in work. No extension of time will be granted.

Example No. 3 (Variations in Bid Quantities)

CIW language:

The final measured quantities and certified weights of contract unit price items varied from the quantities in the bid by the amounts shown below. Per section 9-3 of the specifications, it is necessary to compensate the contractor for this work based on the actual field measurements. No adjustment in time is warranted since there is no impact on time for payment of work performed.

CO language:

In accordance with 9-3.1, the Bid quantity of each item listed shall be adjusted by the quantity shown in order to reflect actual quantities constructed for final payment of the items. The actual quantities constructed will be paid at the Contract Unit Price. No extension of time will be granted.

TECHNICAL CHANGE:

Example No. 4 (Work not shown on Plans)

COA language:

The Contractor requested direction on restoration of existing striping with RFI No. 15. The response indicated that the existing striping removed during construction of the approach slab and deck slab in connection with the metal joint armor plate at each abutment shall be restored with thermoplastic paint. This work was not shown on the plans, specified, or included in the bid, so it is necessary to compensate the contractor for the restoration of the existing striping that was removed. The Designer agrees with restoring the existing striping. The amount of \$5,000 as shown on the attached cost breakdown has been agreed with the contractor. The work is expected to be performed concurrently with other items; therefore no adjustment in time is warranted.

CO language:

As stated in the response to RFI No. 15, the Contractor shall restore traffic striping and pavement markings, including the removal and disposal of existing thermoplastic striping, in accordance with Section 314 of the SSPWC. All striping and markings shall conform to Caltrans Standard Plans A20A thru D, and A24A thru E. The negotiated amount below is considered full and final compensation for this change in work. No extension of time will be granted.

Example No. 5 (Additional Work)

COA language:

Plan sheet 5 of 16 shows certain areas of dig-outs. However, during review of the site, it was determined that additional roadway areas are showing signs of subgrade failure and will require dig-outs prior to resurfacing the road. The work is needed in order to provide a sound subgrade. The designer agrees with the work and GMED has provided a list of dig-out locations as shown in the attached Table 1. The contractor will be compensated based on contract unit prices. This work does not appear to impact the contractor's schedule and therefore no additional work days are anticipated.

CO language:

Construct dig-outs per detail A on sheet 5 of 16 of the plans, at the locations shown in the attached Table 1. The Engineer will mark the dig-outs prior to saw-cutting. Payment will be made based on contract unit prices as provided in section 9-3 of the specifications. No extensions of time will be granted for this work.

EXHIBIT D – CHANGE ORDER LINE ITEMS

STANDARD ITEMS

ITEM NO.	ITEM DESCRIPTION	BASIS OF PAY*	QUANTITY**	UNIT PRICE	TOTAL
5	PCC Sidewalk, 4" Thick	CON	100	\$36 / SF	\$3,600.00
6	PCC Sidewalk, 4" Thick	CON	(100)	\$36 / SF	(\$3,600.00)
S-1	Additional Sidewalk	NEG	1.0	\$3,600 / LS	\$3,600.00
S-2	Additional Sidewalk	NEG	100	\$36 / SF	\$3,600.00
S-3	Additional Sidewalk	T&M	3,600	1.00 / T&M	\$3,600.00
S-4	Exploratory Excavations	STIP	12	\$300 / EA	\$3,600.00
S-5	Additional Sidewalk	NEG	(1.0)	\$3,600 / LS	(\$3,600.00)

* **CONTRACT, NEGOTIATED, TIME & MATERIALS (T&M), OR STIPULATED**

** For deductions, the Quantity must be shown in parenthesis (), not the Unit Price

CHANGE IN METHOD OF PAYMENT

ITEM NO.	ITEM DESCRIPTION	BASIS OF PAY*	QUANTITY	UNIT PRICE	TOTAL
S-6	Additional Sidewalk	T&M	(3,600)	1.00 / T&M	(\$3,600.00)
S-6A**	Additional Sidewalk	NEG	100	\$36 / SF	\$3,600.00

** Changes in the method of payment must include a letter after the original Item No., example S-1A.

TIME EXTENSIONS ONLY

ITEM NO.	ITEM DESCRIPTION	BASIS OF PAY*	QUANTITY	UNIT PRICE	TOTAL	ADDITIONAL CONTRACT DAYS
S-7	Modify Move-In Period	NEG	52	\$0.00 / WD	\$0.00	0
S-8	Contract Time Extension	NEG	52	\$0.00 / WD	\$0.00	52

EXHIBIT E – BUDGET APPROVAL PROCESS

- ☐ Enter CIW approval dates in CMD.
- ☐ Request encumbrance from the funding division.
- ☐ Verify encumbrance through the Automatic Comprehensive Encumbrance System (ACES).
- ☐ Enter a request in ACES for a fiscal impact review from Budget/Fund Management Division (Budget) and upload the required documents through ACES.
- ☐ Confirm budget approval through ACES.
- ☐ If the amount of the change order exceeds the Director's delegated authority level, prepares a Board letter attachment and submits to Office Supervisor within two working days of the CIW approval date.
- ☐ Monitors the cumulative total of delegated change orders. If a change order, when executed, will exceed the 25 percent limit, the change order and all subsequent change orders, regardless of value, shall be submitted to the Board for approval. If a prior change order exceeded the delegated limit and was submitted to the Board, its value does not apply towards the 25 percent limit.



**LOS ANGELES COUNTY DEPARTMENT OF PUBLIC WORKS
CONSTRUCTION DIVISION**

**Time Impact Analysis (TIA)
Change in Work Request #15**

Attachment 1

PROJECT ID NO.	RDC0014552	REQUEST NO.	15
PROJECT NAME	108th Street, et al.		
PROJECT DESCRIPTION	Street Resurfacing		
CONTRACTOR'S NAME	Los Angeles Engineering, Inc.		

Original Contract Days:	80	TOTAL CONTRACT DAYS (include previously requested additional days):	126
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DETAILED EXPLANATION OF CHANGE AND TIME IMPACT:

Change in Sequence of Work—The baseline schedule showed concurrent concrete work between multiple streets. To minimize public inconvenience, the sequence was changed to work on the streets sequentially, or one-at-a-time. Due to the inability to perform concurrent work on multiple streets, the overall schedule was prolonged equal to the total amount of concurrent concrete work between the various streets as shown on the baseline schedule. Attachment A summarizes this information. The total amount of concurrent work between various streets as shown on the baseline schedule was 37 Working Days.

Change in Workweek During Concrete Work – Due to safety concerns of open excavations over the weekend, it was agreed with the contractor not to open additional excavation on Fridays unless they were able to secure and backfill it with CMB on the same day. This prohibited the contractor from working on Fridays from 8/10/15 to 12/29/15. During this time period there were 19 Friday's in which the contractor was not able to perform work. Therefore the total Time Impact due to the change in the workweek during the concrete work is 19 Working Days.

CONCLUSION

In conclusion, a Time Extension of 56 Working Days is recommended to compensate for the change in sequence and the change in workweek during the concrete work period.

ATTACHMENTS

A. Baseline Sequence of Overlapping Work

ITEM NO.	ITEM DESCRIPTION	Time Extension Recommended
	Extension of Time	56

Submitted By:

SCHEDULER:	Dagher Dagher	DATE	3/03/16
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CHANGE IN WORK REQUEST #15

March 7, 2016

To: File

Per the latest Statement of Contract Progress for the period ending March 5, 2016, the required contract completion date is January 15, 2016. From the letter dated February 11, 2016, the Contractor identified reasons for the delay in completion of the work and requested an extension of time taking into consideration the delays encountered.

Our consultant scheduler reviewed the contractor's schedules to determine if critical path activities were impacted as a result of the change in sequence and change in Friday productivity during the period concrete improvements were performed. The scheduler identified 56 working days of time impact to those activities as shown in Attachment 1.

With regards to the change in sequence, the contractor's baseline schedule showed concurrent concrete work on multiple streets. At the beginning of the project, to minimize the inconvenience to the public, the contractor suggested limiting concrete improvement work to one street at a time instead of performing the work on multiple streets concurrently. Our field staff reviewed the request and agreed that performing the work in this manner would minimize public inconvenience, allow for greater control of the work, and ease the demand on our inspection resources. The contractor carried out the concrete improvement work as shown in the as-built schedule. Field staff acknowledges that our exposure due to the change in sequence is potentially 37 working days.

Friday productivity, for the duration of concrete improvements, was limited due to the contractor's concerns for public safety in areas of high pedestrian use on weekends. The contractor made strong efforts to minimize the amount of excavations left open on weekends and routinely slowed production to ensure that the worksite was as secure as possible. Our field staff observed high volumes of pedestrians and concurred with the contractor's practice of slowing production to minimize open excavations. Since there was a benefit to both the contractor and the County, the delay should be shared between both parties. Field staff acknowledges that our exposure due to limited Friday productivity is potentially 10 working days.

In addition, it should be noted that the contractor diligently performed the work to completion with a large labor force. The worksite was maintained clean and secure for the duration of the work, resident complaints were minimal, and the roadways were returned to full service as soon as possible.

Based on the above and the time necessary to complete the contract work, we recommend granting the contractor an extension of 35 working days. This will extend the required completion date to March 8, 2016.

EXHIBIT F - TIME IMPACT ANALYSIS AND WRITTEN DETERMINATION

Attachment A

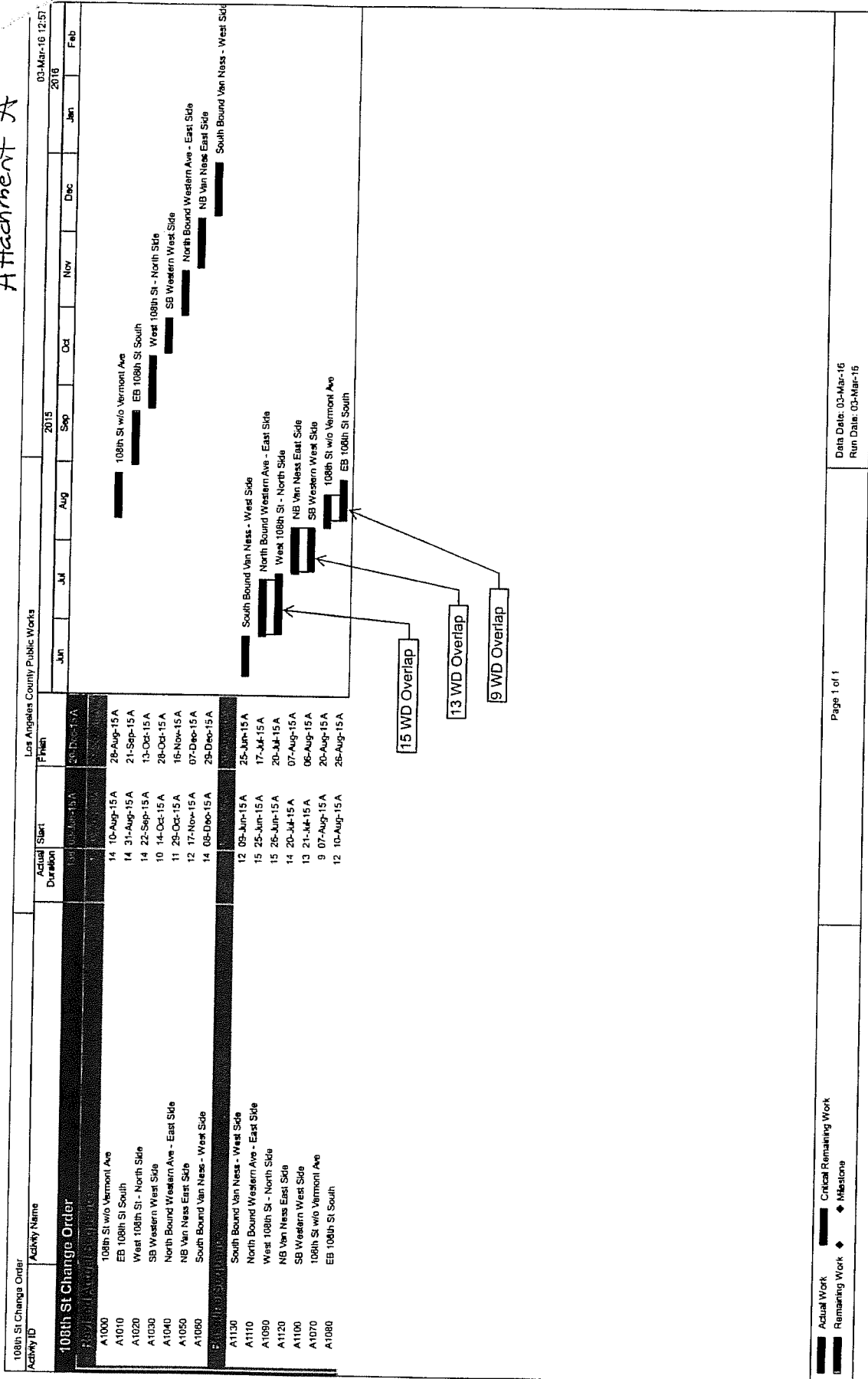


EXHIBIT G - TIME AND MATERIALS FIELD ORDER

**LOS ANGELES COUNTY DEPARTMENT OF PUBLIC WORKS
CONSTRUCTION DIVISION****Time and Materials Field Order**

PROJECT NAME		PROJECT ID NO.		CHANGE ORDER NO.	
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TO:		FROM:	
CONTRACTOR:		AGENCY:	
TEL. No.		TEL. No.	
EMAIL:		EMAIL:	

DESCRIPTION OF EXTRA WORK:

Contractor is hereby directed to proceed with the above described extra work based on the accumulation of costs in accordance with Section 3-3 of the SSPWC and the project Special Provisions. Daily Reports shall be submitted in accordance with 3-3.3 of the SSPWC and the project Special Provisions.

SIGN		DATE	
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