



ADDMORE SERVICES

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WE CAN HELP YOU TO IMPROVE YOUR CHANGE ORDER MANAGEMENT

We can assist in reducing your project disputes

Change orders—unfortunately, are part of the normal course of a construction project, but they are also the cause of disputes among contractors, owners, and designers, and a reason for cost overruns and completion delays.

We most likely will always have change orders, and they will always be a source of contention causing disputes.

We can help you reduce conflict by putting clear, systematic procedures in place for managing change orders from day one.

There are various reasons for change orders. Drawings and design changes, inaccurate specifications, and lack of

coordination between contractor and consultant can result in significant change order requests, including materials substitutions that can be challenging within the project timeframe

Change Orders can result in substantial cost to the contractor and project prolongation beyond the contract completion date.

Develop your change order process into the policy of your organization and operations to most effectively moderate the risks of disputes long term.

If undertaken with a collaborative spirit, the process will run smoothly. That means making sure there's shared buy-in to its terms before the project starts—

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by contractor, owner, subcontractors, and consultants—and open lines of communication.

A change order management Policy as part of your process will improve outcomes.

The following are key issues to address in your process and be clearly understood by your full time and implemented.

1. Review Your Contract Anticipating Change Orders

Specifications for managing change orders should be spelled out clearly in the contract. Establishing expectations for initiating, authorizing, performing, and paying for work required by change orders may slow the number of unauthorized change orders and also deter unnecessary requests.

Be sure to identify who receives change orders. The submission timeframe should be specified and likewise reflect the importance of timeliness. Documentation to be included with change orders also should be stipulated.

2. Review All Plans

Before work starts, a review of the project and its scope will ensure you are on top of any ambiguities, errors, or omissions that might pose problems. Delays due to document revisions are less complicated and less costly to manage at the start of the process, rather than when construction is already well underway.

3. Documentation / Contemporary records

Each change order should be specified in writing, written clearly and in detail, with a strict protocol for signoffs by all parties. If change orders aren't executed in writing, there may be difficulty collecting the full amount for the changes, though the legalities vary by state and type of work (residential versus commercial).

Even if your construction contract is silent on written change orders as a condition of payment, your process should not be if you expect to avoid disputes.

4. Set Communication Procedures

A change order can have a significant effect on the project overall, the timelines set and being followed and other issues that figure into the broader schedule, like work phases and worker requirements. A communications protocol should be put in place so that all contractors on the job, whether they have direct or indirect involvement with the changes, know about the change orders and can provide input on their potential impact.

5. Technology awareness and utilization

There are a plethora of software solutions and applications for the construction industry, including project management and ERP software with change order functionality that can be a smart investment

Today's systems offer templates for change orders and capabilities to track their approvals, making the process less cumbersome and more efficient than paper logs and email.

However, being better prepared for change order procedures doesn't mean disputes won't happen.

However, when the facts are well-documented and the process is done right, your business and each project will be better protected, risk will be mitigated and you will have fewer surety and professional liability issues as well.

We can help manage the full process or just the initial set up please contact us to discuss

It's time to think out of the box and join the thinkers at ADDMORE

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