

Stanwood Camano School District

TO : BOARD OF DIRECTORS
FROM : GARY PLATT, EXEC. DIRECTOR – BUSINESS SERVICES
SUBJECT : POLICY 6957 – CHANGE ORDERS
DATE : MAY 5, 2015
TYPE : ACTION NEEDED – SECOND READING & ADOPTION

This is the second and final reading of Board Policy 6957 – Change Orders. This policy provides guidance regarding change orders to construction contracts.

The current policy requires school board approval of any change order in exceeding 5% of the construction contract amount. Policy 6210 authorizes the administration to approve capital outlay purchases of up to \$50,000 without board approval. Therefore, if the administration approves a capital outlay contract in the amount of \$45,000 and it is modified by a change order (or the total of all change orders) amounting to 5.01% or more of the original contract, then school board approval for the change order would be required. In this case, board approval is required even though the total contract cost including the change order is below \$50,000 and even though the board did not approve the original contract. Further, if the change needed to be approved immediately, a special board meeting to consider the change would be necessary.

As we begin developing contracts for the Facilities and Technology Levy projects we may have multiple contracts for each project. Some may be approved administratively and some approved at the school board level. In either case, projects could be delayed if a change order (or the total several change orders) exceeds 5% of the contract amount. The timing of most of our projects is very critical and work must generally be completed within a narrow window of time and this 5% requirement could necessitate additional special meetings and project delays.

Our recommendation is that the policy be revised to eliminate the 5% board approval requirement. Any change order in excess of \$50,000 would still require board approval. Any contract over \$50,000 would still require prior board purchase or bid authorization.

Recommendation:

We recommend the board *move to approve the second reading and adoption of Policy 6957 - Change Orders, as attached.*

CHANGE ORDERS

~~Change orders which arise during construction shall be individually considered by the board provided, however, that for each project the board may grant the superintendent authority to authorize change orders if additional cost to the district does not exceed \$50,000.00 and provided that the total cost of all change orders approved has not exceeded five (5) percent of the approved total construction cost of the project. The superintendent shall advise the board of all change orders executed in such cases.~~

~~In the event a change order request exceeding the authority of the superintendent or exceeding five percent (5%) of the total construction cost of the project must be considered between board meetings, the president of the board shall request a special board meeting to approve the change. The board shall take formal action on such requests at the next board meeting.~~

The Board will approve change orders in excess of \$50,000, which arise during construction. In order to facilitate timely progress during construction, the Board grants the superintendent authority to authorize change orders if additional cost to the district does not exceed the approved contingency for the project or extend beyond its original scope.