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NAME & TITLE	WILLIAM DONALD SCHAEFER	CITY OF	
AGENCY NAME & ADDRESS	MAYOR <i>William D. Schaefer</i>	BALTIMORE	
SUBJECT	CHANGE AND EXTRA WORK ORDER PROCEDURE	MEMO	

TO

ALL DEPARTMENTS AND BUREAU HEADS

DATE: February 17, 1976

The Board of Estimates at its weekly meetings is requested to approve a considerable number of changes and extra work orders. I have been very concerned about the procedures used to process these orders and the effect the resultant expenditures have upon funding for other projects in the Capital Improvement Program. There should be a careful analysis of each change and extra work order to determine if they could have been avoided by proper considerations in the preparation of the contract Plans and Specifications. Also, this analysis should identify changes that can be made to specifications for future work that would prevent the need for such a change of work order. The City, in the fee paid to its consultant, and the amount awarded to the contractor, should expect a completed project for a minimum or no additional expenditure. Obviously, these cost over runs are unanticipated expenditures and result in a total project cost exceeding the original estimate or appropriation. The result therefore is that funds used for these over runs reduces the total financial capacity to do other much needed projects.

After careful consideration of this matter I am requesting that all Departments and Bureaus who have responsibility for the management of construction contracts follow this procedure:

1. Actions to be completed before a change or extra work order is submitted to the Board of Estimates
 - (a) Submission of a written proposal from the contractor including an explanation why the change/extra is necessary.
 - (b) Review of this proposal by the Architect/Engineer/Consultant for the project with recommendation to the City agency managing the contract including an explanation why the change/extra is necessary and explanation why it was not included in the original document.
 - (c) Agency review of contract of proposal and recommendation made.
 - (d) Negotiation of change or extra work order by the agency with the contractor.
 - (e) Where applicable, approval of Federal, State, or County agency involved in the funding of the change order.
 - (f) Department of Audits review of change order.

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- (g) Copies of all correspondence requesting approval of change or extra work orders to be forwarded to a Committee made up of the Deputy Director of Public Works, Deputy City Solicitor, Deputy City Auditor, and a representative from the Department/Bureau submitting the request to the Board of Estimates.

The Committee shall review the proposal and determine whether it should be approved, disapproved, or modified.

The Committee shall submit their recommendation to the Board of Estimates for consideration, transmitting a brief statement as to necessity for and nature of the extra work order and a brief recital as to approvals obtained and comments expressed.

II. Action to be taken after Board of Estimates approval

- (a) Review by the committee of the change or extra work order to determine consultant liability and if changes should be made in the City's Standard Specifications and specifications for similar work in the future.
- (b) At the end of each construction contract involving consultant design, the responsible agency shall forward to the Consultants Reevaluation Board a sufficient resume of the contract to reflect the type and number of changes or extra work orders as well as any other problem with regard to design.

The above procedure does not apply in the following situations:

- (1) When extra work is determined to be an emergency and is so certified by the Director of Public Works and the Director of Finance, and
- (2) When the Director of Public Works conducts a hearing as provided for in the Contract Specifications in matters of dispute between the contractor and the Bureau Head and makes a decision on the merits of the testimony given.