

Kansas Department of Transportation

BUREAU OF LOCAL PROJECTS

MEMO TO: Mike Lindebak, P.E.
Doug Brown, P.E.
Jim Hayhow, P.E.
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Mike Novak, P.E.
Bureau of Construction & Maintenance
Mick Halter, P.E.
Benny Tarverdi, P.E.

FROM: Larry W. Emig, P.E., Chief

DATE: August 8, 2002

SUBJECT: Processing of Change Orders on City Administered Projects

RE: BLP Memo 02-08

The approved Project Development Procedures Manual for your city provides guidance on the processing of construction change orders on city administered projects. We recently processed the first change orders developed under these procedures. As a result, we have determined that there are some issues that need to be addressed in order to ensure that the process flows smoothly and the City receives all of the federal aid to which they are entitled on the project. The following is a summary of the procedure to be used on future projects.

Change Orders of \$10,000 or less. Individual change orders of \$10,000 or less should be approved by the city and do not require approval by KDOT. Submittal of change orders to KDOT is not required for nonparticipating items or if the maximum participation has been exceeded. However, change orders will need to be submitted to KDOT if the work is eligible for federal aid participation. In order to simplify the process and minimize paperwork, we recommend that the City retain the individual change orders until the cumulative dollar amount exceeds \$10,000, then make one lump sum submittal to KDOT. As an alternative, these smaller change orders may be retained by the City and submitted to KDOT together with the final adjustments at the completion of construction. At that point the procedures for processing change orders in excess of \$10,000 should be followed.

Change Orders in Excess of \$10,000. Individual change orders in excess of \$10,000 should be processed by the city in accordance with the current procedures. After the appropriate city approvals have been obtained, the change order will be submitted to the KDOT Metro Engineer or Area Engineer (Field Office).

KDOT Processing of Change Orders. After receipt of a change order from the City, the Field Office will enter the change order into the Construction Management System (CMS) and forward the documentation, with recommendation for approval, to the Bureau of Local Projects for review by the Field Engineer. Upon recommendation of the Field Engineer, the signatures of the Assistant

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Bureau Chief – Technical Management and the Bureau Chief will be entered in CMS indicating that the change order is recommended for approval. A printout of the CMS page showing the

requested contract change and the recommendations for approval will be delivered to the Assistant Chief of the Bureau of Construction and Maintenance who will forward the information to the Director of the Division of Operations for final approval. At any point in this process, if there are questions relative to the appropriateness of items in the change order, the office that detects the issue will negotiate with the city and rectify any differences before moving to the next step in the procedure.

Recapitulation of Final Project Costs. On all projects developed under these procedures, it will be the City's responsibility to submit a recapitulation of final project costs to the Bureau of Local Projects. Similar to the cost breakdown provided at the time of letting, this recapitulation should be broken down into the major construction sections, i.e., Common Items, Roadway Items, Surfacing Items, Signalization Items, Bridge Items, etc. Separate summaries of participating and non-participating items shall be included along with a grand total construction cost for the project.

We believe that these procedures will help ensure that the process flows smoothly on these city administered projects and the City receives all of the federal aid to which they are entitled on each project. Please contact Ron Seitz at (785)296-3861 if you have any questions.

Sincerely,

Larry W. Emig, P.E., Chief
Bureau of Local Projects

LWE:RJS:

c: Kurt C. Dunn, P.E., Federal Highway Administration
G. David Comstock, P.E., Director, Division of Engineering and Design
Steve Woolington, P.E., Director Division of Operations
Roy Rissky, District I Engineer
Robert Cook, District V Engineer