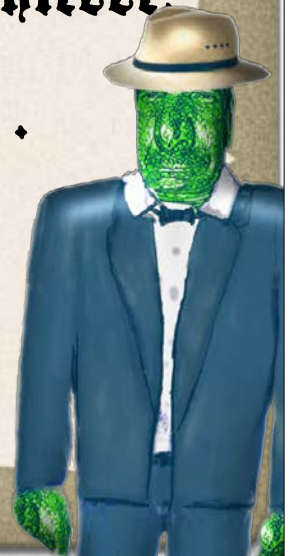


Daddy? Where do Change Orders Come From?



*By David Hansen
Eichelbaum Wardell Hansen Powell and Muñoz P.C.*

Once upon a time, there was an Architect,
a Contractor and an Owner. . . .



**The Owner Thought The Architect
was Smart ...**



...and a Good Listener



**Together They Found The Contractor
of their Dreams. . .**



And a Contract Was Formed



The Ceremony Was Performed by
The Wisest of all the sages in the
land -

- George Glass ESQ.

George said . . .

***"For there to be a change there must first
be agreed-upon terms to change.***

***For agreed-upon terms to change, there
must first be an agreement to the change
the agreed-upon terms."***



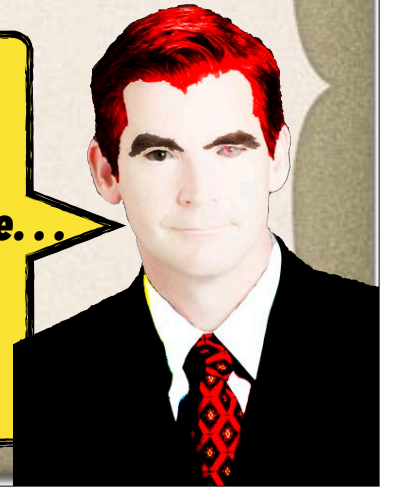
**And so on and so and on and on until no-one
could stand listening to George Anymore.**

"That's OK With Me"

Said George

If I get enough clients who won't listen to me...

***I will be RICH one day and then everyone
Will think I'm Important.***



And So George Went Away



And Once the Lawyer Went Away,
The Architect, the The Contractor,
and the Owner
Lived Happily Ever After.



Because They Understood
Each other . . .



... And Trusted
Each other.



Until One Day The Contractor Came
to the Owner with Great News,



**I Bring You Great
News
I am expecting**



Until One Day The Contractor Came
to the Owner with Great News,



**How
Wonderful!**



Bundles of Joy

Fraternal Twins

AIA Document G701 - 2017
Change Order

PROJECT (Name and address) _____ CONTRACT INFORMATION Contract Form _____ CHANGE ORDER INFORMATION Change Order Number _____
 Date _____
 OWNER (Name and address) _____ ARCHITECT (Name and address) _____ CONTRACTOR (Name and address) _____

The Change Order

THE CONTRACT IS CHANGED AS FOLLOWS:
 (Insert a detailed description of the change and of any addition, deletion or replacement specific exhibits.)
 (Where a detailed description of the change and of any addition, deletion or replacement specific exhibits.)

NOTE: This Change Order does not include adjustments to Contract Sum or Guaranteed Maximum Price, or Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Contracting Contractor, in default case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

ARCHITECT (Print name) _____ CONTRACTOR (Print name) _____ OWNER (Print name) _____
 SIGNATURE _____ SIGNATURE _____ SIGNATURE _____
 PRINTED NAME AND TITLE _____ PRINTED NAME AND TITLE _____ PRINTED NAME AND TITLE _____
 DATE _____ DATE _____ DATE _____

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AIA Document G701 - 2017
The Construction Change Directive

PROJECT (Name and address) _____ CONTRACT INFORMATION Contract Form _____ CONTRACT INFORMATION Contract Form _____
 Date _____ ARCHITECT (Name and address) _____ CONTRACTOR (Name and address) _____

The Construction Change Directive

THE CONTRACTOR IS HEREBY DIRECTED TO MAKE THE FOLLOWING CHANGE(S) TO THIS CONTRACT:
 (Insert a detailed description of the change and of any addition, deletion or replacement specific exhibits.)

NOTE: The Owner, Architect and Contractor should execute a Change Order to supersede this Construction Change Directive in the agreed-upon contract sum, contract time, or guaranteed maximum price for the change(s) described herein.

When agreed by the Contractor, the Contractor shall price the change(s) as follows:
 As follows:
 The Contract Time is proposed to be _____ The proposed adjustment, if any, is _____

NOTE: The Owner, Architect and Contractor should execute a Change Order to supersede this Construction Change Directive in the agreed-upon contract sum, contract time, or guaranteed maximum price for the change(s) described herein.

When agreed by the Contractor, the Contractor shall price the change(s) as follows:
 As follows:
 The Contract Time is proposed to be _____ The proposed adjustment, if any, is _____

ARCHITECT (Print name) _____ CONTRACTOR (Print name) _____ OWNER (Print name) _____
 SIGNATURE _____ SIGNATURE _____ SIGNATURE _____
 PRINTED NAME AND TITLE _____ PRINTED NAME AND TITLE _____ PRINTED NAME AND TITLE _____
 DATE _____ DATE _____ DATE _____

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The Change Order

- A Change Order is a **written** instrument prepared by the Architect and **signed** by the Owner, Contractor, and Architect, stating their agreement upon all of the following:
 - change in the **Work**;
 - the amount of the adjustment, if any, in the Contract **Sum**; and
 - the extent of the adjustment, if any, in the Contract **Time**.

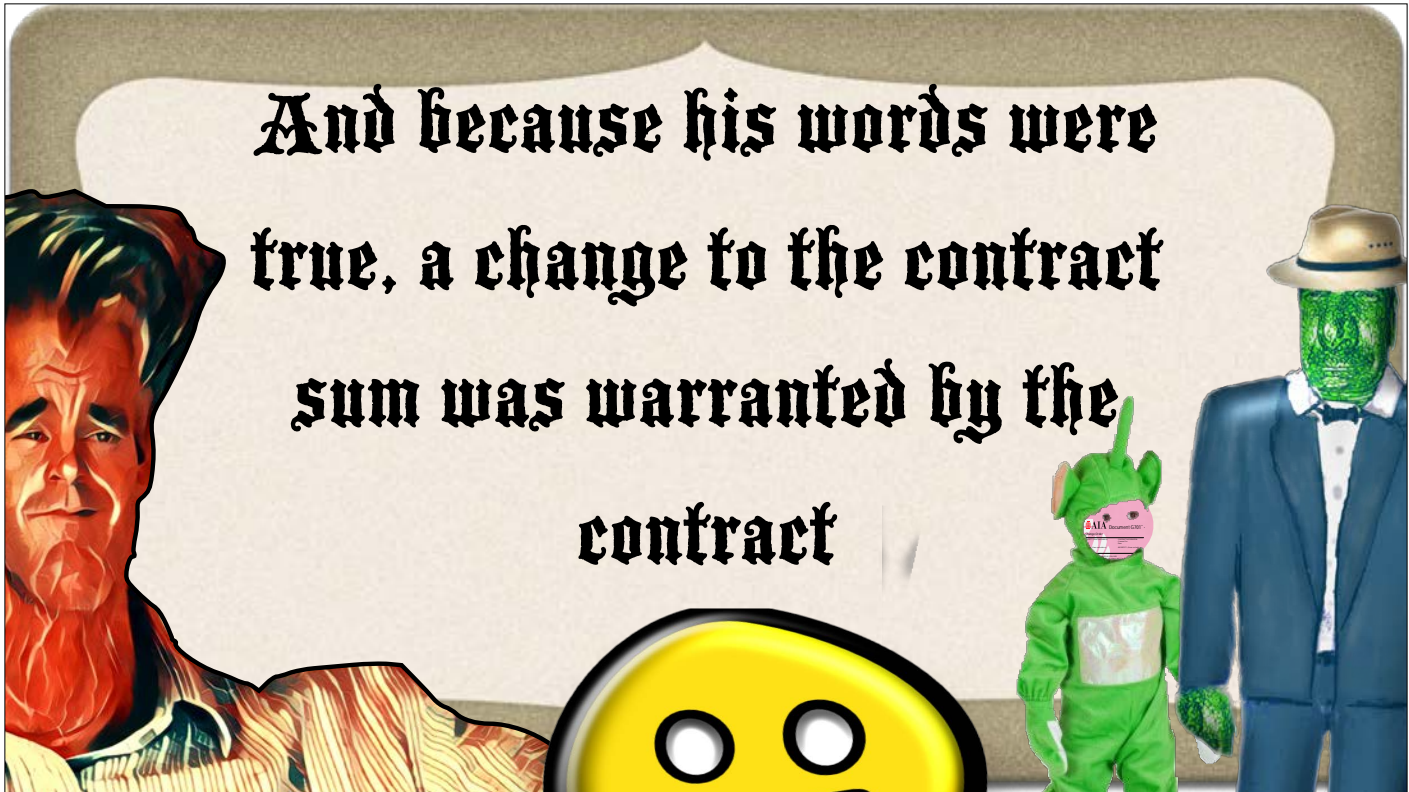
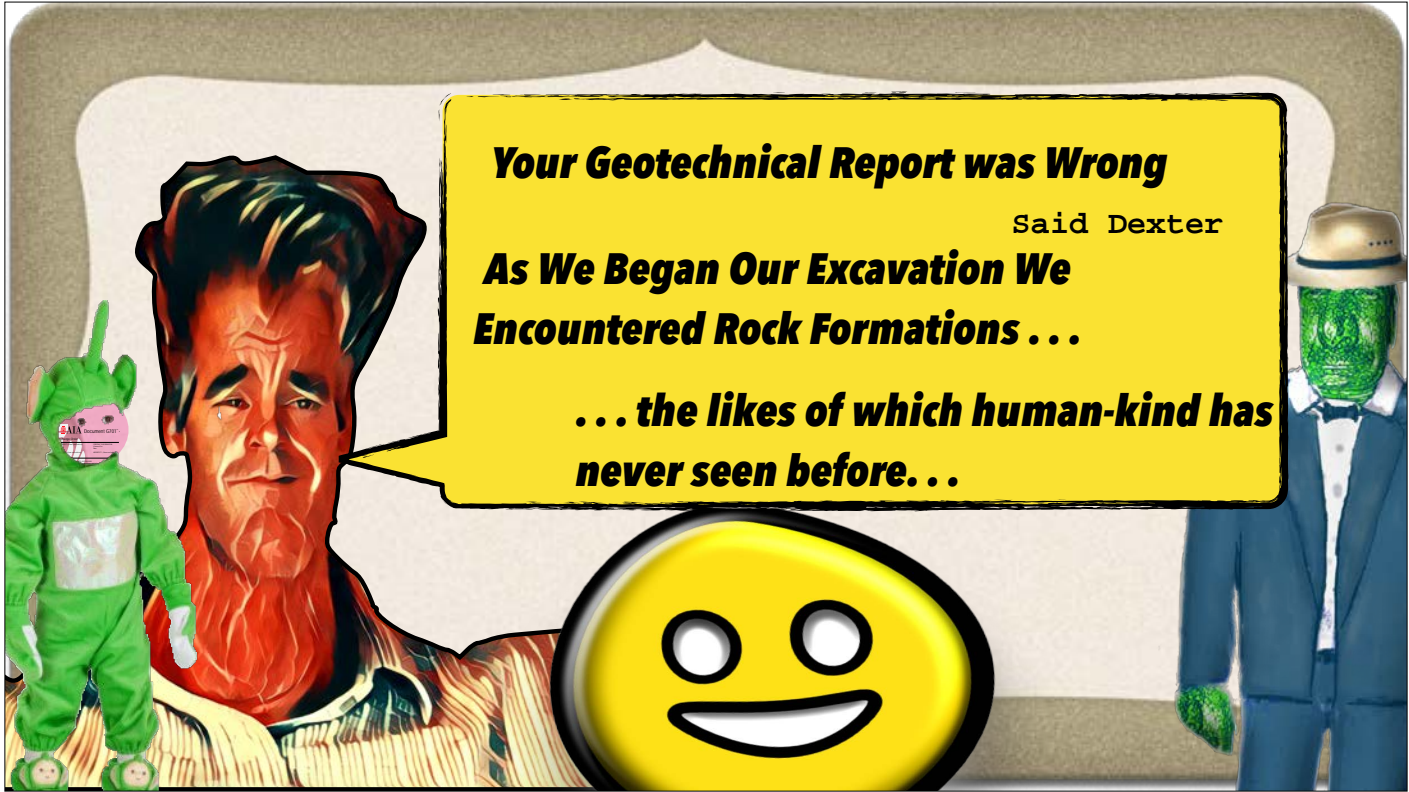


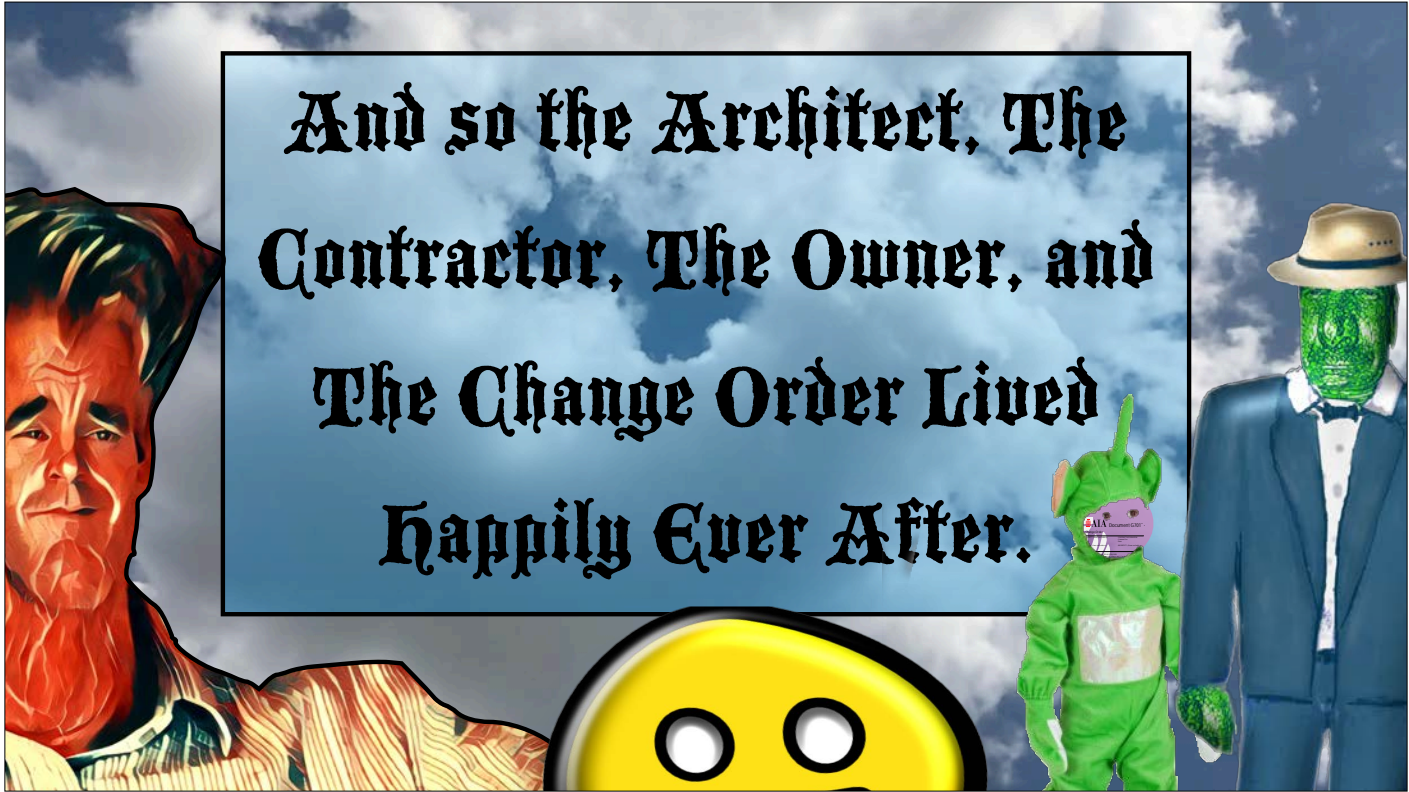
The Construction Change Directive.

- **A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work *prior to agreement* on adjustment, if any, in the Contract Sum or Contract Time, or both.**
- **This is also known as Kicking the Can Down the Road.**
- **A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.**



The Surprise





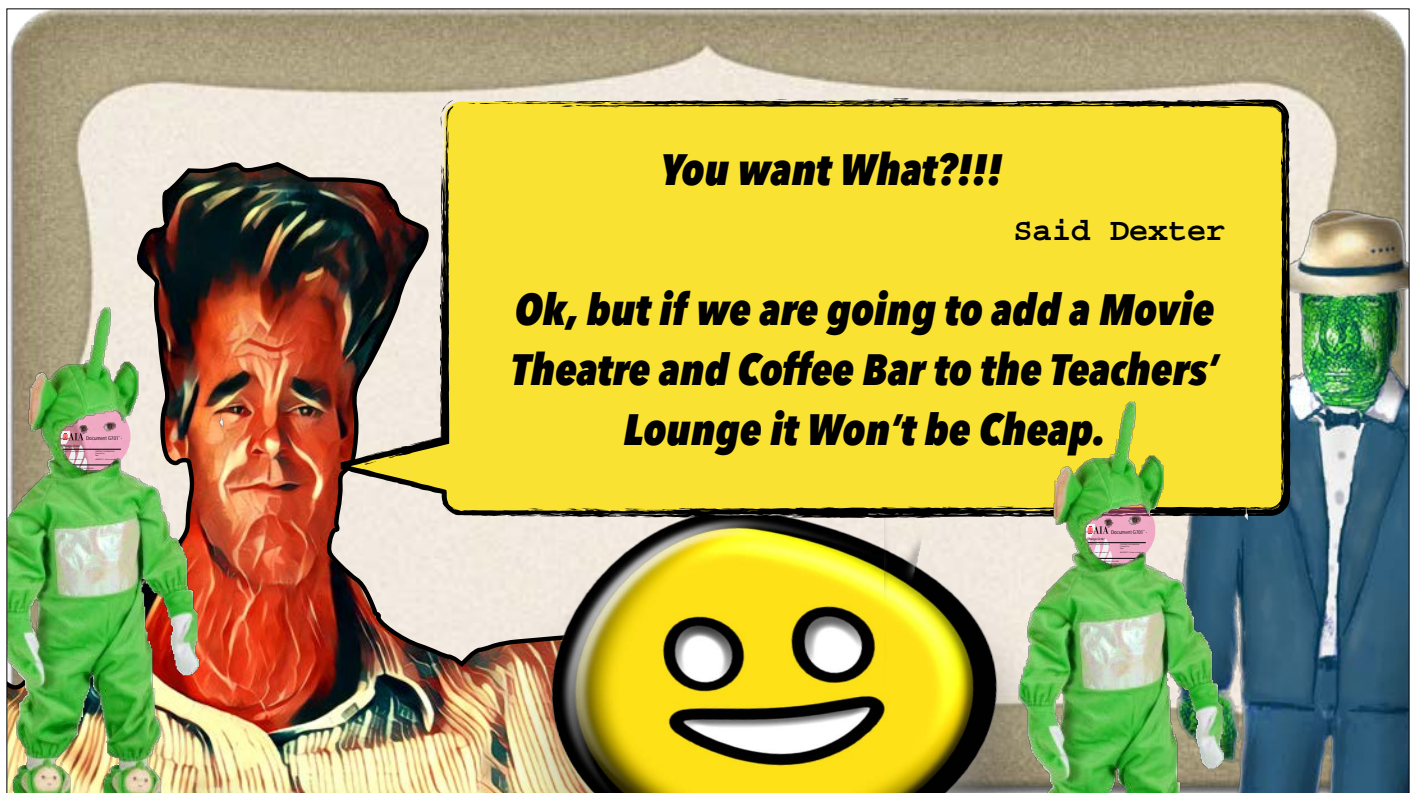
And so the Architect, The Contractor, The Owner, and The Change Order Lived Happily Ever After.



This is Called the Unforeseen Condition



The Blessed Event!



Sometimes a Change Order is to
Bring into Being a Voluntary
Change Requested by the Owner

Like an Extra Gym

NO!

Or a Boat

**Great Change Orders
In History**

La Sagrada Familia
Estimated Completion Date - 2026-2028



CONSTRUCTION COMMENCED -1882

The Winchester House
Construction 1884-1922



CONSTRUCTION COMMENCED -1884

OH! MY! GOSH!

We've Just Had the Darndest Luck
Said Dexter
Just as we were about to finish the Project
We Suffered a Force Majeure...
... the likes of which human-kind has
never seen before...



Floods



Meteorites





Great Change Orders In History



Destroyed by Ewoks

Delays

- Even if No Change in Contract Sum
- Make sure you require a timely claim for additional time
- Grant reasonable requests
 - No “Wait and see”
- Implications for Liquidated Damages

How Change Orders are Made

How to Make a Change Order

- 1, the Architect Makes the Plan
- 2, the Owner Approves the Plan, Cost, and Time



How to Make a Change Order

- 3. Then the Owner, the Architect, and the Contractor sign a change order that defines the scope of the change, the cost of the change, and change in time necessitated by the change.
- 4. Then the Contractor Performs the Work.



Change Order Avoidance

Change Order Avoidance

- Complete Plans and Specifications
- Avoid the Lowball Bidders
- Require Compliance with Formalities



Contingencies and Allowances

For Convenience

**Whose
Convenience?**



And They Lived Happily Ever After

Happily Ever After

- **Change orders are necessary when there is a change to the scope, sum, or time for completion of the work.**
- **Know and require adherence to all of the formalities of the Contract.**
- **Owner's Contingencies are not a convenient way to avoid change orders.**

The End.