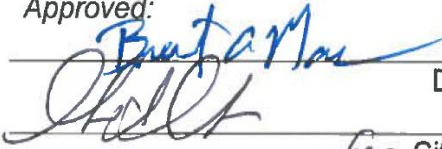




City of Riverside Administrative Manual

Effective Date: 07/2003
Latest Revision Date: 02/2016
Next Review Date: 07/2018
Policy Owner(s): Finance Department

Approved:

 _____ Department
 _____ for City Manager

SUBJECT:

Change Orders

PURPOSE:

This policy is to explain the use of Change Orders.

POLICY:

When required, a Change Order shall be authorized and issued to modify a Purchase Order. Change Orders are required for all Capital Contract Purchase Orders and other Purchase Orders when 1.) The amount adjusts the original purchase order value by +/-10% or exceeds \$4,999.99; and/or 2.) The scope of work is changed significantly as determined by the City Attorney's Office.

PROCEDURE:

Responsibility	Action
Originating Department	<ol style="list-style-type: none"> 1. Prepares Change Order, "X" type requisition. 2. Obtains Contract amendments for any changes to Professional Services Agreements. 3. Obtains Contract amendments for any changes to Construction Contracts and other agreements that add to, or change the scope of work of the original contract, or is subject to number 4 below. 4. Obtains City Council or Board of Public Utilities approval for changes to the scope of the original contract if: <ol style="list-style-type: none"> a. the original contract was required to be approved by the awarding entity; or b. the revised total contract amount falls within section 5 below. 5. Obtains City Council or Board of Public Utilities approval for change orders that cumulatively exceed: <ol style="list-style-type: none"> a. \$10,000 for contracts between \$50,000 and \$100,000; b. 10% of the original contract price for contracts exceeding \$100,000 and not greater than \$1 million; c. For contracts greater than \$1 million, \$100,000 plus 1% of the original contract price, not to exceed \$150,000; or d. Any change order which causes the contract price to exceed \$50,000, if the contract and/or purchase order was not previously approved by the awarding entity.

PROCEDURE:

Responsibility	Action
	<ol style="list-style-type: none">6. Obtains Department Head approval for changes over 10% when the total contract is \$50,000 or less and therefore does not require City Council approval.7. Obtains Board of Public Utilities approval, if required, on public utility projects.8. Obtains contractor's signature when contract change is involved.9. Forwards Change Order requisition to Purchasing for processing.
Purchasing	<ol style="list-style-type: none">1. Verifies that approval from City Council or Board of Public Utilities, if required, was obtained.2. Reviews and validates Change Order requisition.3. Inputs Change Order requisition information into purchasing automated system.4. Creates revised Purchase Order if sufficient funds are available.<ol style="list-style-type: none">a. If insufficient funds, contacts Accounting for possible override authority.5. Forwards to CFO for approval when total change amount exceeds \$250,000.6. Distributes Change Order as required.
Originating Department	<ol style="list-style-type: none">1. Refers to Receiving and Payment procedure.2. Sends copy of contract amendment to City Clerk for retention with original agreement.