

Change Order Policy for City of Madison Public Works Projects Adopted by the Board of Public Works on November 1, 2017

The following policy applies to change orders for public works projects bid by the City through the Board of Public Works, and assumes sufficient budgetary authority exists.

1. Change orders, the value of which is \$10,000 or less shall be approved by the City Construction Engineer or designee.
2. Change orders, the value of which is \$20,000 or less shall be approved by the City Engineer or designee.
3. Except for those change orders approved per section 4 below, any change order meeting one or more of the following criteria shall be approved by the Board of Public Works:
 - a. The change order exceeds \$ 20,000.
 - b. The total of all previous change orders plus the current change order exceeds the projects contingency (Generally 8%) as was approved by the Common Council at the time of award.
 - c. The change order would modify the project completion date.
 - d. The change order materially influences the scope of the project or is being used to acquire additional construction or fixtures not intended or included in the original contract.
4. Notwithstanding the above, in accordance with Wisconsin Statute 62.15 (1c), change orders shall not be approved if they increase the quantity of construction required in the contract by an amount not to exceed 15% of the original contract price. This cap is cumulative for all change orders on a project. Extra work under Sec. 104.7 is not considered when determining if a change order exceeds the 15% cap.
5. The City Engineer may approve change orders which are necessary to safeguard life or property or are necessary to guard against financial risk or loss provided that the City Engineer report the situation to the Board of Public Works at the first opportunity.
6. All of the following requirements shall apply to all change orders:
 - a. Related work shall not be split up onto multiple change orders in order to circumvent the required Board of Public Works approval.
 - b. The change order shall be required due to a valid change.
 - c. The value of the change order shall reflect the value of the work and shall be in the interest of the City.
 - d. All change orders shall be provided to the City Engineer or designee for processing.
7. The City Engineer shall prepare a report listing all change orders that have been approved in the previous month and present it to the Board of Public Works on a monthly basis.