



contract modifications

documenting changes to the contract documents

WHAT ARE MODIFICATIONS?

MODIFICATIONS are changes to the documents that form the Contract for Construction:

Modifications to the Contract are to be expected in ALL construction projects, so it is very important to have in place procedures so that these changes can be handled quickly, efficiently, and fairly.

Modifications have legal and financial implications, so the procedures for making changes should be discussed with the entities involved at the time documents are being prepared, or at least, during the pre-construction meeting.

Modifications to the Contract can be initiated by the Contractor, by the Architect, or by the Owner. Some causes for modifications are:

- Concealed conditions.
- Unrecorded underground or soil conditions.
- Specified products not available or incorrect for the application intended.
- Hazardous materials.
- Discrepancies between disciplines or separate contractors.
- Other discrepancies in the Contract Documents.

DOCUMENTATION

Changes are issued in these forms:

- RMW Bulletin Form
- ASI Form (use with caution - refer to the ASI Form module in CA procedures)

Changes are accepted by the Owner and the Contractor by signing a Change Order.

THINGS TO BE AWARE OF WHEN MAKING CHANGES:

Consequential Changes: Additional changes necessitated because of the proposed change, for example, connections, warranties, sizes, adjacent construction, unknowns at the time of the change was made, code issues, and such. These changes can affect the construction schedule and have a “domino” effect in issues such as:

- Modifications to the existing contracts with subcontractors or new contracts procuring new associated work.
- Time wasted by idle workers, material waste (for example, returning material not longer wanted), resources waste, etc.
- Re-staffing the work.
- New costs brought up by the changes and the cost of re-scheduling.
- Legal Issues:
 - Be careful with how the changes affect the Project Schedule, and how the adjusted to the Contract Time and the Contract Sum are handled.
 - Require the Contractor to document all the costs being claimed related to changes.

MODIFICATIONS NEED TO BE DOCUMENTED **ALWAYS**, especially those that change the cost or the schedule of the project.

HANDLING CHANGES TO THE CONTRACT DOCUMENTS

Do not modify the **Contract Documents** (drawings, specs, and others) by email, telephone call, conversation, or otherwise.

DOCUMENT IN WRITING, using the proper form.

- Modifications that **CHANGE THE CONTRACT TIME OR THE CONTRACT SUM**, use the following:
 - The RMW Bulletin (edited as applicable) and then a Change Order, using:
 - The AIA G701 “Change Order”.
- Modifications that **DO NOT CHANGE THE CONTRACT TIME OR THE CONTRACT SUM**, use the following:
 - The RMW Bulletin (edited as applicable), or
 - The AIA G710 “Architect’s Supplemental Instructions”, or,
 - The RWW ASI Form.
- To direct the Contractor to **PROCEED WITH THE WORK IN ORDER TO AVOID DELAYS WHEN THERE IS A DISAGREEMENT IN THE CONSEQUENCES OF THE PROPOSED CHANGE**, use the following:
 - The RMW Bulletin (edited as applicable), or,
 - The AIA G714 “Construction Change Directive”.

These two documents outline the procedures follow for adjustments between the Architect/Owner and the Contractor for the work described.

CHANGE ORDERS
MUST BE SIGNED
BY RMW (a
principal), the
Owner, and
the
Contractor.

RISK MANAGEMENT: SUBSTITUTIONS

Substitutions are modifications to the Contract and should be documented as such.

- Insist that the Contractor completes an **RMW Substitution Request** when proposing products **not** listed as “Comparable” and **SIGNS IT**. With this signature the Contractor certifies that it has researched the proposed product for substitution and that the information in the Substitution Request is correct according to the research made.
- IF THE proposed substitution is approved, the change is recorded in the Substitution Request. If there is a considerable change in the cost or schedule of the project, further documentation in the form of a RMW Bulletin and a Change Order might be needed.

REMEMBER: YOU ALMOST NEVER MAKE JUST ONE CHANGE TO A PROJECT!

You change something and elsewhere
something changes too.
ALL IS CONNECTED!