

BE/DBI Change Order Workgroup

Survey Questions Regarding Changes

In 2022 the BE/DBI Committee conducted a survey of items that cause failure of prompt payment for contractors on public works projects. ~~One area that was identified was the change order process.~~ Two areas of note were retention release and change orders. This document addresses change orders. Change order types, change order process, and payment for changes vary greatly from project to project. It is common on projects to experience confusion and lack of understanding with the change process, which often leads to late, partial or no payment for executed change work. This follow-up survey is provided to determine how best to improve the change process on public projects.

Owner Questions

- How familiar are you with RCW 39.04.360 regarding timeliness of change order issuance to contractor? <Provide link to RCW 39.04.360>
 - Very Familiar
 - Somewhat Familiar
 - Not Familiar
- How often do you issue a change order to the contractor within RCW's 30-day limit of change work completion?
 - Always
 - Most of the Time
 - Sometimes
 - Rarely
 - Never

For any response other than "Always" please describe the impediments to prompter CO issuance. For respondents indicating "Always", please describe your process.

- Do you have a documented, enforced process for managing the change order process across your agency?
 - Yes
 - No

For "yes" respondents, briefly describe the process and if it is shared with the contractors prior to work commencing. For "no" responses describe how this is managed from project to project. You may provide a file if needed.

- How often do you discuss the change proposals with your contractor(s)?
 - Weekly
 - Monthly
 - Quarterly
 - Never

Describe what is discussed as well as whether lower tier contractors are included.

- On average how quickly do you provide approval of any change order?
 - 1-5 days
 - 6-14 days
 - 15 -30 days
 - Greater than 30 days

If it is greater than 30 days, please describe the typical factors that push the process out.

- Rank the type of change your agency most often issues or desires to issue. Rank from one to four with one being most prevalent and 4 being least prevalent.
 - 1) Lump Sum/Forward Priced
 - 2) Time & Material/Force Account
 - 3) Unit Price
 - 4) Other

- Does your change order process require multiple levels of authorization based on value or some other attribute?
 - Yes
 - No

If so, describe the dollar threshold breaks and how much longer this may affect the process of issuing a change. Additional Comments.

- How often do you bundle disparate changes into a single change order?
 - Always
 - Often
 - Sometimes
 - Never

If bundling occurs, how much longer does it typically take to issue a change order? Is there any requirement for you to bundle?

- If a portion of a change is in dispute, are invoices held up until the entire issue is resolved?
 - Yes
 - No

Does your organization have the ability to pay for undisputed portions of the change and, if so, how does it reconcile the disputed portions?

- Do you experience resource constraints in being able to issue change orders in a timely manner?
 - Yes
 - No

If "yes" describe what the constraints are and provide recommendations to alleviate delays

- If your agency has surpassed the time limit on payment, has it ever paid interest per allowances in RCW 39.76.11?
 - Yes
 - No

Please provide any additional comments and/or attachments below.

Contractor Questions

- How familiar are you with RCW 39.04.360 regarding timeliness of change order issuance to contractor? <Provide link to RCW 39.04.360>
 - Very Familiar
 - Somewhat Familiar
 - Not Familiar
- For Prime Contractors, how often do you receive a change order from the client within the RCW 39.04.360 30-day limit of change work completion?
 - Always
 - Most of the Time
 - Sometimes
 - Rarely
 - Never
 - N/A

For any response other “Always” what do you witness as the most prevalent causes for delay?

- How common is it for you to be able to forward price changes, receive a change order, then commence the work?
 - Always
 - Most of the Time
 - Sometimes
 - Rarely
 - Never
 - N/A

For any response other than “Always” describe what you typically experience and for additional comments.

- How often do you perform change work without a change order?
 - Always
 - Most of the Time
 - Sometimes
 - Rarely
 - Never

For any response other than “Rarely” or “Never” what is the range you have experienced for change order issuance and ultimately payment for this work? Is this trending better, worse or neutral in your experience?

Explain the reasons what constitute the performance of change work without an approved change order.

- Per RCW 39.76.011 interest may be paid at 1% per month when the public body does not make timely payments. Has your firm been in a late payment situation and did you receive the applicable interest payment?
 - Yes and Yes (late payment and paid interest)
 - Yes and No (late payment but without added interest payment)

If your answer was "Yes and No", did the public body provide any reason for not paying interest?

- For lower tier specialty contractors how transparent is the change order process?
 - Very
 - Some
 - Barely
 - Never

For responses other than “Very” describe where you perceive the lack of transparency exist and share us your experience.

- How often have you been directed to perform change work with a change order in place only to ultimately settle for less than is reasonable?
 - Never
 - Frequently
 - Sometimes
 - Almost Always
 - NA

Please describe the primary reasons given for the short pay?

- Do you experience a difference in issuance and payment for changes based on contract type, i.e. lump sum vs GMAX vs time and material?
 - Yes
 - No

Please elaborate and describe the differences.

- Please provide any additional comments and/or attachments below.