



City of Arts & Innovation

City of Riverside Administrative Manual

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Policy Owner(s): Finance Department

Approved:

Charles Mike Fitzrell

Department

City Manager

SUBJECT:

Change Orders

PURPOSE:

To establish a formal procedure for the use of Change Orders.

SOURCE OF AUTHORITY: Purchasing Resolution Article Eleven

POLICY:

Any modifications to an open Purchase Order shall be made only by Change Order, except that minor variances of \$200 or less, where the variance is due to sales tax or freight charges may be processed without a Change Order. When required, and subject to availability of funds, 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. Adding and/or deleting quantity of items being procured;
2. Modifying unit prices;
3. Modifying the scope of work/services being provided, where the modification is reasonably related to the original scope of work or services;
4. Modifying contract completion time, or
5. Any other change approved by the Purchasing Manager.

The Purchasing Manager, or designee, shall be authorized to issue and execute Change Orders that are in accordance with this policy and the City's current Purchasing Resolution.

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 Non-Construction Agreements.

PROCEDURE:

Responsibility	Action
	<p>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 #4 below.</p> <p>4. Obtains City Council or Board of Public Utilities approval for changes to the scope of the original contract if:</p> <ul style="list-style-type: none">a. The original contract was required to be approved by the awarding entity; orb. The revised total contract amount falls within #5 below. <p>5. Obtains City Council or Board of Public Utilities approval for change orders that cumulatively exceed the allowable threshold set forth in the current Purchasing Resolution.</p> <p>6. When City Council or Board of Public Utilities is required, submit the following to Purchasing for Concurrence through the online portal:</p> <ul style="list-style-type: none">a. Council or Board Memo, andb. Contract Amendment that has been signed by the vendor, andc. Any additional information to support the request. <p>7. Obtains Department Head approval for changes over 10% when the total contract is \$50,000 or less for:</p> <ul style="list-style-type: none">a. Public Utilities Departmentb. All other departments for Construction or Design-Build Services <p>8. Obtains City Manager approval for changes over 10% when the total contract is between \$50,001 - \$100,000 for Goods, Services and Professional Services and therefore does not require City Council approval.</p> <p>9. Obtains contractor's signature when contract change is involved.</p> <p>10. Forwards Change Order requisition to Purchasing for processing, with supporting documents.</p>
Purchasing	<p>11. Verifies that approval from City Council or Board of Public Utilities, if required, was obtained.</p> <p>12. Reviews and validates Change Order requisition.</p> <p>13. Procurement & Contract Specialist forwards to Purchasing Manager for approval if Change Order is over 10%.</p> <p>14. Inputs Change Order requisition information into purchasing system.</p> <p>15. Creates revised Purchase Order if sufficient funds are available.</p> <ul style="list-style-type: none">a. If insufficient funds, contacts Budget Office for possible override authority, or informs originating department that a

PROCEDURE:

Responsibility	Action
	budget transfer is required.
	16. Purchasing Manager forwards to Finance Director for approval when total P.O. amount exceeds \$1,000,000 unless original PO was approved for over said amount.
	17. Distributes Change Order as required.
	18. Updates Contract Module as applicable.
Originating Department	19. Refers to Receiving and Payment procedure (07.011.00).
	20. Sends copy of contract amendment to City Clerk for retention with original agreement.