

GUIDELINES

DIVISION OF SANITATION FACILITIES CONSTRUCTION

Office of Environmental Health and Engineering
Navajo Area Indian Health Service
Window Rock, Arizona

CHAPTER 9--NECA

Section 4: Change Orders on NECA Contracts
Guideline No. 9.4 (06-19)
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Supersedes: G 9.4 (99-18) (93-10), G 9.4 (88-2) Change Orders on NECA Contracts

Distribution: Standard List
General Manager, NECA
Contracting Officer, NECA

INTRODUCTION

Change orders are not accomplished until the NECA Contracting Officer (CO) and the contractor have both officially signed them. Since the contracts are issued by NECA, the IHS Project Engineer only provides technical assistance to NECA regarding the work performed under the contract making sure the Contractor complies with all conditions of the contract. The IHS Project Engineer has no authority to tell a NECA Contractor what to do. However, when a change order to a NECA contract is needed, generally the change order will be initiated through the recommendation of the IHS Project Engineer. Attached is a form which is used to have the IHS Project Engineer recommend to the CO that a change order needs to be issued on an active NECA contract. Public Law 93-638 contracts are not covered by this Guideline.

PROCEDURE

It is important that the method used be simple and quick to get the recommended information to the NECA CO as soon as possible so that he can issue the change order. The attached form has been developed to accomplish this and should be used as follows:

1. After the need for a change order has been determined and the IHS Project Engineer assures that there is adequate funding to cover the change order, he should verbally discuss with the contractor (and so note in his log book) on the scope, cost, and time extension, if any, required because of a change. The IHS Project Engineer should make certain that the Contractor understands that this is only a tentative understanding until the change order is formally issued by the CO. The Contractor is not authorized to accomplish the work covered by the change order until he receives approval from the CO. The IHS Project Engineer fills out the "recommendation for change order" form with the concurrence of the District

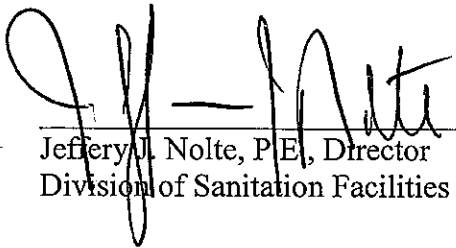
Engineer and, after signing it, sends the original to the CO, a copy to the District Engineer, and keeps a copy for his file. The form should be filled out completely to aid in the review process and to enable the CO to issue the change order based on the information on the form. A sample change order recommendation form is attached for a guide. The form should be filled out as soon as possible and does not have to be typed, but it must be legible.

2. The CO will review the recommendation, approve it, and then issue the change order to the Contractor.

Concern has been expressed on this process slowing work on the project. If a change is straight forward and there is verbal agreement between the IHS Project Engineer, District Engineer, NECA CO, and the Contractor on all aspects of the recommended change order, the Contractor can proceed as long as he understands that he will only be paid after the formal change order is consummated between NECA and himself. This should apply in most cases. However, if there is any controversy or questions on any aspects of the change order, the Contractor should wait until the change order has been formally consummated between him and the CO before performing the work.

It should be noted that this change order process is for the protection of the Contractor and NECA. The Contractor will not perform any work beyond the scope of the original contract unless there is a formal change order to cover that work. In the same sense the NECA will not pay any claim for additional work beyond the scope of the contract made by the Contractor, unless there is a change order to cover that work.

APPROVED BY:



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Attachment A - Recommendation for Change Order (form)

Attachment B - Recommendation for Change Order (example)