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## Use of the Change Order Form entitled “Contract Modification Proposal and Acceptance”

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- When the Loanee wishes to issue a change order to the contract, the attached “Contract Modification Proposal and Acceptance” form should be used as a request for proposal. Upon final settlement of the change, this same form is then completed and serves as the contract modification. Two (2) original copies must be submitted to DEP.
- The Loanee in requesting a proposal for a change would execute items 1 thru 8 (exclusive of the revised contract price and duration data) and 9 thru 12. Pages 1 and 2 of this form are then forwarded to the contractor, specifying scope of work and requesting the contractor’s proposal.
- The contractor should execute page 2 of the form. He then submits pages 1 and 2 of the form as his proposal, attaching additional sheets as necessary to provide his detailed breakdown of costs.
- Upon negotiation of a final settlement, the Loanee completes page 1 of the form, and all concerned parties (Contractor, Engineer, Owner) sign this document as the contract modification.
- Page 3 of the form is executed by the Loanee for documentation of the change, and to provide the necessary details for review by the Regulatory Agencies.
- Submit a minimum of two original copies fully executed with raised engineer’s seal. It is suggested that one original be kept for your records.
- Any documentation developed by the contractor, engineer, owner or other party relating to the change shall be provided with the change order submission. This documentation should include any written directives, engineer’s estimate, contractor’s proposal, record of negotiations, subcontractor and/or vendor quotes and proposals, etc.

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## Detailed Instructions for Executing “Contract Modification Proposal and Acceptance” Form

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Item 1. Enter the name of the Loanee.

Item 2. Enter State Project number.

Item 3. Enter the contract number or designation.

Item 4. Enter the number identifying this modification.

Item 5. Enter the name of the Contractor.

Item 6. Enter the project title and location.

Item 7. Requests a proposal for the specified change order work, but does not direct contractor to proceed. The owner or his authorized representative must execute this statement by signature with date and title blocks entered.

Item 8. Provide a clear description of the scope of work for this change. Upon final settlement of the modification costs, enter cost data by line item for unit priced items or by sum; and state total cost of this modification – net increase, decrease or no change in contract price. Enter appropriate information for any change in contract time, including number of calendar days involved. For increases in time, include as an attachment the contractor’s formal written justification of the time requested along with the engineer’s/owner’s explanation of approving the request. The modification is executed when all appropriate signatures are included.

Items 9 – 12. Same as items 1 – 4.

Item 13. Executed by the contractor, stating net effect of change in appropriate box for money and time. A detailed breakdown must be provided in this item; and appropriate signature of authorized representative of contractor included. Attach the contractor’s written proposal and any changes thereto.

Item 14. Enter the Loanee’s name and State Project number.

Item 15. Enter the contract number or designation.

Item 16. Enter number identifying this modification.

Item 17. Enter appropriate financial data.

Item 18 Explain and justify the reasons for this change order, i.e., clearly indicate why the change is necessary by category as follows differing site conditions, errors and omissions in plans and specifications, design

changes, overruns/underruns in quantities, changes instituted by regulatory agencies, factors affecting time of completion.

Item 19. Explain all other impacts resulting from this change with estimate of costs involved. This should include impact on other contractors and the Consulting Engineers.

Item 20. Document that negotiations were held as required by the regulations and explain the events leading to the final settlement in price and time. This statement should include, at a minimum, date and location of negotiations, persons attending, summary of negotiations leading to final price and time settlements, and a statement that the agreed-to price is “fair and reasonable”.