

BOARD MANUAL

SUBJECT: Capital Projects - Change Order Approval Policy		NUMBER: 2-C-40
SECTION: Corporate Performance and Oversight	APPROVED BY: Board of Directors	
DATE: March 19, 2012	REVISED/REVIEWED: November 26, 2014, November 29, 2017, April 28, 2021	

Policy:

To ensure that all capital project change orders are approved with appropriate authorization in keeping with the Capital Projects Change Order Approval Matrix (Appendix A).

Procedure:

The following procedures will apply to change order management:

1. A request for change may be raised by the Hospital, contractor or consultants.
2. All requests for change must be presented to the Senior Director of Capital Redevelopment or designate, together with a completed Contemplated Change Notice (CCN) form. It is the responsibility of the prime consultant to ensure that a CCN Form is completed with required supporting documentation.
3. Upon receipt of the contractor's quotation, the prime consultant will submit the itemized quotation to the appropriate sub-consultants for their review as required. The prime consultant will submit the quotation, together with their review and recommendation to the Senior Director of Capital Redevelopment or designate.
4. The Senior Director of Capital Redevelopment or designate will complete a preliminary evaluation of the change request including:
 - An assessment of the feasibility for change
 - An assessment of the impact on the plan schedule
 - An assessment of the impact on costs of design and construction
 - Identification and evaluation of alternatives
5. The approval authorization will follow the Capital Project Approval Matrix (Appendix A) which defines signing authority requirements.
6. If it is decided by the Hospital that the change should not proceed, the prime consultant is notified and no further action is taken. Change orders not proceeded with will be shown as cancelled on the change order summary.
7. If the Hospital decides to proceed with the change, the prime consultant will prepare the necessary documentation and issue a change order to the contractor.

8. A monthly summary itemizing all change orders including origin, description and amount will be provided to the Capital Projects Sub-Committee or its designate, which will then recommend the change orders to the Resources Committee.

**Capital Projects Change Order Approval Matrix
(Authorization Authority Requirement)
APPENDIX A¹**

	Resources Committee	Capital Projects Sub-committee	CEO	Vice President Finance and Corporate Services	Senior Director Capital Redevelopment
Change Orders < or =\$20,000					✓
Change Orders > or less than \$20,000 - \$75,000				✓	✓
Change Orders > \$75,000	R	R	✓	✓	✓
Change Orders Any amount that results in the total project cost exceeding the project budget	R	R	✓	✓	✓

Board approval will be obtained through the regular cycle of Board meetings. However, if any approval for change orders is urgently required a special meeting of the Board will be called for that purpose.

¹ Check marks indicate instances where signature is required.
R= Recommend to the Board