



To: SUPERSEDED ^{BY} <i>EB03-029</i> EFFECTIVE <i>6/6/03</i>		New York State Department of Transportation ENGINEERING INSTRUCTION	EI 02-034
Title: REVISED DESIGN GUIDANCE - FIELD CHANGE ORDER			
Distribution: <input type="checkbox"/> Manufacturers (18) <input checked="" type="checkbox"/> Main Office (30) <input checked="" type="checkbox"/> Local Govt. (31) <input checked="" type="checkbox"/> Regions/Agencies (32)		Approved:  James F. Tynan Director, Construction Division Date <u>10-16-02</u>	

ADMINISTRATIVE INFORMATION:

- This Engineering Instruction (EI) is effective with projects submitted for the letting of 05/08/03.
- This EI supersedes EI 02-023 and modifies Highway Design Manual Chapter 21, Section 21.3.8.4, Section 697.
- The design guidance issued in this EI will be incorporated into Chapter 21 with the next revision to the Highway Design Manual.

PURPOSE:

The purpose of this EI is to issue revised guidance regarding the specification and estimation of contract pay Item 697.0201, Field Change Order (FCO). Due to incompatibilities in the estimating and payment computer systems, it was necessary to change the pay unit from Fixed Price Lump Sum to Dollars-Cents.

TECHNICAL INFORMATION:

- The Standard Specification is being issued concurrently under EI 02-035, contract administration guidance was issued under EB 02-043, and construction inspection guidance was issued under EB 02-044.
- The revised Section 697 introduces *Item 697.0201, Field Change Order (FCO)*, that replaces Section 697 - Field Change Order guidance issued under EI 02-023.
- The Field Change Order contract pay item is not required for locally let projects, however localities may opt to use a similar contingency mechanism to provide prompt payment to contractors.

IMPLEMENTATION:

- Main Office DQAB will insert the FCO standard specification shelf note, issued under EI 02-035, effective with projects submitted for the letting of 05/08/03.
- Designers should use the FCO item prior to the effective date by including the item in the engineer's estimate and the standard specification in the hard copy portion of the PS&E submittal.

CONTACT:

Direct questions regarding this EI to Brian DeWald of the Construction Division at (518) 457-6472 or via e-mail at BDeWald@gw.dot.state.ny.us.

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Section 697 - Field Change Order

A. Applicability

Contract Pay Item 697.0201 - Field Change Order shall be specified consistent with the applicability criteria provided in Table 1.

Table 1 Applicability Criteria

Applicability Criteria	Not Required/Required
Projects for which there is little or no opportunity for use regardless of cost (e.g., single-payment contracts such as simplified pavement preventive maintenance contracts, force account-based contracts, etc.) and projects with an Engineer's Estimate less than \$100,000.	Allowed, but Not Required
All projects with an Engineer's Estimate greater than, or equal to \$100,000, except as listed above.	Required

B. Engineer's Estimate

The quantity for this item shall be determined as a function of the Engineer's Estimate (EE) as shown in Table 2. The quantity should then be distributed as appropriate over all the engineering shares proportionally based on the cost of each engineering share, i.e. $[\text{FCO Cost} \times (\text{Engineering Share Cost} / \text{EE Eligible Items})]$. Any engineering share valued less than \$20,000 need not include the FCO item.

Table 2 Estimating Item 697.0201

* Engineer's Estimate (EE Eligible Items)	Item 697.0201 Quantity (FCO Cost)	Quantity Rounding	Price (Fixed)
\$0.1 M to \$5.0 M	$0.05 \times \text{EE}$	Nearest 1,000	\$1.00
\$5.0 M to \$10.0 M	$250,000 + 0.04 \times (\text{EE} - 5.0 \text{ M})$	Nearest 10,000	\$1.00
\$10.0 M to \$25.0 M	$450,000 + 0.03 \times (\text{EE} - 10.0 \text{ M})$	Nearest 10,000	\$1.00
\$25.0 M to \$130.0 M	$900,000 + 0.02 \times (\text{EE} - 25.0 \text{ M})$	Nearest 10,000	\$1.00
\$130.0 M and Above	3,500,000	XXXXXXXXXX	\$1.00

- Items to be excluded from the FCO calculation: Mobilization and Time Related Contract Provisions (e.g., incentive/disincentive, lane rental or similar items).