

Control of Major Construction Project Costs and Approval of Construction Change Orders

3213

The Board believes it is of utmost importance to the financial welfare of the District to control the costs of new construction and major renovation. Major construction projects shall be defined as those with budgets in excess of one million dollars. To that end the Board directs the Chancellor to meet the following objectives:

1. Develop a process for identifying major construction needs and projects, establishing priorities, preparing budgets (with appropriate contingencies), obtaining local and state approvals that meet Education Code and other legal requirements, and incorporating long-term construction needs into a long-term financial plan.
2. Establish a district-wide Executive Bond Leadership Team to monitor major construction projects based on timeline, budgetary, change order and scope considerations in order to prevent project cost overruns beyond budgeted contingencies.
3. Establish a cost control process within the District's Financial Reports System (FRS) to provide for accurate recording of each project's expenses from initiation to completion and to produce timely reports for the monitoring of expenses regardless of the size of the project.
4. Provide for knowledgeable construction management expertise in order to ensure the quality of technical background and day-to-day management of the project.
5. Authorize the Executive Director of Facilities, Operations and Construction Management to process change orders that do not exceed five percent of the construction contract or \$50,000, subject to subsequent ratification by the Board. Change orders in excess of this amount must have prior Board approval.
6. Establish a reporting mechanism to the Board, Audit and Finance Committee and Citizen's Bond Oversight Committee on the status of capital projects.
7. Develop and maintain implementation procedures to meet these objectives.

See Administrative Procedure 3213

Approved 1/23/63
Amended 10/13/75; 4/20/92; 8/16/99; 8/27/07