

# City of Minneapolis

## Request for Committee Action

**To:** Ways & Means  
**Date:** 6/27/2016  
**Referral:** N/A  
**From:** Finance & Property Services  
**Lead Staff:** Chris Backes, Project Manager, Finance & Property Services  
**Presented by:** Mark Ruff, CFO, Finance & Property Services  
**File Type:** Action  
**Subcategory:** City Policy

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**Subject:**

Construction Contracts Change Management Policy

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**Description:**

Approving the policy and procedure for processing change orders and amendments to construction contracts.

**Previous Actions:**

None

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**Ward/Address:**

Not Applicable

**Background/Analysis:**

The Department of Finance and Property Services and the Department of Public Works have developed a policy and procedure for processing change orders and amendments to construction contracts. In order to ensure projects are delivered and completed in a consistent and legal manner, a change management policy was needed. This Construction Contracts Change Management Policy (the "Policy") applies to all construction contracts and allows contract managers and their department supervisors to approve small changes to projects with the goal of maintaining construction work and schedule until the City Council is able to consider an amendment to the construction contract.

The Purchasing Director (Agent) or designee is responsible for the administration of this Policy and also the establishment and maintenance procedures for this Policy. Similar change management arrangements have been used on very large projects (e.g. Central Library, and Convention Center addition) in the past and this Policy is based on a similar method of operation. The Policy is designed to permit project managers to address changes in scope and unforeseen conditions in a timely and consistent manner. This Policy will also require an engaged Project Manager, Division Director, and Department Head as each level of Management will need to be involved in the contract amendment process.

This Policy establishes the procedure for project managers and their supervisors to manage changes to construction contracts. Special circumstances or particularly demanding projects may require different thresholds, and those can be requested or set up at time of bid award.

**Financial Review:**

**No additional appropriation required, amount included in current budget.**

**Approved by the Permanent Review Committee and Policy Review Group.**

**Attachments:**

1. Construction Contracts Change Management Policy and Procedures.