



Guidelines for Change Order Submittals

Any change to the final approved drawings after loan closing must be done by change order. Change orders are required for any additional costs to the scope of work, any reduction in costs to the scope of work, or any no cost change to the scope of work.

The submittal process for all change orders is as follows:

1. The change order is prepared by the Architect on AIA Form G701 or a similar form and must be signed by the Owner, the Architect, and the General Contractor.
2. Two (2) **photo copies** of the approved change order must be presented to the IHDA Field Representative for his approval.
3. The IHDA Field Representative will retain one copy and forward one copy to IHDA for processing to the IHDA architectural staff to determine how the change order will be funded.
4. When the funding determination is made, a change order will be sent back to the construction supervisor who will notify the IHDA field representative how the change order will be funded and he will notify the Owner how the change will be funded.

Funding for all change orders will be judged from the following criteria:

1. **Construction Contingency:** Unforeseen items will be approved for payment from the Construction Contingency which appears on the Owner's Sworn Statement.
2. **Damage Caused by Contractor Negligence:** Contractor is responsible and will not be paid from the construction contingency but may be paid from the Developer's Fee, if approved by the Developer, or another source of funding.
3. **Construction Cost Increases:** Construction material cost increases only will be paid from the construction contingency. Labor cost increases will be evaluated and **may not** be paid from the construction contingency, but may be paid from the Developer's Fee, if approved by the Developer, or another source of funding.
4. **Building Code Related Issues** – will not be approved for payment from the construction contingency but may be paid from the Developer's Fee, if approved by the Developer, or another source of funding.
5. **Upgrades (Betterments)** – will not be approved for payment from the construction contingency but may be paid from the Developer's Fee, if approved by the Developer, or another source of funding.
6. **Architects, Engineers and Contractors Errors and Omissions** - will not be approved for payment from the construction contingency but may be paid from the Developer's Fee, if approved by the Developer, or another source of funding.
7. **Building Inspector or any Municipal Official Requirements** – if not required by the Building Code, will not be approved for payment from the construction contingency but



may be paid from the Developer's Fee, if approved by the Developer, or another source of funding.

8. **Separate contracts outside of the General Contract:** When a separate contract is let by the owner for work to be performed outside of the General Contractor's Scope of work and there are additional costs incurred, these costs will **not** be paid from the construction contingency. A separate contingency should be established within that contract to address any cost overruns.
9. **Damage or theft:** The Developer and GC are primarily responsible for having sufficient insurance coverage to fund any losses due to damage, theft or other occurrences covered in their policy. Claiming to have a large deductible or a potential increase in the premium will not be considered.
10. **Other:** Any additional architectural, engineering, or other services outside of the scope of work that may be required will not be paid from the construction contingency but may be paid from the Developer's Fee or some other source of funding.

When the project is 75% complete and sufficient funds remain in the construction contingency, the Developer may be reimbursed from the construction contingency for previously paid change orders that were funded from the Developer's Fee provided the change orders are eligible. This will have to be approved by your closing officer as part of the use of savings. When this time comes, email or fax your closing officer and cc myself as to how you would like to use your savings and we will let you know what is approved.