Have a Policy, for a Change

A written change order policy, backed by management and understood by the field, is essential.

To handle change orders, the author suggests this policy: “Work will begin immediately with the understanding we will receive a billable change order within three days, otherwise work will stop.”
is a major mistake because factors and conditions affecting changes are much different than those related to straightforward production work.

Factors such as set-up time, returning to an area, worker morale, general job flow, and accessibility, all impact production rates for any change. Hence, to compensate for these factors, lower production rates must be used in change order pricing. Allowances for set-up time should be included, as well as fees for consumables.

Implement change order policies consistently. Inform general contractors of these policies, back up field personnel when they are pressed to act differently, and ensure standards are maintained.

Without visible support from management, and understanding by the field, all the written policies in the world won’t solve the problem of change orders.

Outstanding quotes should be a priority, and reviewed at least monthly.