Standard Operating Procedure: Change Order

Approval Authority: Director, Procurement Services

Effective Date: February 2009

Application
This SOP is subject to the University Policy on the Procurement of Goods and Services.
Change Orders are subject to a review and approval process.

Definitions

Change Order: a change in scope, specification(s), value and/or details of an original Purchase Order or awarded contract.

Change in Scope: a change to the original overall project expectation.

Change in Specification(s): a change to the original project requirements – typically used when a product or service is amended.

Change to Value: a change that increases or decreases the overall dollar amount to be paid to the vendor/contractor/service provider.

Change to Details: a change that affects vendor information, budget details or any other non-financial details of the original Purchase Order.

Process
The end user is required to complete a Purchasing Requisition, checking the Change Order field, and referencing the original Purchase Order number whenever there is a change to:
1. Scope of a project,
2. Specifications(s) of a project
3. Value of a project
4. Detail(s) of a project

Signing authority for any changes remains with the original Purchasing Requisition approver. Where the change order increases the PO dollar amount in excess of the original approver’s signing authority the next level of signing authority must approve the Purchasing Requisition. If the change to the original Purchase Order is the assignment of a new chart of accounts (COA), the signature of the cost centre owner must be on the Change Order.

The end user submits the Change Order Purchasing Requisition to Procurement Services.

Procurement Services reviews the Change Order Request against the original Purchase Order and if approved generates a new Purchase Order.

A copy of the new Purchase Order is sent to the end user for record-keeping purposes.
Supporting Documentation

Additional documentation is required when a Change Order significantly alters the overall value of an original Purchase Order, due to changes in scope and/or value as follows:

1. Overall value of the original Purchase Order is increased by 20%
2. Overall scope of the original Purchase Order is increased by 20%

In such cases, a Sole or Single Source Certification must accompany the Change Order with a rationale for the increase.