

## Dear Owner, No Change Orders Thank You

**Executive summary.** Most Project Owners are convinced that Contractors thrive on change orders. The truth is that most would prefer to have none. Read below a sort of open letter to Owners.



**Speed.** I feel the need, the need for speed [QR]. Mr. Owner, when I signed this contract, I found a clause which stated, "Time is of the essence." I assembled my bid in accordance with this contract requirement, but in order for me to perform at maximum speed, I need your help. You're holding me to time being of the essence, but why not yourself and your subconsultants? Submittals can take up to 30 days from your subconsultants, while RFIs can take a week or even no stated duration at all – just maybe a response time of "promptly". When I provide a notice of differing site conditions you take weeks or months sometimes to evaluate it and provide me direction and/or pay me.

**Timely Pay.** Timely pay is like oxygen to me. Without cash, I suffocate. And die. When you take days, weeks, months, even years to decide on entitlement and then the amount of money you're willing to pay I've had to be your bank. I know it sounds terrible when I say this in the heat of battle, but it's true. When you're not paying me, I'm loaning you money. And when I don't have the money, I have to borrow it from a real bank, and that costs me interest. It costs prime + 2%. But I loan you money for free.

**Just answer me.** If you don't agree with my position, tell me. Tell me "no". It's better than no answer. At least when I hear a "no" I can switch gears and do something else. I can adjust manpower, order less materials, send a subcontractor home. No, I'm not going to like it, but I will respect your candor and you allowing me a chance to mitigate my potential loss. It's the same reason you want to know about changes when they occur – if you're going to be on the hook for more money you want a chance to manage that liability.



**No change orders, thank you.** Close your eyes and imagine a project with no letters, no RFIs, and no change orders. This is a project with no errors in the plans, no omissions in the specifications, and no change orders because the contract documents were flawless. This scenario is as common as oceanfront property in Arizona [QR]. Frankly, it's a dream come true for a Contractor.

**My story.** They say that the culture of a company is based upon its executive management. If the executives are efficient, honest, and always do things timely, you can bet that the company attitude will follow this behavior. The same can be said of a Project Owner. A good owner puts the same pressure on their Contractor as they do their design and construction management team. And frankly, themselves. I've been doing this for a long time, and I've seen two contracts holding an architect or engineer to a mandatory turnaround time on RFIs. How is this

fair to the Contractor? And if you're an owner or engineer reading this now and you're saying, "that's what (s)he signed up for", well, how does this help the Project? By not being speedy, not being timely in pay, and not giving prompt answers you get an adversarial relationship, change orders, claims, and you end up paving a highway to Disputesville. And now that I've been on both sides of the table Mr. Owner, you owe it to not only to your Contractor, but to your subconsultants too. Be quick. Be decisive. And watch how much money you can save on bid day, and then at the end of your projects when your legal costs start decreasing significantly.



Oh, I just realized there wasn't much here on me and "my story". So, here's the bonus section. There was a time in my career when I had my own construction company where I was paying three payrolls: mine, concrete Contractor A, and concrete Contractor B. Why? Well, because they were struggling due to some of the reasons discussed above.

Work safe!