



Managing Construction Changes

August 19, 2015

Change is Common

- ▶ **Construction contract changes occur for a variety of reasons**
 - ▶ Differing site conditions (unsuitable soil, unidentified utilities, etc.)
 - ▶ Specification changes
 - ▶ Schedule changes
 - ▶ Balancing for final field measurements
 - ▶ Errors and omissions
 - ▶ Miscellaneous (such as weather)

- ▶ **Timely approvals are crucial to project delivery**
 - ▶ Capital program investing about \$6 to \$8 million per day

- ▶ **Details reported to the Board of Directors each month**

- ▶ **Illinois Tollway's change process is very effective**
 - ▶ National average for highway construction is 5 to 10 percent compared to current Tollway capital program average of 0.4 percent*

**American Society of Civil Engineers Journal of Construction Engineering and Management, September 2010*

Robust Process for Managing Change

- ▶ **Contract Cost Change Controls Committee (C5)**
 - ▶ Reviews and recommends construction contract changes
 - ▶ Reviewed by Chief Engineer (approve, reject, revise/resubmit)
 - ▶ Delegates signature authority per value of change

- ▶ **Committee composition**
 - ▶ Chairman appointed by the Chief Engineer
 - ▶ Two members appointed by the C5 Chairman (typically Tollway employees with design and/or construction experience)

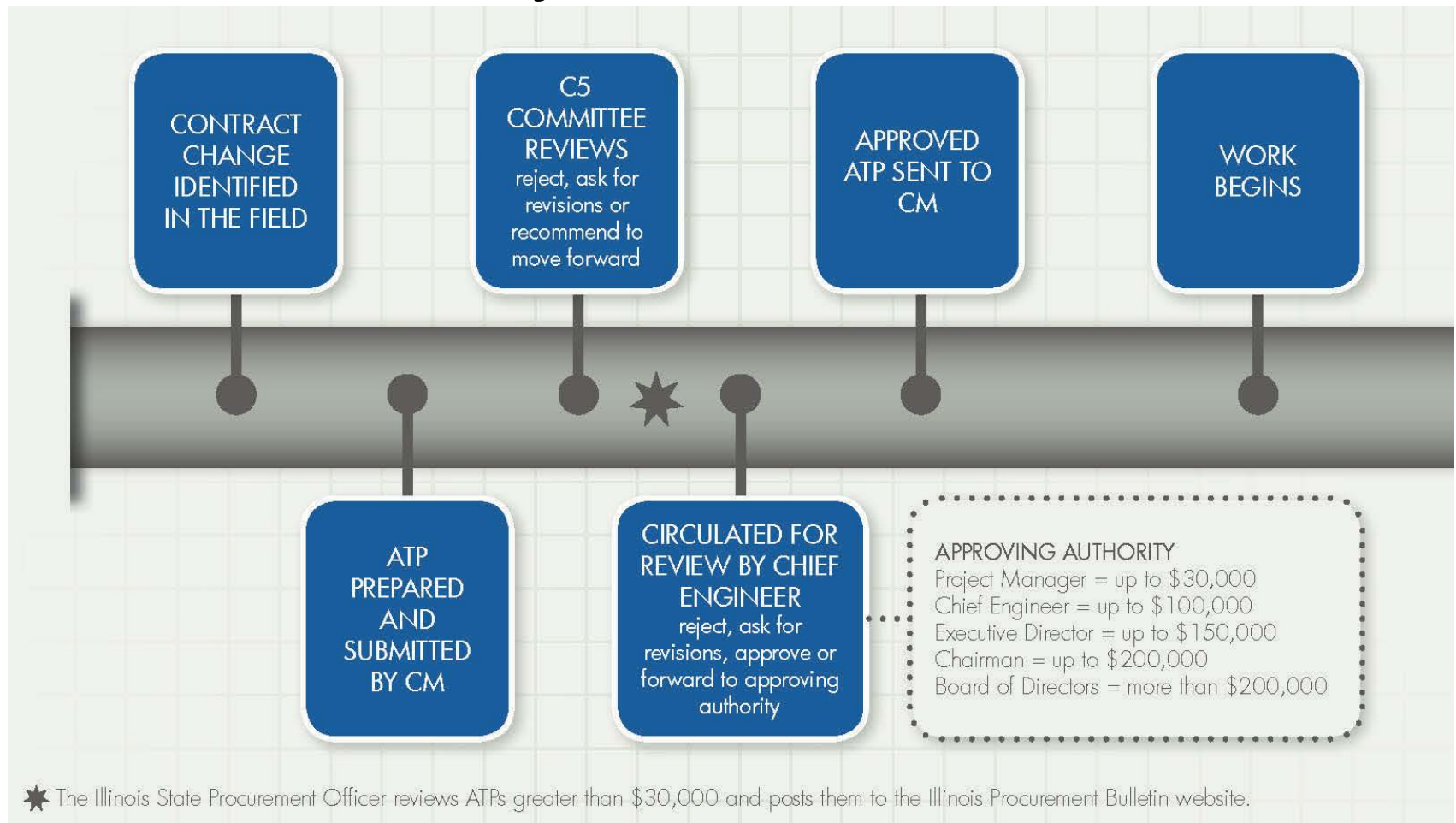
- ▶ **Committee meets daily during peak construction months**

- ▶ **Representatives from Finance, Procurement and Audit Departments invited as observers**

Authorization Limit	Approving Authority
Credits	Project Manager
Up to \$30,000	Project Manager
Up to \$100,000	Chief Engineer
Up to \$150,000	Executive Director
Up to \$200,000	Chairman of the Board
More than \$200,000	Board of Directors

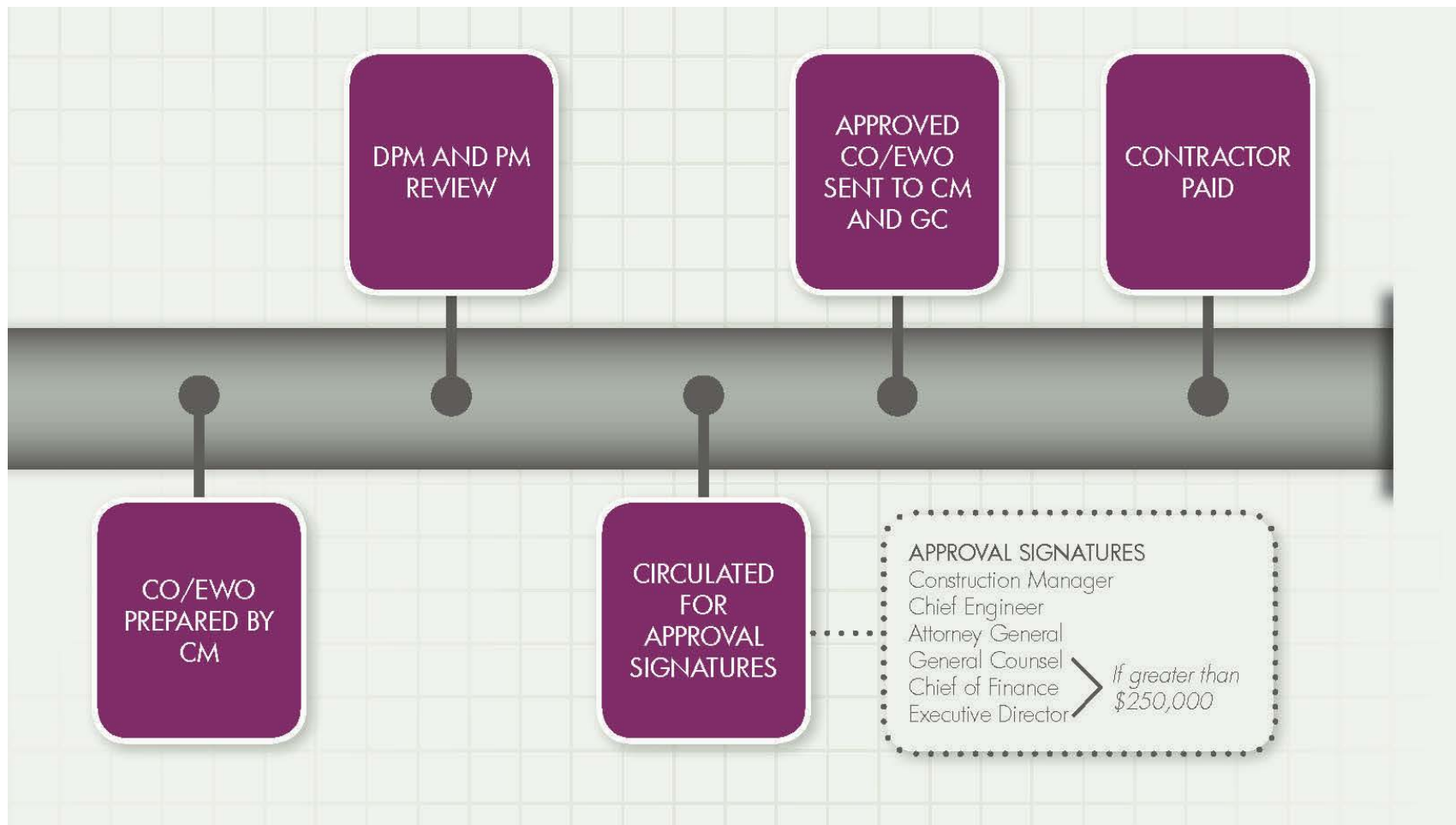
Authorization to Proceed Process

Allows work to move forward



Change Order/Extra Work Order Process

Allows payment for work performed in the field



Experience and Success Managing Change

Reputation for successfully delivering projects

- ▶ **Delivered 80 percent of the 10-year Congestion-Relief Program in the first five years**
 - ▶ Processed nearly 14,000 change orders/extra work orders
 - ▶ Resulted in modified cost less than one percent of total award amount

- ▶ **Successfully delivered 37-mile I-90 western segment**
 - ▶ Opened on time despite initial delays ranging from 15 to 118 days
 - ▶ Implemented successful mitigation strategy
 - ▶ Resulted in 2.67 percent (\$15 million) below established budget



THANK YOU
