

GUIDE 07 OF 7 | WE BUILD NH

NAVIGATING CHANGE ORDERS

How to Handle Changes Mid-Build

The most dangerous words in construction are 'While you are at it...'

I have been doing this for forty years, and I can tell you that change orders are the number one cause of blown budgets, delayed schedules, and contractor-client disputes. A change order is not just a quick favor or a minor tweak; it is a legally binding amendment to your construction contract.

Changes happen on almost every build. How those changes are managed separates the professionals from the amateurs.

WHAT TRIGGERS A CHANGE ORDER?

- * Owner-Driven Changes: You walk the framing and decide the kitchen island needs to be two feet longer, or you upgrade the flooring material after the contract is signed.
- * Hidden Conditions: We open a wall during a remodel and find structural rot, or we start excavating for a new foundation and hit solid ledge that the GPR scan missed.
- * Material Unavailability: A specified fixture or tile is suddenly discontinued by the manufacturer and a substitution is required.
- * Inspector Requirements: The local building inspector requires an unforeseen modification to meet their specific interpretation of the code.

THE GOLDEN RULE OF CHANGE ORDERS

Never, under any circumstances, verbally approve a change on the job site. If it is not in writing, with a price and a schedule impact attached, it does not exist.

When a contractor says, 'We will figure out the cost later,' what they actually mean is, 'You will pay whatever I invoice you at the end of the job.' By the time you get the bill, the drywall is up, the work is done, and you have zero negotiating power.

WHAT A PROFESSIONAL CHANGE ORDER LOOKS LIKE

- * Exact Scope of Work: A detailed description of what is being added, removed, or altered.
- * Exact Cost Impact: This should be a fixed price, not an estimate. If work is being removed, the change order should show a credit back to you.
- * Schedule Impact: Every change takes time. The document must state exactly how many days this change adds to your completion date.
- * Signatures: It must be signed and dated by both you (the owner) and the General Contractor BEFORE the new work begins.

THE COST OF 'WHILE YOU'RE AT IT'

'Since the electrician is already here, can we just add four more recessed lights?'

It sounds simple, but every 'just' has a ripple effect. Adding lights means adding wire, adding breaker capacity, taking the electrician off their scheduled task, delaying the drywallers, and pushing back the painters. Those four lights do not just cost the price of the fixtures; they cost project momentum.

HOW TO MINIMIZE CHANGE ORDERS

- * Lock in 100% of your material selections before signing the main contract.
- * Do not rush the architectural design phase. Walk through the 3D models until you are certain.
- * Keep your 15% contingency sacred. That money is for hidden conditions (like ledge or rot), not for mid-project material upgrades.

CHANGE ORDER CHECKLIST

- No verbal approvals -- every change is requested and approved in writing
- Document includes the exact scope of the new work
- Document includes a fixed dollar amount (cost or credit)
- Document states the exact impact on the project timeline (e.g., 'Adds 3 days')
- Document is signed by both the owner and the GC before work commences
- Material upgrades are paid for out of pocket, preserving the 15% contingency for true emergencies