

43.204 Administration.

(a) *Change order documentation.* When *change orders* are not forward priced, they require two documents: the *change order* and a *supplemental agreement* reflecting the resulting equitable adjustment in contract terms. If an equitable adjustment in the contract price or delivery terms or both can be agreed upon in advance, only a *supplemental agreement* need be issued, but administrative changes and changes issued pursuant to a clause giving the Government a unilateral right to make a change (*e.g.*, an *option* clause) initially require only one document.

(b) *Definitization.*

(1)

(i) *Contracting officers shall* negotiate equitable adjustments resulting from *change orders* in the shortest practicable time.

(ii) Agencies *shall*, in accordance with agency procedures, record and maintain data regarding the time required to definitize equitable adjustments associated with *change orders* for *construction*. The definitization of an equitable adjustment begins upon receipt of an adequate *change order* definitization proposal by the *contracting officer*, and ends upon the *contracting officer's* execution of a contractual action to definitize the *change order*. The *contracting officer shall* ensure the data is recorded promptly in accordance with agency procedures. See [36.211\(b\)](#).

(2) Administrative *contracting officers* negotiating equitable adjustments by delegation under [42.302\(b\)\(1\)](#), *shall* obtain the *contracting officer's* concurrence before adjusting the contract delivery schedule.

(3) *Contracting offices* and *contract administration offices*, as appropriate, *shall* establish suspense systems adequate to ensure accurate identification and prompt definitization of unpriced *change orders*.

(4) The *contracting officer shall* ensure that a cost analysis is made, if appropriate, under [15.404-1\(c\)](#) and *shall* consider the contractor's segregable costs of the change, if available. If additional funds are required as a result of the change, the *contracting officer shall* secure the funds before making any adjustment to the contract.

(5) When the *contracting officer* requires a field *pricing* review of requests for equitable adjustment, the *contracting officer shall* provide a list of any significant contract events which *may* aid in the analysis of the request. This list *should* include-

(i) Date and dollar amount of contract award and/or modification;

(ii) Date of submission of initial contract proposal and dollar amount;

(iii) Date of alleged delays or disruptions;

(iv) Performance dates as scheduled at date of award and/or modification;

(v) Actual performance dates;

(vi) Date entitlement to an equitable adjustment was determined or *contracting officer* decision was rendered if applicable;

(vii) Date of certification of the request for adjustment if certification is required; and

(viii) Dates of any pertinent Government actions or other key events during contract performance which *may* have an impact on the contractor's request for equitable adjustment.

(c) *Complete and final equitable adjustments*. To avoid subsequent controversies that *may* result from a *supplemental agreement* containing an equitable adjustment as the result of a *change order*, the *contracting officer* should-

(1) Ensure that all elements of the equitable adjustment have been presented and resolved; and

(2) Include, in the *supplemental agreement*, a release similar to the following:

Contractor's Statement of Release

In consideration of the modification(s) agreed to herein as complete equitable adjustments for the Contractor's _____ (describe) _____ "proposal(s) for adjustment," the Contractor hereby releases the Government from any and all liability under this contract for further equitable adjustments attributable to such facts or circumstances giving rise to the "proposal(s) for adjustment" (except for _____).

Parent topic: [Subpart 43.2 - Change Orders](#)