

Work Order Reason Codes

Rev. 8-16-2017

Change Order - any labor or material work due to a change after start of construction (locking estimate) that cannot be fully paid on a regenerated purchase order. The change must be documented on an official change order addendum and approved by the Division Manager.

Example #1 –Customer was touring other models and saw pendant lighting in some of the kitchens. She didn't realize this was an option. The Sales Manager has agreed that the customer can purchase these even though the house has already had drywall hung. A change order is done and the office is able to regenerate the purchase order for the **fixtures** but not for the electrical labor since that PO has already been paid. The electrician creates a work order to add the pendant lighting labor at the normal PO price and charges additional labor due to drywall already being hung.

Example #2- In addition to the above electrical work order for the pendant light addendum, drywall repairs now need to be done. These repairs are due solely to the change order. Project Manager reviews repairs with Drywall vendor and they agree on a price. Project manager creates a work order for the repairs with a price.

Example #3- The SAR shows a Granite #2 countertop color but only a Granite #1 option code. The Granite vendor submits a work order for the difference between Level 1 and Level 2. The PJM should reject this work order and ask the sales rep to do a change order to correct the Granite option code to Level 2. The change order is processed by the office and the Purchase Order is automatically regenerated.

***Direct buy material should still go through the add order process, this is not changing.**

Field Adjustment/Correction-any labor or material work for errors in the field.

Example #1 –Project Manager marks up foundation plans for concrete vendor and does not mark red flag request to move location of welled exit. Project Manager creates work order for field correction to move welled exit and sends to concrete labor vendor with a comment "call to discuss price". Vendor comes up with a price and calls the PJM to review. PJM approves the price and regenerates the work order with a price.

Specification Change-any labor or material work due to a change in phase specifications from corporate or regional level.

Example #1-Procurement rolls out an HVAC change to start insulating ductwork and changing to insulated branch lines to prevent sweating. This change has not been quantified by ASD and it is effective with all new installs. HVAC vendor creates work order with amount and sends to PJM. PJM approves the work order.

***This can also be sent to the CCM if communicated ahead of time**

Repair/Damage-any labor or material work due to damage/repair.

Example #1- There is a water leak in the house caused by improper installation of the faucet by the plumber. The water has damaged the hardwood in the powder room and several boards need to be replaced. PJM contacts vendor and discusses the repair and gets a price. The PJM creates the work order and notes how many boards need to be replaced and puts the price on the work order. PJM also flags this work order has a back charge so when the invoice comes in she can remember to send to plumber. (PJM has already called the plumbing vendor to discuss the damage.)

Example #2-Drywall contractor is doing the final checkout in the house and notices that the electrician has moved the light fixture in the bathroom which leaves some holes above the sink. The drywall vendor creates a work order for the repairs with a price and sends to Project Manager. Project Manager agrees with repairs and price and approves the work order. In this situation pictures are recommended to be included.

Quantity Adjustment-any labor or material work due to the Purchase Order having incorrect or missing quantities.

Example #1-Purchase orders have been generated for a townhome building with varying offsets. The vendor reviews the Purchase Order and notices that “offsets” are not quantified as he is used to seeing these on the Purchase Orders. The vendor contacts the Cost Manager to review. The Cost Manager does the take-offs for the offsets and creates a work order for the labor for the amount of squares missing at the labor square price and sends to the vendor.

Example #2-Granite vendor measures countertop and takes measurements back to office. Vendor compares measurement to PO and the measurement is 10 sf higher than what is on the PO. Vendor creates a work order for the 10 sf with the price per square foot and sends to the Project Manager. Project Manager reviews the work order and confirms the measurement discrepancy and approves the work order.

***Direct buy material should still go through the add order process, this is not changing**

Plant/Material Correction-any labor associated with correcting damaged or defective material from the plant. This also includes missing or problem panels and errors on architectural plans.

Example #1- Basement bathroom panels were not received from the plant and the framer has to “field build” the walls for the bathroom. Framer creates the work order for 8 hours of labor at per hour price. PJM disagrees with # of hours submitted on the work order and discusses this with framer. Framer regenerates the work order for 5 hours of labor. Project Manager received the regenerated Purchase Order and approves.

Example #2- Framer has to reframe the bulkhead in the basement due to the HVAC plans being incorrect. Framer creates the work order for 2 hours @ a per hour price. Project Manager approves work order. Framer completes work and it takes him 3 hours to reframe the bulkhead. Framer discusses this change with the PJM and regenerates the work order for 3 hours of labor. Work order is regenerated and Project Manager approves.

Customer Concession- Work done to appease the customer. Customer concessions that result in additional material being ordered or extensive labor required should be documented on a change order addendum and approved by the Division Manager.

Example #1-Customer is dissatisfied with grain of various cabinets in the house and has refused to go to settlement unless they are fixed. PJM orders cabinet doors through the plant and now must pay the labor to replace the cabinet doors. Your vendor tells you he can replace the doors and it will take him approximately 2 hours at his normal hourly rate. Vendor creates work order and Project Manager approves the work order.

Example #2- Customer is doing the walk-thru on a bright sunny day and is overly picky and unhappy about the drywall in the open foyer. You have explained to her about the nature of drywall and its many imperfections and that people usually do not stand that close when looking at drywall. She is adamant that she wants something done to make it “look better”. You have agreed to have the drywall company come back in and re-skim the entire foyer. The drywall company is going to charge you an hourly rate and tells you it will take approximately 3 hours. The PJM creates the work order. The drywall vendor does the work and it ends up taking 5 hours. The vendor discusses this with the PJM and PJM confirms the change. The PJM goes into the work order and regenerates the work order for 5 hours.

***Customer concessions above a PJMs normal authority should always be discussed with their manager prior to approval.**