

Challenge

“We contractually limit our subcontractors to aggregate change orders of no more than a specific percentage of their original contract. We need to enforce special approvals if a new change will exceed this limit. Currently, these limits are not always realized and mistakes are made. We want a way to stay on top of these change limits and to quickly bring them to the attention of the appropriate person for approval.”

Solution

Spitfire Project Management System (sfPMS) provides the means to track and monitor CCOs (Commitment Change Orders, Subcontract Change Orders). Customization allows you to inject business logic tied to specific milestones, such as the approval of the CCO, into the system. Rules allow you to cap change amounts to specific commitments/subcontracts and prevent approval. In addition, Spitfire’s workflow and routing logic can detect the need for special approvals and alter the routing on the CCO as appropriate. Role-based permissions allow fine-tuning so that only specifically authorized individuals can change or totally waive the CCO cap.

How It Works

1. CCOs are entered into the system as they come in from the subcontractors.
2. When a CCO is ready for approval, sfPMS checks the total change amount against allowed thresholds, based on your business rules.
3. If the CCO exceeds the limit, the approval is blocked and the CCO is routed to the correct authorized user.
4. The authorized user reviews the CCO, makes changes if necessary, and routes the CCO to the next appropriate person.
5. Each approved CCO automatically updates the subcontractor’s Commitment and the project’s budget.

Benefits

- Because enforcement is done by Spitfire Project Management System, and not individuals, nothing slips through the cracks.
- Tighter controls over CCOs improve margin and reduce exposure to penalties.
- A full audit trail of the CCO documents routed through the system provides accountability for limit exceptions.