
CONTINGENCIES AND ALLOWANCES

PART I: GENERAL

1.1 GENERAL REQUIREMENTS

- A. Schedule of monetary amounts of allowances in the Contract Sum for designated products or services.
- B. Costs in Contract Sum other than in Allowances.
- C. Administrative and procedural requirements governing the following:
 - 1. Lump-sum allowances.
 - 2. Unit-cost allowances.
 - 3. Quantity allowances.
 - 4. Contingency allowances.
 - 5. Testing and inspecting allowances.

1.2 SCHEDULE OF ALLOWANCES

- A. To be determined.

1.3 COSTS INCLUDED IN ALLOWANCES

- A. Cost of product to the Contractor or subcontractor, less applicable trade discounts.
- B. Delivery to site.
- C. Labor required under allowance, only when labor is specified to be included.

1.4 CONTRACTOR COSTS INCLUDED IN CONTRACT SUM

- A. Products handling at site, including unloading, uncrating, and storage.
- B. Protection of products from elements and from damage.
- C. Labor for installation and finishing, except when installation is specified as part of allowance.
- D. Other expenses required to complete installation.
- E. Contractor overhead and profit.

1.5 ADJUSTMENT OF COSTS

- A. Should the net cost be more or less than the specified amount of the allowance, the Contract Sum will be adjusted accordingly by Change Order.
- B. Submit claims for anticipated additional costs at the site, or other expenses caused by the selection under the allowance, prior to execution of the Work.
- C. Submit documentation for actual additional costs at the site, or other expenses caused by the selection under the allowance, prior to execution of the work.
- D. Failure to submit claims within the designated time will constitute a waiver of claims for additional costs.

1.6 SELECTION AND PURCHASE

- A. At the earliest practical date after award of the Contract, advise the Project Manager of the date when final selection and purchase of each product or system described by an allowance must be completed to avoid delaying the Work.
- B. At the Project Manager's request, obtain proposals for each allowance for use in making final selections. Include recommendations that are relevant to performing the Work.
- C. Purchase products and systems selected by the Project Manager from the designated supplier.

1.7 SUBMITTALS

- A. Submit proposals for purchase of products or systems included in allowances, in the form specified for Change Orders.
- B. Submit invoices or delivery slips to show actual quantities of materials delivered to the site for use in fulfillment of each allowance.
- C. Coordinate and process submittals for allowance items in same manner as for other portions of the Work.
- D. Schedule shop drawings, product data, samples, and delivery dates, in Progress Schedule for products selected under allowances.

1.8 COORDINATION

- A. Coordinate allowance items with other portions of the Work.
- B. Furnish templates as required to coordinate installation.

1.9 PROJECT MANAGER RESPONSIBILITIES

- A. Consult with the Contractor in consideration of products, suppliers, and installers.
- B. Select products and transmit full information in writing to the Contractor as follows:
 - 1. Manufacturer, product, model or catalog number, accessories, attachments, and finishes.
 - 2. Supplier and installer as applicable.
 - 3. Cost to Contractor, delivered to site, and installed, if so specified.

1.10 CONTRACTOR RESPONSIBILITIES

- A. Assist the Project Manger in determining suppliers and installers; obtain proposals when requested.
- B. Make recommendations for the Project Manager's consideration.
- C. Promptly notify the Project Manager of any reasonable objections against supplier or installer.
- D. On notification of selection, execute purchase agreement with designated supplier and installer.
- E. Arrange for and process shop drawings, product data, and samples.

- F. Arrange for delivery. Promptly inspect products upon delivery for completeness, damage, and defects. Submit claims for transportation damage.
- G. Install, adjust, and finish products.
- H. Provide warranties for products and installation.

1.11 CONTINGENCY ALLOWANCE

- A. Use the contingency allowance only as directed by the Project Manager for the City's purposes, and only by Change Orders which designate amounts to be charged to the allowance.
- B. The Contractor's related costs for products or equipment ordered by the City under the contingency allowance, including delivery, installation, taxes, insurance, equipment rental, and similar costs that are not part of the Contract Sum.
- C. Change Orders authorizing use of funds from the contingency allowance will not include the Contractor's related costs and reasonable overhead and profit margins. Contractor shall include in base bid, Contractor's overhead, profit, insurance, bond and other direct cost.
- D. At Project closeout, credit unused amounts remaining in the contingency allowance to City by Change Order or transfer the remaining amounts to other allowances as directed by the Project Manager.

1.12 INSPECTION AND TESTING ALLOWANCES

- A. Inspection and testing allowances include the cost of engaging testing agencies, actual tests and inspections, and reporting results.
- B. The allowance does not include incidental labor required to assist the testing agency, or costs for retesting upon failure of previous tests and inspections. The allowance also does not include costs of services not required by the Contract Documents. The cost for incidental labor to assist the testing agency shall be included in the Contract Sum.
- C. At Project closeout, credit unused amounts remaining in the inspection and testing allowance to City by Change Order.

1.13 UNUSED MATERIALS

- A. Return unused materials purchased under an allowance to manufacturer or supplier for credit to City, after installation has been completed and accepted.
 - 1. If requested by the Project Manager, prepare unused material for storage by the City when it is not economically practical to return the material for credit. If directed by the Project Manager, deliver unused material to the City's storage space. Otherwise, disposal of unused material is the Contractor's responsibility.
- B. Where it is not economically feasible to return unused material for credit and when requested by the Project Manager, prepare unused material

for the City's storage, and deliver to the City's storage space as directed. Otherwise, disposal of excess material is the Contractor's responsibility.

PART II: PRODUCTS – NOT USED.

PART III: EXECUTION

3.1 EXAMINATION

- A. Examine products covered by an allowance promptly on delivery for damage or defects. Return damaged or defective products to manufacturer for replacement.

3.2 PREPARATION

- A. Coordinate materials and their installation for each allowance with related materials and installations to ensure that each allowance item is completely integrated and interfaced with related work.

END OF SECTION