

**SECTION 012100 - ALLOWANCES****PART 1 - GENERAL****1.1 SUMMARY**

- A. This section specifies administrative and procedural requirements governing handling and processing Allowances. Selected materials and equipment, and in some cases, their installation, are shown and specified in the Contract Documents by Allowances. Allowances have been established by the City for certain portions of the work of this Project in lieu of additional requirements, and to defer selection of actual materials and equipment to a later date when additional information is available for evaluation. Any necessary additional requirements or necessary additional allowance funds will be issued by a properly prepared and executed Change Order by and between the City and the Contractor. The Contractor for this Project shall maintain strict written documented accounts of all funds expended against stated Allowances. The City shall not pay monies incorrectly expended by the Contractor against the stated Allowances, or monies expended without the express prior written authorization of the City. Should the Contractor anticipate or estimate that he will require additional monies for the performance of work required under the stated Allowances, he shall promptly provide written notification to the City that additional funds need to be appropriated to the Contractor through an additive change order, properly executed by the respective parties. Monies not expended against the stated original and additions, if needed, Allowances and remaining monies and values at the completion of the project shall be credited back to the City through an executed deductive Change Order by and between the City and the Contractor.
- B. Allowance Types:
1. LUMP SUM Allowances.
  2. UNIT PRICE Allowances: Contractor to establish the required areas and quantities as may be directed in the summary of work or bid form.
  3. OTHER Allowances as may be mutually determined in the best interest of the Project or the parties to the Construction Agreement.
- C. Definitions:
1. MATERIAL ALLOWANCES: Allowances are for materials only; unless specifically directed or instructed otherwise by the City. All other costs including, but not necessarily limited to, freight taxes, labor/installation, fee, layout, supervision (field and home office) general expense, insurance, overhead, and profit shall be included by the Contractor in the Base Bid and Contract Sum.
  2. MATERIAL AND INSTALLATION ALLOWANCES: Stated Allowances include ALL costs except layout, fees, supervision, general expense, insurance, overhead, profit and other incidentals; these "except" costs shall be included by the Contractor in the Base Bid and Contract Sum.
  3. MANAGEMENT AND COORDINATION SERVICES ALLOWANCES: Stated Allowances include ALL costs as directed and instructed by City for personnel, travel, and other prior approved costs and expenses, per the agreed upon scope of coordination services, over the agreed upon duration of the project.

**1.2 SELECTION AND PURCHASE**

- A. Within thirty (30) calendar days of the date of Notice to Proceed; the Contractor, the City and the Project Designer shall meet to establish the schedule by which needed activities and tasks to be performed under the Allowance shall occur.
  - 1. Contractor for this work shall obtain proposals and/or develop cost estimates or fee schedules for each allowance for use by the City in making final selections; include recommendations that are relevant to performance of the work.
  - 2. When directed by the City, the Contractor shall purchase products and systems as selected by the City from the designated vendor(s) and/or material supplier(s).

**1.3 SUBMITTALS**

- A. Contractor shall submit proposals for purchase of products or systems included in Allowances, in the form and manner specified by the City; unless the Contractor shall present and provide a reasonable and timely objection; and if said objection is raised by the Contractor, he shall offer a reasonable alternative for consideration by the City, for eventual acceptance by both parties.
- B. Contractor shall submit invoices or delivery slips with and as a part of any monthly application and certificate for payment request to the City to indicate actual quantities of materials delivered to the site for use in fulfillment of each allowance. Payments shall be made in a prompt and timely manner, and if so needed or necessary special payment procedures where and when deemed by the City, so as not to delay or disrupt the services to be performed or provided.

**1.4 LUMP-SUM ALLOWANCES**

- A. Allowance shall include cost to Contractor of specific products and materials ordered by Owner or selected by Designer under allowance and shall include applicable taxes, freight, and delivery to Project site.
- B. Unless otherwise indicated, Contractor's costs for receiving and handling at Project site, labor, installation, overhead and profit, and similar costs related to products and materials ordered by Owner or selected by Designer under allowance shall be included as part of the Contract Sum and not part of the allowance.
- C. Unused Materials: Return unused materials purchased under an allowance to manufacturer or supplier for credit to Owner, after installation has been completed and accepted.
  - 1. If requested by Designer, retain and prepare unused material for storage by Owner. Deliver unused material to Owner's storage space as directed.

**1.5 ADJUSTMENT OF ALLOWANCES**

- A. Allowance Adjustment: To adjust allowance amounts, prepare a Change Order proposal based on the difference between purchase amount and the allowance, multiplied by final measurement of work-in-place where applicable. If applicable, include reasonable allowances for cutting losses, tolerances, mixing wastes, normal product imperfections, and similar margins.
  - 1. Include installation costs in purchase amount only where indicated as part of the allowance.

2. If requested, prepare explanation and documentation to substantiate distribution of overhead costs and other markups.
  3. Submit substantiation of a change in scope of Work, if any, claimed in Change Orders related to unit-cost allowances.
  4. Owner reserves the right to establish the quantity of work-in-place by independent quantity survey, measure, or count.
- B. Submit claims for increased costs because of a change in scope or nature of the allowance described in the Contract Documents, whether for the purchase order amount or Contractor's handling, labor, installation, overhead, and profit.
1. Do not include Contractor's or subcontractor's indirect expense in the Change Order cost amount unless it is clearly shown that the nature or extent of Work has changed from what could have been foreseen from information in the Contract Documents.
  2. No change to Contractor's indirect expense is permitted for selection of higher- or lower-priced materials or systems of the same scope and nature as originally indicated.

**PART 2 - PRODUCTS (Not used)**

**PART 3 - EXECUTION**

**3.1 INSPECTION**

- A. Inspect products covered by an allowance promptly upon delivery for damage or defects.

**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 construction activities.

**3.3 SCHEDULE OF ALLOWANCES**

- A. Allowance No. 1: A/V, Low Voltage Systems

Material and Installation Allowance: Include the lump sum of One-hundred sixty-five thousand dollars (\$165,000.00) for the installation of A/V and Low Voltage Systems. The General Contractor is to contract with a qualified third-party contractor designated by the Owner for all labor and materials associated with this scope of work.

- B. Allowance No. 2: Pavilion Ceiling Repair

Material and Installation Allowance: Include the lump sum of Twenty thousand dollars (\$20,000.00) for the repairs to damaged sections of the wood ceiling at the Picnic Pavilion where designated by the Owner and as identified in the Contract Documents for all labor and materials associated with this scope of work.

C. Allowance No. 3: HVAC Replacement

Material and Installation Allowance: Include the lump sum of One-hundred thousand dollars (\$100,000.00) for the replacement of HVAC Systems designated by the Owner and as identified in the Contract Documents for all labor and materials associated with this scope of work.

**END OF SECTION**