



CITY OF FLAGSTAFF
CONTRACT SUPPLEMENTARY JUSTIFICATION
Design-Build OR CMAR Contracts

PROJECT NO. ST3371 PROJECT NAME: Coconino Estates Improvements Phase 1

FILE NO. 03-18005 Project Manager: Eli Reisner

CONTRACTOR/CONSULTANT: Peak Engineering

PROJECT DESCRIPTION:

A utility and roadway improvements Project in the Coconino Estates Neighborhood funded by the Road Repair and Street Safety Sales Tax. Proposed improvements generally consist of replacing existing water and sewer mains, water and sewer services, fire hydrants, street lights, asphalt structural section, and select defective edge improvements.

JUSTIFICATION FOR USE AND AMOUNT:

Contractor's Contingency Justification and Amount: NA

Owner's Contingency Justification and Amount:

An Owner's Contingency in the amount of \$48,577.00 was recognized to be necessary to compensate Peak Engineering for additional design services required to address the following potential unforeseen items of work where details could not be determined at the time of contracting:

- Agency and Stakeholder coordination meetings to determine a solution to unforeseen items.
- Non-compliant water and sewer service locations starting outside the Project limits and ending within the Project limits, identified during public outreach.
- Temporary NAIPTA bus stop infrastructure required along construction detour routes.
- Investigation and analysis identify a need for new underground storm drain system that does not currently exist.
- Design topographic and right-of-way survey if Project scope were to increase.
- Increase in the Project scope due to additional funding becoming available or oversight during Project scoping.
- This is a large-scale project, which will therefore increase the number of unforeseen items just due to its size.



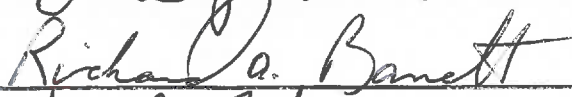

The \$48,577.00 Owner's Contingency is 7.5% of the \$647,691.00 fee proposed by Peak Engineering to complete the engineering services for the Project, which combined equals \$696,268.00 for the Contract Amount. This amount is within the limits of allowed contract allowance for Design Contracts utilizing traditional project delivery methods per the Procurement Code revisions approved by Council on April 16, 2019.

COST/BUDGET/FUNDING SOURCE ANALYSIS:

Contractor's Contingency: NA

Owner's Contingency:

The Owner's Contingency is recommended to be included in the Contract Amount and can be funded by the Road Repair and Street Safety Program under the Coconino Estates FY 2019 appropriations of \$1,034,298 for the Coconino Estates Improvements Project Account (046-05-116-3371-6).

APPROVAL:	Signature	Date:
Project Manager		Approval Recommended <u>4/23/2019</u>
Program Manager		Approval Recommended <u>4/23/2019</u>
Section Head		Approval Recommended <u>4/23/19</u>
Division Head		Approval Recommended <u>4/23/19</u>

Definitions

Owner's Contingency (Design/Build or Construction Manager at Risk)

"Owner's Contingency" means a fund to cover cost growth during the Project used at the discretion of the City usually for costs that result from City's directed changes or Differing Site Conditions, or as the City may otherwise elect. The amount of the Owner's Contingency will be set solely by the City and will be in addition to the Project costs included in the Design-Builder's GMP packages.

The Owner's Contingency are funds to be used at the sole discretion of the City to cover any increases in Project costs that result from City directed changes, Differing Site Conditions, or as the City may otherwise elect. Owner's Contingency will be added to the GMP amount provided by the Design-Builder, the sum of which will be the full Contract Price for construction. Markups for Construction Fee and taxes will be applied by the Design-Builder at the time that Owner's Contingency is used

Contractor's Contingency (Design/Build or Construction Manager at Risk)

"Design-Builder's/CMAR Contingency" means a fund to cover cost growth during the Project used at the discretion of the Design-Builder/CMAR, usually for costs that result from Project circumstances. The amount of the Design-Builder's/CMAR Contingency will be negotiated as a separate line item in each GMP package.

Use and management of the Design-Builder's/CMAR Contingency:

Design-Builder's/CMAR Contingency is an amount the Design-Builder/CMAR may use under the following conditions: (1) at its discretion for increases in the Cost of the Work, or (2) with written approval of the City for increases in General Condition Costs. Design-Builder/CMAR Contingency is assumed to be a direct Project cost so will receive all markups at the time of GMP submission.

When the Design-Builder/CMAR utilizes Design-Builder's/CMAR Contingency funds, the Design-Builder/CMAR shall make the appropriate changes to the Schedule of Values with the next regular progress Payment Request. The Design-Builder/CMAR shall deduct the amount of Design-Builder's/CMAR Contingency funds used from the Design-Builder's/CMAR Contingency line item and add the same amount to the line item on the Schedule of Values where the funds were used. If the Design-Builder's/CMAR Contingency funds are used for a new line item that was not given with the original Schedule of Values, that will be so indicated.