



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

PROJECT NO. GG 3278 PROJECT NAME: City Municipal Court Facility

FILE NO. 03-18007 Project Manager: Christine Cameron

CONTRACTOR/CONSULTANT: Kinney Construction Services

**PROJECT DESCRIPTION:** Construction of a 40,000 square-foot facility to contain the Municipal City Court, the Court Administration offices, and the City Prosecutor's offices.

**JUSTIFICATION FOR USE AND AMOUNT:**

**Contractor's Contingency Amount:** \$472,189, 4% of construction costs.

**Justification:** The Contractor's contingency is included to cover future construction issues that may arise, changes in specifications, plan constructability issues and conflicts, and unknowns.

**Owner's Contingency Amount:** \$154,031, 1% of construction costs.

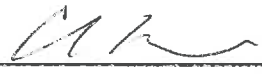

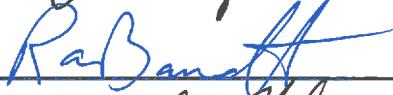

**Justification:** The Owner's Contingency is included to cover future added scope that is requested from the Project owners during construction.

**COST/BUDGET/FUNDING SOURCE ANALYSIS:**

**Contractor's Contingency:** \$472,189, 4% of construction costs. This amount is budgeted within the total building budget of \$19,500,000.

**Owner's Contingency:** \$154,031, 1% of construction costs. This amount is budgeted within the total building budget of \$19,500,000.

**Funding Source:** General Obligation Bonds and Court Fees, Account #408-09-426-3278-1

| APPROVAL:       | Signature   | Date:                               |
|-----------------|---|-------------------------------------|
| Project Manager |  | Approval Recommended <u>4/24/19</u> |
| Program Manager |  | Approval Recommended <u>4/24/19</u> |
| Section Head    |  | Approval Recommended <u>4/24/19</u> |
| Division Head   |  | Approval Recommended <u>4/25/19</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.