



CITY OF FLAGSTAFF CONTRACT SUPPLEMENTARY JUSTIFICATION

CONTRACT ALLOWANCE
 ADMINISTRATIVE CHANGE ORDER

PROJECT NO. ST3342 PROJECT NAME: Aztec Street Improvements
 FILE NO. 03-16007 Project Manager: Eli Reisner
 CONTRACTOR/CONSULTANT: Mountain High Excavating, LLC

PROJECT DESCRIPTION:

A Road Repair and Street Safety Sales Tax funded, utility and roadway improvements Project on Aztec Street from Santa Fe Avenue to the Frances Short Pond. Proposed improvements generally consist of replacing existing water/sewer mains, water/sewer services, asphalt pavement, select edge improvements, placing asphalt overlay, and other associated work.

JUSTIFICATION FOR USE AND AMOUNT:

Contract Allowance (CA) Justification and Amount:

A \$56,000.00 CA is recommended to compensate Mountain High Excavating for costs associated with potential unforeseen items of work where details could not be determined at the time of contracting such as:

- Owner directed increases to Project scope for items not identified to need repair at the time of design or contracting.
- Non-compliant water/sewer service locations starting outside the Project limits and ending within the Project limits.

The Project Construction Cost Subtotal is \$789,051.00 plus a CA of \$56,000.00, or 5% (rounded up to the nearest \$1,000) of the Engineer's Estimate of \$1,104,746.76 (excluding a CA), equals the total Contract Price of \$845,051.00.

The CA was not increased and based on a percentage of the lowest respondent's bid per the Procurement Code revisions approved by Council on April 16, 2019 for Design/Bid/Build contracts because the Project was advertised on April 4, 2019.

Administrative Change Order (ACO) Justification and Amount:

A \$78,905.00 ACO is recommended to compensate Mountain High Excavating for the associated costs on items such as:

- Unforeseen trench rock excavation, unsuitable soil, subgrade stabilization, and utility conflicts.
- Increase in the Project scope due to additional funding becoming available or oversight during Project scoping.

The \$78,905.00 ACO is 10% of the Project Construction Cost Subtotal of \$789,051.00, which is the Contract Price of \$845,051.00 excluding the \$56,000.00 CA. This ACO amount is per the April 16 Procurement Code revisions.



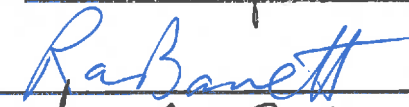
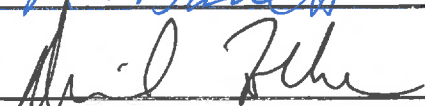
COST/BUDGET/FUNDING SOURCE ANALYSIS:

Contract Allowance Justification and Amount:

The CA is recommended to be included in the Contract Amount and can be funded by the Road Repair and Street Safety Program under the Aztec Street FY19 and FY20 appropriations totaling \$1,156,248.00 in Account (046-05-116-3371-6).

Administrative Change Order Justification and Amount:

The ACO is recommended for the Project and can be funded by the Road Repair and Street Safety Program under the Aztec Street FY19 and FY20 appropriations totaling \$1,156,248.00 in Account (046-05-116-3371-6).

APPROVAL:	Signature	Date:
Project Manager		Approval Recommended <u>5/22/2019</u>
Program Manager	 BCP	Approval Recommended <u>5-22-19</u>
Section Head		Approval Recommended <u>5/23/19</u>
Division Head		Approval Recommended <u>5/23/19</u>

Definitions

Contract Allowance

Contract allowances of up to 5%, 7.5% or 10% may be added to all design/bid/build design and construction contracts. The allowance is based on the engineer's estimate OR the lowest responsible bid (whichever is lowest), and will be included in the recommendation of award by City Council.

Contract Amount

Over \$1,000,000 in value
 \$250,000 - \$1,000,000
 Below \$250,000

Contract Allowance

allowance of up to 5%
 allowance of up to 7.5%
 allowance of up to 10%

Administrative Change Order

Up to ten percent (10%) Administrative Change Order (ACO) amount may be included in all design/bid/build design and construction contracts only to be considered by the City Council.