



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

PROJECT NO. 01-20001 PROJECT NAME: 2020 Street Maintenance Program

FILE NO. \_\_\_\_\_ Project Manager: Adam Miele

CONTRACTOR/CONSULTANT: C and E Paving & Grading

**PROJECT DESCRIPTION:**

This is the annual street maintenance program that applies various surface treatments to the City's asphalt roadway inventory. This project focuses on asphalt overlay as well as asphalt chip seals to extend the overall life cycle of the roadway segments. The identified overlay roadway segments also receive minor concrete improvements per the requirements of the Department of Justice (ADA standards).

**JUSTIFICATION FOR USE AND AMOUNT:**

**Contractor's Contingency Justification and Amount: \$138,000.00**

With the current volatility of construction materials cost and the possibility of the addition of scope to the project, these funds will be needed to hedge against market uncertainty and project delays.

**Owner's Contingency Justification and Amount: \$138,000.00**

The risks of project increase are due to field conditions that are not apparent (unknowns) during design and can be very high, these funds will be needed to hedge against unknowns and project delays. An example to traditional unknowns to this project include; unknown asphalt thickness of existing roadway segments (we could potentially mill through the asphalt section as part of the project and will need to replace additional asphalt), during the concrete removal process of identified concrete segments, additional concrete segments may need to be replaced and additional roadway segments may be identified (additional scope) as the project continues that will be added to the program.

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


**Contractor's Contingency: \$138,000.00**

The funding for the contingency will funded from the construction budget (HURF and Prop. 406 monies). The contingency is approximately 2.5% of the GMP (not inclusive of the owner's contingency).

**Owner's Contingency: \$138,000.00**

The funding for the contingency will funded from the construction budget (HURF and Prop. 406 monies). The contingency is approximately 2.5% of the GMP (not inclusive of the contractor's contingency).

APPROVAL: Signature Date:

Project Manager  Approval Recommended 4/30/2020

Program Manager \_\_\_\_\_ Approval Recommended \_\_\_\_\_

Section Head S. Overton Approval Recommended 4/30/2020

Division Head  Approval Recommended 4/30/2020

## 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.