



CITY OF FLAGSTAFF CONTRACT SUPPLEMENTARY JUSTIFICATION

[X] CONTRACT ALLOWANCE
[X] ADMINISTRATIVE CHANGE ORDER

PROJECT NO. WA 3438 PROJECT NAME: Industrial Waterline Replacement
 FILE NO. 03-19008 Project Manager: Mac McNamara
 CONTRACTOR/CONSULTANT: Revolution Industrial

PROJECT DESCRIPTION:

The general project scope includes demolition work and the installation of 2,050 linear feet of 16" ductile iron waterline.

JUSTIFICATION FOR USE AND AMOUNT:

Contract Allowance (CA) Justification and Amount:

A \$43,642.50 CA is recommended to compensate Revolution Industrial 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.

The Project Construction Cost Subtotal is \$589,819.00 plus a CA of \$43,642.50, or 7.5% of the Engineer's Estimate of \$581,900.00 (excluding a CA), equals the total Contract Price of \$633,461.50. Per the Procurement code the Engineer's Estimate was used to calculate the CA because it was the low price compared to bids received.

Administrative Change Order (ACO) Justification and Amount:

A \$58,981.90 ACO is recommended to compensate Revolution Industrial 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 \$58,981.90 ACO is 10% of the Project Construction Cost Subtotal of \$589,819.00, which is the Contract Price of \$633,461.50 excluding the \$43,642.50 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 Annual Waterline Replacement fund in FY21 appropriations totaling \$950,000.00 in Account (202-08-370-3438-0-4463).

Administrative Change Order Justification and Amount:

The ACO is recommended for the Project and can be funded by the Annual Waterline Replacement fund in FY21 appropriations totaling \$950,000.00 in Account (202-08-370-3438-0-4463).

APPROVAL:	Signature	Date:
Project Manager	<u><i>Mac McNamara</i></u>	Approval Recommended <u>5/5/2020</u>
Program Manager	<u><i>[Signature]</i></u>	Approval Recommended <u>5/6/20</u>
Section Head	<u><i>Rhonda A. Barnett</i></u>	Approval Recommended <u>5/6/20</u>
Division Head	<u><i>Daniel Folke</i></u>	Approval Recommended <u>5/6/2020</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.