



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

PROJECT NO. SW0631-Q PROJECT NAME: PHASE I-SEQUENCE D EXCAVATION

FILE NO. 01-2105OPCON-01 Project Manager: Matt Morales

CONTRACTOR/CONSULTANT: Rummel Construction Inc.

**PROJECT DESCRIPTION:** The Project consists of excavation of 35,000 cubic feet of rock and soil in Cell D (a.k.a Sequence D). Previous geotechnical reports outline a list of variables in soil consistency that will affect excavation and crushing rates. The approved budget for this project is for \$1,300,000.00. The proposed Contractor, Rummel Construction Inc. (Rummel) is recommended for approval under a Construction Manager at Risk Contract. City Council will be reviewing this item at their meeting on June 15, 2021.

**JUSTIFICATION FOR USE AND AMOUNT:**

**Contractor's Contingency Justification and Amount:**

N/A

**Owner's Contingency Justification and Amount:**

A \$204,000.00 CA recommended to compensate Rummel Inc. (Rummel) for costs associated with potential unforeseen items of work where details could not be determined at the time of contracting such as:

- The volume of rock hammering is greater than originally anticipated
- The volume of soil is less than originally anticipated, hence the amount of boulders are greater than expected and crushing demands increase
- Weather in the fall remains favorable and the contractor can remain on site for additional processing of soil and rock
- Drilling and blasting methods become advantageous to consider in Phase I

The GMP is \$1,094,649.80 plus an owner's contingency of \$204,000 for a total Contract Amount of \$1,298,649.80.

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

**Contractor's Contingency:**

N/A

**Owner's Contingency:**

The Owners Contingency is recommended to be included in the Contract Amount and will be funded by the total budget appropriations, \$3,357,110.00 remaining in FY 21 account number 211-06-165-0631-0-4433.

APPROVAL:	Signature	Date:
Project Manager		Approval Recommended <u>5/28/21</u>
Program Manager		Approval Recommended <u>6-1-21</u>
Section Head		Approval Recommended <u>6-1-21</u>
Division Head		Approval Recommended <u>6/2/21</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.