



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

PROJECT NO. Multiple See AttachedPROJECT NAME: Spruce Wash Suite - Multiple See AttachedFILE NO. Multiple See AttachedProject Manager: Eli ReisnerCONTRACTOR/CONSULTANT: Eagle Mountain Construction (EMC)**PROJECT DESCRIPTION:**

The CMAR delivered Proposition 441 funded Spruce Wash Flood Mitigation Suite of Projects and portions of projects including the roadway portion of the Grandview Project, the Linda Vista Crossing Project, the franchise utility portions of the Linda Vista to Cedar (LV-C) Channel Project, and the utilities portion of the Wedge Detention Basin Project.

JUSTIFICATION FOR USE AND AMOUNT:**Contractor's Contingency Justification and Amount:**

Contractors Contingency of \$235,000.00 was negotiated and was recognized to be necessary to compensate Eagle Mountain Construction to address the following items where details could not be determined at the time of contracting:

- Increase in material costs.
- Basing GMP on anywhere from 100% to 60% complete plans for the above referenced projects.

Owner's Contingency Justification and Amount:

Owner's Contingency of \$185,000.00 was recognized to be necessary to compensate EMC to address the following items where details could not be determined at the time of contracting:

- Additional unidentified services, unsuitable native material, scope, and other unidentified differing site conditions.
- The \$185,000.00 Owner's Contingency is roughly 2.5% of the \$7,429,149.06 Guaranteed Maximum Price #2 proposed by EMC to complete the Projects listed above, which combined equals the Contract Price of \$7,614,149.06. If this Project were utilizing tradition project delivery methods, this amount would be within the allowable limits for a Contract Allowance per the Procurement Code revisions approved by Council on April 16, 2019.

COST/BUDGET/FUNDING SOURCE ANALYSIS:**Contractor's & Owner's Contingency:**

Contractor's and Owner's Contingencies are recommended to be in the Total Contract Price and can be funded by the following:

Project / Portion of Project	FY24	FY25	Budget Line	Account Number
Grandview Roadway	\$6,500,372	\$0	Grandview	410-08-385-3527-3
Linda Vista Crossing	\$557,104	\$847,371	Linda Vista Crossing	410-08-385-3526-3
LV-C Channel Franchise Utilities	\$2,359,852	\$1,725,298	Cedar to Linda Vista Channel	410-08-385-3525-3
Wedge Utilities	\$1,842,868	\$2,705,203	The Wedge	410-08-385-3570-3

APPROVAL:

Signature

Date:

Project Manager

Approval Recommended 2/14/2024

Program Manager

Approval Recommended _____

Section Head

Approval Recommended 2/15/24

Division Head

Approval Recommended 2/15/24

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/CMAR, 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.

Project	Project No.	File No.
Grandview Roadway	WS3527	03-23014
Linda Vista Crossing	WS3526	03-23013
LV-C Channel Franchise Utilities	WS3525	03-23012
Wedge Utilities	WS3570	03-23015