

GENERAL REQUIREMENTS for CONSTRUCTION

SECTION 012100 - ALLOWANCES

PART 1 - GENERAL

1.1 RELATED DOCUMENTS

- A. The Contract Documents, including but not limited to, the Drawings and Individual Specification Sections, Notice to Proceed and Allowance Allocation Form apply to this Section.

1.2 SUMMARY

- A. Section includes administrative and procedural requirements governing allowances.
 - 1. Certain items are specified in the Contract Documents by allowances. Allowances have been established in lieu of additional requirements and to defer selection of actual materials and equipment to a later date when direction will be provided to the Contractor.
- B. Types of allowances include the following:
 - 1. Procurement Exemption (Lump-sum) allowances.
 - 2. Quantity of Work (Unit-cost) allowances.
 - 3. Quantity of Funds (Contingency) allowances.
- C. Related Sections:
 - 1. General Conditions, Article 7 – Changes in the Work.
 - 2. General Conditions, Article 8 – Payment.
 - 3. Section 012900 – Payment Procedures.
 - 4. Section 013300 – Submittal Procedure.
 - 5. Individual Specification Sections for items of Work covered by allowances.

1.3 SELECTION AND PURCHASE

- A. At the earliest practical date after award of the Contract, advise the Owner of the date when final selection and purchase of each product or system described by an allowance must be completed to avoid delaying the Work.
- B. At the Owner's request, obtain proposals for each allowance for use in making final selections. Include recommendations that are relevant to performing the Work.
- C. Purchase products and systems selected by the Design Professional from the designated supplier.

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1.4 SUBMITTALS

- A. Submit proposals for purchase of products or systems included in allowances, in the form specified for Change Orders.
- B. Submit invoices or delivery slips to show actual quantities of materials delivered to the site for use in fulfillment of each allowance.
- C. Submit time sheets and other documentation to show labor time and cost for installation of allowance items that include installation as part of the allowance.
- D. Coordinate and process submittals for allowance items in same manner as for other portions of the Work.

1.5 COORDINATION

- A. Coordinate allowance items with other portions of the Work. Furnish templates as required to coordinate installation.
- B. The Contractor shall include the dollar value of each scheduled allowance number as a separate line item in the Schedule of Values and identify each allowance with Section number 012100.
- C. The Owner shall provide the Contractor with the Notice to Proceed, and request the Contractor to sign an Allowance Allocation form, prior to proceeding with the Work of an allowance.

1.6 PAYMENT

- A. Refer to Section 012900 – Payment Procedures, for processing an Application for Payment.
- B. The Contractor shall include a copy of the approved Allowance Allocation form issued by the Owner, with the Application for Payment, for payment of lump sum or unit cost allowance work.
- C. The Contractor shall complete and provide an Allowance Allocation form, provided by the Owner, and supporting documentation in accordance with General Conditions, Article 7 – Changes in the Work for payment of a contingency allowance.

1.7 LUMP-SUM AND QUANTITY OF WORK [UNIT-COST] ALLOWANCES

- A. Allowance shall include cost to the Contractor of specific products and materials ordered by the Owner or selected by the Design Professional under allowance and shall include taxes, freight, and delivery to the Project site.
- B. The Contractor's costs for receiving and handling at the Project site, labor, installation, overhead and profit, and similar costs related to products and materials ordered by the Owner selected by **the** Design Professional under allowance shall be included as part of the Contract Sum and not part of the allowance.

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1.8 QUANTITY OF FUNDS [CONTINGENCY] ALLOWANCES

- A. Use the quantity of funds [contingency] allowance only as directed by the Owner for the Owner's purposes and only by Change Orders in accordance with General Conditions, Article 7 – Changes in the Work that indicate amounts to be charged to the allowance.
- B. The Contractor's overhead, profit, and related costs for products and equipment ordered by the Owner under the contingency allowance are included in the allowance and are not part of the Contract Sum. These costs include delivery, installation, taxes, insurance, equipment rental, and similar costs.
- C. Change Orders authorizing use of funds from the contingency allowance will include Contractor's related costs and overhead and profit margins in accordance with General Conditions, Article 7.
- D. At Project closeout, the unused amounts remaining in the contingency allowance shall be credited to the Owner by Change Order.

1.9 ADJUSTMENT OF ALLOWANCES

- A. Allowance Adjustment: To adjust allowance amounts and scope of Work, prepare a Change Order proposal based on the difference between purchase amount and the allowance, multiplied by final measurement of work-in-place where applicable. If applicable, include reasonable allowances for cutting losses, tolerances, mixing wastes, normal product imperfections, and similar margins.
 - 1. Include installation costs in purchase amount only where indicated as part of the allowance.
 - 2. If requested, prepare explanation and documentation to substantiate distribution of overhead costs and other margins claimed.
 - 3. Submit substantiation of a change in scope of work, if any, claimed in Change Orders related to unit-cost allowances.
 - 4. The Owner reserves the right to establish the quantity of work-in-place by independent quantity survey, measure, or count.
 - 5. No change to the Contractor's indirect expense is permitted for selection of higher- or lower-priced materials or systems of the same scope and nature as originally indicated.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION

3.1 EXAMINATION

- A. Examine products covered by an allowance promptly on delivery for damage or defects. Return damaged or defective products to manufacturer for replacement.

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3.2 PREPARATION

- A. Coordinate materials and their installation for each allowance with related materials and installations to ensure that each allowance item is completely integrated and interfaced with related work.

3.3 [SCHEDULE OF ALLOWANCES

- A. Allowance No. **<Insert number>**: Procurement Exemption [Lump-Sum] Allowance: Include the sum of **<Insert dollar or quantity amount of allowance>**: Include **<Insert allowance description>** as specified in Division **<Insert Division number>** Section "**<Insert Section title>**" **[and as shown on Drawings]**.
- B. Allowance No. **<Insert number>**: Quantity of Work [Unit-Cost] Allowance: Include the sum of **<Insert dollar or quantity amount of allowance>**: Include **<Insert allowance description>** as specified in Division **<Insert Division number>** Section "**<Insert Section title>**" **[and as shown on Drawings]**.
- C. Allowance No. **<Insert number>**: Quantity of Funds [Contingency] Allowance: Include the sum of **<Insert dollar or quantity amount of allowance>**: Include **<Insert allowance description>** as specified in Division **<Insert Division number>** Section "**<Insert Section title>**" **[and as shown on Drawings]**.

END OF SECTION 012100