**Part 1 – GENERAL**

**1.1 RELATED DOCUMENTS**

Applicable portions of the Project Manual including but not limited to the Drawings and Specifications.

**1.2 SUMMARY**

This Section includes administrative and procedural requirements governing allowances.

Definition

Allowances. “’Allowance’ is defined as "a not-to-be-exceeded amount”, either individually or in the aggregate, which is established between the Owner and the CONTRACTOR as part of the bid documents when the precise scope of a particular line item(s) has not been defined to a level which is adequate for the CONTRACTOR to provide a definitive line item pricing for that particular scope of Work.

**1.3 COORDINATION**

At the earliest practical date after award of the Contract, the Contractor shall advise Owner of the date when final selection and purchase of each product or Work described by an Allowance must be completed to avoid delaying the Work.

Coordinate Allowance items with other portions of the Work. Furnish templates as required to coordinate installation.

**1.4 PROCEDURES**

Submit cost proposals for purchase of products or work included in Allowances in the form specified for Change Orders.

Coordinate and process submittals for Allowance items in accordance with Section 01300 as for other portions of the Work.

The use of any Allowances by the CONTRACTOR will be subject to the Owner’s sole approval and it is the Owner’s intent to minimize the use of Allowances to the fullest extent possible.

For any Allowances which the Owner allows the CONTRACTOR to use, the following rules shall apply: (i) the Allowance shall cover the cost to the CONTRACTOR of the cost of Work, as defined in the Agreement and the CONTRACTOR’S portion of overhead and profit associated with the stated Allowance; and (iii) upon completion of the portion of the Work subject to an Allowance, the Contract Amount for that portion of the Work will be adjusted based upon the approved actual Cost of the Work, including the proportionate overhead and profit, provided however that the total amount of payments under the Allowances will not exceed the approved aggregate amount of the Allowances.

**PART 2 – PRODUCTS (Not Used)**

**PART 3 – EXECUTION**

**3.1 SCHEDULE OF ALLOWANCES**

**Project Managers need to define the scope of work for the Allowances - [See samples below – Note: The examples below are provide to indicate the type of information that should be included in the scope of work for the Allowance. Delete this text box prior to printing**

Allowance 1. Furniture Allowance $50,000

This allowance is for the purchase and installation of Office Furniture for the Administration Building.

1. Allowance No. 1: Mobilization Allowance $10,000.00

An Allowance is provided with this Contract for the mobilization of personnel, equipment and materials at the Work site for other contract items that will be performed by the CONTRACTOR. Mobilization shall include, but not be limited to the movement of equipment, personnel, material, supplies, etc. to and from the Work site; and the installation of necessary facilities (when not paid for separately) prior to the initiation of the Work and their removal at the completion of the Work.

1. Allowance No. 2: Furniture Allowance $50,000.00

This allowance is for purchase and Installation of the Office Furniture for the Administration Building. The cost shall include purchase, delivery and installation of furniture from acceptable manufacturers. The cost shall include but not be limited to the cost of the furniture, scheduling and fob delivery of the equipment, unloading of furniture and placement of the furniture in the locations shown on the drawings

**3.2 PAYMENT**

Once the cost proposal for the Allowance has been incorporated into the Contract by Change Order, Payment for the Allowance will be based upon either the unit prices or a schedule of values provided with the proposal and incorporated in the Change Order.

**END**