

SECTION 01 21 00

ALLOWANCES

Revise this Section by deleting and inserting text to meet Project-specific requirements.

PART 1 - GENERAL

1.1 RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and other Division 01 Specification Sections, 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 Contractor. If necessary, additional requirements will be issued by Change Order.
- B. Types of allowances include the following:
 - 1. Lump-sum allowances.
 - 2. Unit-cost allowances.
 - 3. Quantity allowances.
- C. Related Requirements:

Retain subparagraph below for quantity allowances.

- 1. Section 01 22 00 "Unit Prices" for procedures for using unit prices.

1.3 SELECTION AND PURCHASE

- A. At the earliest practical date after award of the Contract, advise Architect/Engineer 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 Architect/Engineer'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 Architect/Engineer from the designated supplier.

1.4 ACTION SUBMITTALS

Retain this article because actual cost is seldom the same as allowance amount. This is good practice even if costs are identical (for example, zero-dollar Change Order).

- A. Submit proposals for purchase of products or systems included in allowances, in the form specified for Change Orders.

1.5 INFORMATIONAL SUBMITTALS

- A. Submit invoices or delivery slips to show actual quantities of materials delivered to the site for use in fulfillment of each allowance.
- B. 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.
- C. Coordinate and process submittals for allowance items in same manner as for other portions of the Work.

1.6 COORDINATION

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

In Article title below, retain only types of allowances applicable to the Project.

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

For individual allowance items that include installation labor or other costs, provide detailed description of covered costs in "Schedule of Allowances" Article.

- A. Allowance shall include cost to Contractor of specific products and materials ordered by University or selected by Architect/Engineer under allowance and shall include taxes, freight, and delivery to Project site.
- B. Unless otherwise indicated, Contractor's costs for receiving and handling at Project site, labor, installation, overhead and profit, and similar costs related to products and materials ordered by University and/or selected by Architect/Engineer under allowance shall be included as part of the Contract Sum and not part of the allowance.
- C. Unused Materials: Return unused materials purchased under an allowance to manufacturer or supplier for credit to University, after installation has been completed and accepted.
 - 1. If requested by Architect/Engineer, retain and prepare unused material for storage by University. Deliver unused material to University's storage space as directed.

1.8 ADJUSTMENT OF ALLOWANCES

- A. Allowance Adjustment: To adjust allowance amounts, 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.

Delete both subparagraphs below if no unit-cost allowances.

2. Submit substantiation of a change in scope of work, if any, claimed in Change Orders related to unit-cost allowances.
 3. University reserves the right to establish the quantity of work-in-place by independent quantity survey, measure, or count.
- B. Submit claims for increased costs because of a change in scope or nature of the allowance described in the Contract Documents, whether for the purchase order amount or Contractor's handling, labor, installation, overhead, and profit.
1. Do not include Contractor's or subcontractor's indirect expense in the Change Order cost amount unless it is clearly shown that the nature or extent of work has changed from what could have been foreseen from information in the Contract Documents.
 2. No change to 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.

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

The sample schedule of allowances below illustrates several types of common occurrences where allowances enable deferred design or indeterminate scope elements to be bid under lump-sum contracts. Revise to suit Project.

Sample quantity allowances in "Allowance No. 1" paragraph below illustrates one approach to applying allowances to work that cannot be measured prior to bidding, but can be reasonably anticipated.

- A. Allowance No. 1: Quantity Allowance: Include 2000 cu. yd. of unsatisfactory soil excavation and disposal off-site and replacement with satisfactory soil material from off-site, as specified in Section 31 20 00 "Earth Moving."

Subparagraph below addresses relationship to unit prices.

1. Coordinate quantity allowance adjustment with unit-price requirements in Section 01 22 00 "Unit Prices."

Sample lump-sum allowance in "Allowance No. 2" Paragraph below includes a stipulation that cost items ordinarily included in the Contract Sum are to be included in the allowance cost for this item only.

- B. Allowance No. 2: Lump-Sum Allowance: Include the sum of \$30,000 for three chandeliers for the main lobby as specified in Section 26 51 00 "Interior Lighting."
 1. This allowance includes material cost, receiving, handling, and installation, and Contractor overhead and profit.

Sample unit-cost allowance in "Allowance No. 3" Paragraph below is a typical industry practice but one which can result in significant variations in bids due to differences in quantity survey calculations.

- C. Allowance No. 3: Unit-Cost Allowance: Include the sum of \$350.00 per thousand for buff-colored face brick as specified in Section 04 20 00 "Unit Masonry" and as shown on Drawings.

Sample quantity allowance in "Allowance No. 4" Paragraph below illustrates practice for both new construction and tenant allowances. Carpet and cushion type can affect installation labor costs.

- D. Allowance No. 4: Quantity Allowance: Include 5000 sq. yd. of Carpet Type 1 installed, including urethane foam carpet cushion and related amount of tackless strip, as specified in Section 09 68 16 "Sheet Carpeting."

Copy and re-edit "Allowance No. (Insert number)" Paragraph below for each allowance required for Project.

- E. Allowance No. <Insert number>: [**Lump-Sum**] [**Unit-Cost**] [**Quantity**] [**Contingency**] [**Testing and Inspecting**] Allowance: Include the sum of <Insert dollar or quantity amount of allowance>: Include <Insert allowance description> as specified in Section <Insert Section number> "<Insert Section title>"[and as shown on Drawings].

Retain first subparagraph below if costs in addition to material costs are covered under this allowance. Revise to suit Project. Delete below if this allowance is for material costs only.

1. This allowance includes [**material cost**] [**receiving, handling, and installation**] [**and Contractor overhead and profit**].

Retain subparagraph below if this allowance is a quantity allowance with a corresponding unit price to be used to adjust the Contract Sum once final quantities are established. Revise to suit Project.

2. Coordinate quantity allowance adjustment with corresponding unit-price requirements in Section 01 22 00 "Unit Prices."

END OF SECTION 01 21 00