

SECTION 01020

ALLOWANCES

1. GENERAL

1.1 Included in the Contract Sum are all Allowances stated in the Contract Documents. Items covered by Allowances shall be supplied for such amounts and by such persons or firms as University's Representative may direct.

1.2 The following shall apply, unless otherwise provided in the Contract Documents:

1.2.1 Allowances shall cover the cost to Contractor of materials and equipment delivered at the Project site and all required taxes, less applicable trade discounts.

1.2.2 Contractor's costs required for storage on and off the Project site, security, loading and unloading, handling at the Project site, labor, installation costs, overhead, profit, and other expenses contemplated for stated Allowance amounts shall be included in the Contract Sum and not in the Allowances.

1.2.3 Unless otherwise provided herein, whenever costs are more than or less than Allowances, the Contract Sum shall be adjusted by Change Order based on (1) the difference between actual costs and the Allowances and (2) changes in Contractor's costs.

2. DESCRIPTION OF ALLOWANCES

2.1 ALLOWANCE 1:

{OPTIONAL ALLOWANCE; IF NOT USED, DELETE LANGUAGE}

2.1.1 The allowance(s) specified in this Allowance 1 is(are) the maximum amount(s) the Contractor will be entitled to by Change Order issued to define the adjustment below. If the computation results in an amount in excess of the allowance the Contractor agrees that it has included such amount in its bid and will not be entitled to any increase in excess of such maximum.

2.1.2 The Contract Sum will be adjusted by Change Order based on the assigned dollar value and the allowance below for each material:

{INSERT NAME OF MATERIAL AND DOLLAR VALUE FOR COMPONENT}:

2.1.2.1 [Name of material]

Assigned dollar value of \$[dollar amount]

Allowance of \$\$[dollar amount]

e.g. Steel with an assigned dollar value of \$1,000,000 and a allowance of \$100,000

2.1.2.2. Repeat as necessary

2.1.3 The Baseline Index Value for each material listed in article 2.1.2 is the most recently published value for that material's component in the Engineering News Record Material Cost Index as of the Bid Deadline.

2.1.4 Adjustments to the Contract Sum due to changes in the cost of each material listed in Article 2.1.2 will be made as follows:

2.1.4.1 Subtract the Baseline Index Value for the material from the corresponding number for the material from the Engineering News Record Material Cost Index for [month, year].

2.1.4.2 Divide the number resulting from the operation described in 2.1.4.1 by the Baseline Index Value for the material.

2.1.4.3 Multiply the number resulting from the operation described in 2.2.4.2 by the assigned dollar value for the material.

2.1.4.4 The University will issue a Unilateral Change Order adjusting the Contract Sum to reflect the number resulting from the operation described in 2.1.4.3 unless such number exceeds the Allowance in which event the University will issue a Unilateral Change Order to confirm that the Contract Sum includes the entire amount of the Allowance and nothing more.

2.1.5. The University does not represent or warrant that the assigned dollar values set forth in article 2.1.2 represent the actual cost of the listed materials; or that adjustments to the Contract Sum resulting from the methodology set forth in this Allowance will accurately reflect changes in the cost of any materials used in performing the Work.

2.1.6 If the Index for a material listed in article 2.1.2 is unavailable from Engineering News Record, the University may utilize a substitute index that reasonably represents any changes in the cost of the material during the applicable time period.

{INSERT OTHER ALLOWANCES AND DESCRIPTION}

{2.2 Allowance 2:

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{2.3 Allowance 3:

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