
**SECTION 01020
ALLOWANCES**

PART 1 GENERAL

1.01 GENERAL REQUIREMENTS

- A. The Bid Documents contain one or more contract cost items entitled "ALLOWANCES". Allowances are noncompetitive cost items the Bidder shall carry in his bid for the purpose of permitting the Owner to estimate the total contract cost. The number, type and value of the ALLOWANCES has been predetermined by the Owner and contained in the Bid Documents.
- B. "ALLOWANCE" is the means that will be used by the Owner to reimburse the Contractor for those specifically itemized project related incurred costs that are outside the scope of the work to be performed directly by the Contractor, and that are essential to the overall completeness of the project, but are to some degree, beyond the direct control of the Contractor.
- C. It is understood that the Bidder has included in his total bid quote the ALLOWANCES contained in the Bid.
- D. Each agency/utility, listed as an ALLOWANCE, shall directly invoice the Contractor for providing services for the work. The Contractor shall, in turn and as part of a regular monthly invoice to the Owner, include in his request for payment such actual incurred costs for ALLOWANCES.
- E. The Contractor's costs associated with processing said ALLOWANCES invoices (including but not limited overhead and profit), shall be compensated by a maximum ALLOWANCE INVOICE mark-up as follows:

<u>ALLOWANCE</u>	<u>MAXIMUM ALLOWABLE MARKUP</u>
Allowance for "Testing"	2.0%

- F. The Contractor agrees that the two (2.0%) mark-up for the ALLOWANCES actually drawn-down is the total compensation due the Contractor and that no request for additional costs, overhead, or profit in connection with ALLOWANCES will be made. All other project related ALLOWANCE costs shall be included in other applicable pay items contained in the Bid.

- G. The Bidder acknowledges that, if the Owner chooses to pay for the ALLOWANCE charges directly, the Contractor shall not be entitled to any mark-up or charges of any kind or amount.

END OF SECTION