

SECTION 01 26 10
CM / GC – GMP CONTINGENCY AND OWNER RESERVE PROCEDURES

PART 1 - GENERAL

1.01 CM PROCEDURES for USE of CONTINGENCY FUNDS

A. AUTHORIZATION to USE CM CONTINGENCY FUNDS

The CM/GC may be requested to make a change to the work by the Designer where such work should be funded by the CM Construction Contingency Funds per paragraph 1.9.2 of the CM at Risk Scope of Services and Deliverables. Such a change must be documented in the same manner as a Change Order and must be authorized in writing by the Designer and Owner by a Field Order Document.

B. SUPPORTING DOCUMENTATION for USE of CM CONTINGENCY FUNDS

1. Propose application to use CM Contingency funds in writing, specifically describing the reason the use of the funds is justified with specific reference to the appropriate use as specified under paragraph 1.9.2 of the CM at Risk Scope of Services and Deliverables, and itemizing material, equipment and labor for CM/GC, Subcontractors, and Sub-Tier Contractors. Unless waived by Owner, each itemization of values of direct cost on form shown as 01 26 50, or similar form which provides same information, citing:

- a. Materials: units, costs, quantities, totals;
- b. Equipment: hours, rates, totals; and,
- c. Labor: hours, rates, totals.

2. Propose changes in Contract Time will be initiated by Change Order.

C. FORM for USE of CM CONTINGENCY FUNDS

The form shall be that shown as Section 01 26 39, Form for Field Order, or a similarly formatted document utilizing the same text. Complete description of the reason for the use of the CM Contingency funds shall be included in the body of the form or in referenced attachment. Changes in GMP and/or Contract time shall use Section 01 26 40, Form for Amendment, Change Order, or Directive.

D. SIGNATURES

- 1. Form shall be signed by authorized representatives of each of the entities required by Conditions of the Contract.
- 2. Proposed CM Contingency fund usage forms will be prepared by Owner or Designer and normally signed by both before being issued to Contractor. Contractor shall sign acceptable proposed usage of CM Contingency funding form, then shall retain one (1) counterpart and return the other counterparts to Designer.

1.02 OWNER PROCEDURES for USE of OWNER RESERVE FUNDS

A. AUTHORIZATION to USE OWNER RESERVE FUNDS

The CM/GC may be requested to make a change to the work by the Designer where such work should be funded by the Owner Reserve Funds as funded per paragraph 2.2.1 of the CM at Risk Scope of Services and Deliverables. Such a use of Owner Reserve Funds must be documented in the same manner as a Change Order and must be authorized in writing by the Designer and Owner by a Field Order Document.

B. SUPPORTING DOCUMENTATION for USE OF OWNER RESERVE FUNDS

1. Propose changes to Owner Reserve Funds in writing, stating briefly the reason for the change, or briefly describing the proposed change with specific reference to a completely descriptive attachment.
2. Propose usages of the Owner Reserve Funds in writing, stating briefly the reason for the usage of the funds, and itemizing material, equipment and labor for CM/GC, Subcontractors, and Sub-Tier Contractors. Unless waived by Owner, each itemization of values of direct cost on form shown as 01 26 50, or similar form which provides same information, citing:
 - a. Materials: units, costs, quantities, totals;
 - b. Equipment: hours, rates, totals; and,
 - c. Labor: hours, rates, totals
3. Propose changes in Contract Time will be initiated by Change Order.

C. FORM for USE of OWNER RESERVE FUNDS

The form shall be that shown as Section 01 26 39, Form for Field Order, or a similarly formatted document utilizing the same text. Complete description of the reason for the use of the Owner Reserve funds shall be included in the body of the form or in referenced attachment. Changes in GMP and/or Contract time shall use Section 01 26 40, Form for Amendment, Change Order, or Directive.

D. SIGNATURES

1. Form shall be signed by authorized representatives of each of the entities required by Conditions of the Contract.
2. Proposed Owner Reserve Fund Field Orders will be prepared by Owner or Designer and normally signed by both before being issued to Contractor. Contractor shall sign acceptable proposed usage of Owner Reserve funding form, then shall retain one (1) counterpart and return the other counterparts to Designer.

END OF SECTION

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