

## SECTION 01 29 16 CM/GC-GMP CONTINGENCY AND RESERVE

### PART 1 - GENERAL

#### 1.01 DEFINITION

- A. The CM/GC-GMP Contingency and the Reserve Fund are defined in the CM/GC Master Contract Attachment 1 Scope of Services and Deliverables.
- B. The CM/GC-GMP Reserve Fund is an accumulation from trades that were estimated at the time that the GMP was agreed upon and are later bid to complete the trade bidding. Trades that bid less than estimated add the difference to Reserve. Trades that bid more than estimated deduct the difference from Reserve. Once all estimated trades are bid and awarded, if there is a net negative Reserve, the amount is charged to the GMP Contingency, regardless whether the GMP Contingency has sufficient balance to cover the charge. The Reserve does not accumulate from savings through substitutions, reductions in Work, nor unused remainders of allowances; rather, such savings are to be returned to the Owner through an appropriate modification as soon as they occur.

#### 1.02 CM/GC-GMP CONTINGENCY LOG

- A. Maintain a Contingency Log on the specified form, showing for each item a sequence number, brief caption description, individual cost, the portion of that cost currently incurred for Total Completed and Stored to Date of applications for payment, and whether the item needs or has received concurrence required by 1.02.C. If there are Phases, make sequence numbering subordinate to each Phase, grouping the items by Phase, and provide a subtotal for each Phase.
- B. Providing a copy of Log to Owner and Designer constitutes written advisement for items clearly fitting definition.
- C. When providing an updated Log that contains items not clearly fitting Contingency definitions that have not been given written concurrence by Owner and Designer accepting the inclusion in the Contingency, identify such items and obtain written concurrence from Designer and Owner in the form of their initials upon a copy of the Log next to each such item.

#### 1.03 RESERVE FUND LOG

- A. Maintain a Reserve Fund Log on the specified form, showing for each estimated trade:
  - 1. the **Name** of the successfully bidding subcontractor engaged for the trade, once trade bidding is actually completed. Until then, while trade bidding is pending, leave the subcontractor blank;
  - 2. the **Date** for trade bidding, whether pending a future occurrence, or actually having occurred; or, when an exception to trade bidding has been authorized by the Owner, the date of authorization;
  - 3. the **Description** of the trade, and, if the amount of the trade is split between multiple line items in the schedule of values, the line items of the Schedule of Values that together account for the full amount of the trade;
  - 4. the **Estimated Value** of the trade as agreed;
  - 5. the **Actual Price** of the trade, once trade bidding has actually occurred and subcontracts awarded based upon bidding; and,
  - 6. the **Effect on Reserve**, which is the Estimated Value minus the Actual Price.
- B. The Reserve Log spreadsheet calculates the Effect on Reserve once a Name is filled in. This formula is filled in for enough rows to fill most or all of the first page. If the Log requires further rows, copy the formula into the additional rows.
- C. List the estimated trades in the order they are listed in the agreement and amendments, if any.
- D. As trade bidding is completed for each trade, report the results, identifying the trade(s) procured, and providing an updated copy of the Reserve Log, bid tabulation, and a copy of the bids received.

- E. Except as may be allowed according to paragraph F immediately below, if an estimated trade is not procured by bidding, it loses its status as an estimated trade and instead becomes a scope gap to be paid from the GMP Contingency. In this case, enter this in the Reserve Log with “scope gap” as the **Subcontractor**, the effective date as the **Date**, the **Description** unchanged, the **Estimated Value** unchanged, zero as the **Actual Price**, and the resulting increase **Effect on Reserve**.
- F. Owner may authorize an exception to the requirement of bidding a trade when: the trade is a relatively small add to an existing subcontracted trade; or, if the trade is relatively small and impractical to procure through bidding; or, if the trade has been specified as proprietary or sole-source; or, if the trade is work that can only be provided by a local utility or government. In such exceptional cases, the CM/GC will provide an itemized cost for that trade using specification section 01 26 55; or, if a local utility or government, then whatever is their customary means of presenting their costs.
- G. If Owner authorizes a transfer of Reserve into Contingency, enter this in the Reserve Log with the name of the Owner employee authorizing the transfer as the **Subcontractor**, the authorization date as the **Date**, “Owner authorized transfer” as the **Description**, zero as the Estimated Value, the amount of authorized transfer as the **Actual Price**, and the resulting decrease **Effect on Reserve**.
- H. Attach current copy of Reserve Log to each counterpart of each Application for Payment.

#### 1.04 EFFECT ON THE SCHEDULE OF VALUES

- A. Include only values consistent with the current Contingency Log and Reserve Log. To the extent that 1.02.C requires concurrence for items, include only values consistent with concurrences received.
- B. Include a single line item in the Schedule of Values for the Reserve Fund. If there are no phases in the Schedule of Values, include a single line item in the Schedule of Values for the CM/GC-GMP Contingency, and represent values as for other line items.
- C. If there are Phases in the Schedule of Values:
  1. include an overall line item for the portion of the CM/GC-GMP contingency not included in a Phase;
  2. include also a line item in each Phase for its portion of the CM/GC-GMP contingency;
  3. initially, set CM/GC-GMP contingency values at full value for overall, and zero for each phase;
  4. as costs are assigned to CM/GC-GMP Contingency, to the extent costs are applicable within phases, increase scheduled value of applicable Phase, and reduce scheduled value of overall CM/GC-GMP contingency, so their sum remains constant; and,
  5. represent values for each CM/GC-GMP contingency line item as for other line items.
- D. Include estimated trades as distinct line items in the Schedule of Values, initially showing these at their Estimated Value, later adjusting them to their Actual Price as the trade bidding is completed.

#### 1.05 EFFECT ON APPLICATIONS FOR PAYMENT:

A total completed and stored to date for an estimated trade cannot be included in an application for payment until the procurement has been completed and the effect on Reserve shown in the Reserve Log.

#### 1.06 EFFECT ON PROGRESS SCHEDULE AND PUBLIC ADVERTISEMENT:

- A. In the Progress Schedule, show the bid dates for each estimated trade as also shown in the Reserve Log. In the Progress Schedule, include the period during which the trade will be released for solicitation of its trade bids.
- B. Inform the Owner’s bidding coordinator specifically when each trade enters solicitation, and ensure that the bidding coordinator has posted the public advertisement for the suitable period approved by the Owner’s project manager.

### END OF SECTION