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		Date: July 2025
		Author: Program Support & Technical Services

SECTION 01 21 00 - ALLOWANCES

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. Value Allowance: An amount established in the Contract Documents for inclusion in the Contract Sum to cover the cost of prescribed items not specified in detail and as shown in the Allowance Schedule.
 - 2. Quantity Allowances: An amount which is attributable to a discrete quantity to be carried within the Contract Sum. Unit price where applicable to a quantity allowance, shall only be used if the unit cost has been accepted and recognized in the contract with the Owner. No unit price shall be valid if identified in a sub-tier contract or by value represented within the schedule of values unless such unit price has explicitly been recognized as accepted within the Contract with the Owner.
- C. Related Requirements:
 - 1. Division 01 Section "Unit Prices" for procedures for using unit prices.
 - 2. Divisions 02 through 33 Sections for items of Work covered by allowances.

1.3 RELATED REQUIREMENTS

1.4 SELECTION AND PURCHASE

- A. Within the initial submitted CPM schedule, reflect the dates when final selection and purchase of each product or system described by an allowance must be completed to avoid delaying the Work. Such dates

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shall represent what the supplier's lead time for delivery of product through its installation and commissioning (where applicable).


- B. At Architect/Owner'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 specified by the Architect.

1.5 SUBMITTALS

- A. Labor hours shall have pre-approved hourly rates by the Owner included in the Guaranteed Maximum Price Contract. Labor rates included with a set of bid documents shall not imply acceptance or will not take precedence upon award. Failure of the Contractor to obtain pre-approved hourly rates by the Owner prior to use of an applicable allowance, shall not be relieved from submitting and obtaining acceptance in accordance with these contract documents reconciliation of the allowance upon final receipt of approved labor rates. Adjustments to the previous use shall be made accordingly through formal change order.
- B. Submit proposals for purchase of products or systems included in allowances, in the form specified for Change Orders.
- C. Submit invoices or delivery/weigh slips to show actual quantities of materials delivered to or removed from the site for use in fulfillment of each allowance.
- D. Submit daily work tickets when work is performed under the Allowance. Tickets shall be legible, provide contractor, list of workers, any material and any machine time. Tickets shall be reviewed and signed by the Construction Manager on a DAILY basis. Tickets may be deemed invalid if proper supervision is not applied.
- E. 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.
- F. Coordinate and process submittals for allowance items in same manner as other portions of the Work.

1.6 UNUSED MATERIALS

- A. Return unused materials to the manufacturer or supplier for credit to the Owner, after installation has been completed and accepted.
- B. Where it is not economically feasible to return unused material for credit and when requested by the Owner, prepare unused material for the Owner's storage, and deliver to the Owner's storage space as directed unless Owner refuses material at which point disposal of excess material is the Contractor's responsibility.

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1.7 COORDINATION


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

1.8 ALLOWANCES

- A. Allowance shall include cost to Contractor of specific products and materials ordered by Owner or selected by Architect under allowance and shall include freight, and delivery to Project site.
- B. Unless otherwise indicated, Contractor's costs for purchasing, receiving, handling and oversight management at Project site, labor, installation, maintenance, warranty/guarantee, as-built documentation, overhead and profit and similar costs related to products and materials under an allowance shall be included as part of the Contract Sum and not part of the allowance.
- C. Contractor bid shall be inclusive of oversight and overhead and profit against any allowance value identified within the contract documents. Use of any allowance shall not include an additional markup by the Contractor. Contractor shall refer to executed contract documents.

1.9 ADJUSTMENT OF ALLOWANCES

- A. Allowance Adjustment: To adjust allowance amounts, prepare a Proposed Change Order 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.
 - 2. If requested, prepare explanation and documentation to substantiate distribution of overhead costs and other margins claimed.
 - 3. Submit substantiation of a change in scope of work, if any, claimed in Change Orders related to unit-cost allowances.
 - 4. Owner reserves the right to establish the quantity of work-in-place by independent quantity survey, measure or count.
 - 5. Remaining balance values in an allowance cannot be used to compensate overages in another allowance without prior written change management document approval from the Owner.
- 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.

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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.

1.10 ALLOWANCE CLOSE OUT

- A. Any unused portion of the allowance, whether it is value allowance or quantity allowance, shall be credited to the Owner. Any unused portion of the allowance shall be reviewed by the owner to determine the amount of credit, based on actual invoices, delivery slips, etc.
- B. Submit reconciliation log of use of the allowance to date for final review for compliance with the contract requirements regardless if it has been paid out.

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.
- B. Notify Owner prior to any work being performed under the Allowance. If Owner is not notified prior to the start of work under the Allowance, the Owner has the right to reject the costs of that work.

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

- A. Allowance No. 1:
 1. Coordinate quantity allowance adjustment with unit-price requirements in Division 01 Section "Unit Prices only when a unit price has been accepted by the Owner and recognized in the contract. If the proposed unit price is not accepted by the Owner, the quantity allowance changes to a value allowance within the awarded contract based on the proposed unit price x defined quantity.
- B. Allowance No. 2:

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C. Allowance No. 3:

1. Coordinate quantity allowance adjustment with unit-price requirements in Division 01 Section "Unit Prices only when a unit price has been accepted by the Owner and recognized in the contract. If the proposed unit price is not accepted by the Owner, the quantity allowance changes to a value allowance within the awarded contract based on the proposed unit price x defined quantity.

D. Allowance No. 4:

1. Coordinate quantity allowance adjustment with unit-price requirements in Division 01 Section "Unit Prices only when a unit price has been accepted by the Owner and recognized in the contract. If the proposed unit price is not accepted by the Owner, the quantity allowance changes to a value allowance within the awarded contract based on the proposed unit price x defined quantity.

E. Allowance No. 5:

1. Coordinate quantity allowance adjustment with unit-price requirements in Division 01 Section "Unit Prices only when a unit price has been accepted by the Owner and recognized in the contract. If the proposed unit price is not accepted by the Owner, the quantity allowance changes to a value allowance within the awarded contract based on the proposed unit price x defined quantity.

F. Allowance No. 6:

1. Coordinate quantity allowance adjustment with unit-price requirements in Division 01 Section "Unit Prices only when a unit price has been accepted by the Owner and recognized in the contract. If the proposed unit price is not accepted by the Owner, the quantity allowance changes to a value allowance within the awarded contract based on the proposed unit price x defined quantity.

G. Allowance No. 7:

1. Coordinate quantity allowance adjustment with unit-price requirements in Division 01 Section "Unit Prices" only when a unit price has been accepted by the Owner and recognized in the contract. If the proposed unit price is not accepted by the Owner, the quantity allowance changes to a value allowance within the awarded contract based on the proposed unit price x defined quantity.

END OF SECTION 01 21 00