# General

**RoD SPEC NOTE:** Use this Section to specify cash allowances.

* A cash allowance is for something known to definitely be required but which cannot be specified with adequate detail to permit accurate pricing by the Contractor at the time of the bid call, or which otherwise needs to be deferred. However, the cost of the item can be estimated and specified as a cash allowance amount in the contract.
* When more information subsequently becomes available to permit the item to be more accurately priced, the Owner approves expenditure of the cash allowance.
* A cash allowance excludes any amounts for the Contractor’s overhead and profit related to the item. The Contractor must carry the overhead and profit separately in the Contract Price.

## Summary

* + 1. The Work of this Section includes, but is not limited to the following:
			1. Cash allowance – responsibilities and administration
			2. Cash allowance schedule
			3. Expenditure of cash allowances

## Cash allowance – responsibilities and administration

* + 1. Consultant responsibilities:
			1. Consult with Contractor for consideration and selection of Products, Suppliers, and installers.
			2. Owner and Consultant to select Products.
			3. Prepare change order.
		2. Contractor responsibilities:
			1. Assist Consultant in selection of Products, Suppliers and installers.
			2. Obtain proposals from Suppliers and installers and offer recommendations.
			3. On notification of selection by Consultant or Owner, execute purchase agreement with designated Supplier and installer.
			4. Arrange for and process shop drawings, product data, and samples. Arrange for delivery.
			5. Promptly inspect Products upon delivery for completeness, damage, and defects. Submit claims for transportation damage.
		3. “Supply-only” cash allowances shall include the following:
			1. Net cost of products
			2. Delivery to Site
			3. Applicable taxes and duties, excluding HST
		4. “Supply and installation” cash allowances shall include the following:
			1. Net cost of products
			2. Delivery to site
			3. Unloading, storing, handling or products on site
			4. Installation, finishing and commissioning of products
			5. Applicable taxes and duties, excluding HST
		5. “Service” cash allowances (ex. Inspection and testing) shall include the following:
			1. Net cost of inspection and testing services
			2. Applicable taxes and duties, excluding HST
		6. Include cash allowances in the Contract Price. Differences in costs will be adjusted by Change Order.

**RoD SPEC NOTE:** Edit the following article to identify the following for EACH cash allowance item on the Project:
- Section Number,
- Cash allowance amount, and
- Reason for cash allowance.

**RoD SPEC NOTE:** Trade sections indicated below should reference this Section and identify what items are covered under cash allowances specified in this Section.

* + 1. Cash Allowances Schedule:

**RoD SPEC NOTE:** Edit the following subparagraphs to identify the type of cash allowance require – Supply Only / Supply & Install / Services. Duplicate the appropriate cash allowance type as many times as required to identify all cash allowances on the Project.

* + - 1. Related to Section [\_\_\_\_\_]: Include a cash allowance of $ [\_\_\_\_\_] for supply only of [\_\_\_\_\_].
			2. Related to Section [\_\_\_\_\_]: Include a cash allowance of $ [\_\_\_\_\_] for supply and installation of [\_\_\_\_\_].
			3. Related to Section [\_\_\_\_\_]: Include a cash allowance of $ [\_\_\_\_\_] for for [testing and inspection of] [ ] services.

## Expenditure of cash allowances

* + 1. Expenditures against cash allowance will be made only upon receipt of written authority from the Owner.
		2. Owner, through the Consultant, may request Contractor to identify potential Suppliers or Subcontractors, as applicable, and to obtain at least three competitive prices for each cash allowance item.
		3. Owner, through the Consultant, may request the Contractor to disclose originals of all bids, quotations, and other price related information received from potential Suppliers or Subcontractors.
		4. Owner, through the Consultant, will determine by whom and for what amount each cash allowance item will be performed. Obtain Owner’s prior written approval in the form of a Change Order before entering into a subcontract, amending an existing subcontract, or performing own forces work included in a cash allowance.
			1. Upon issuance of the Change Order, the Contractor’s responsibilities for a cash allowance item shall be the same as for other work of the Contract.
		5. No expenditure against a cash allowance shall be made or incurred except as instructed by the Owner in writing.
		6. Submit copies of all invoices for labour, materials and equipment to the Owner to substantiate charges against the allowances.
		7. Any unused portion of cash allowances will be credited to the Owner upon completion of the Work.
		8. The cash allowances do not include Harmonized Sales Tax (HST).

# Products – not used

# Execution – not used

End of section