



qathet

REGIONAL DISTRICT

SECTION 3	FINANCIAL POLICIES
POLICY	3.3
SUBJECT	CONSTRUCTION PROJECT CONTINGENCIES
ADOPTED	AUGUST 26, 1999

It shall be the policy of the qathet Regional District Board:

THAT

1. The budget for general construction projects shall include a contingency of \$2,500 or 10%, whichever is greater.
2. Where applicable, the budget for construction work on older facilities shall, as a general rule, include a contingency of 20% or, on smaller projects, of \$2,500 plus 10% to cover sub-structural damage which cannot be assessed at the time of tendering.
3. The Committee responsible may authorize a higher contingency for particular projects where the tender specifications may be lacking in detail or where unknown circumstances may legitimately increase costs, provided adequate funds are available in the current budget.
4. The contractor must provide a written description of the change or recommended extra, a rationale and the associated costs or saving prior to work being authorized.
5. Costs for changes or extras will be approved in writing by the Treasurer on the recommendation of the contractor or the employee overseeing the project.
6. Clear provisions pertaining to the authorization of extra work shall be incorporated into all contract documents.
7. Budget allocations for construction projects shall include the estimated project cost, plus contingencies consistent with these guidelines.