

**HEADING: SUMMARY OF COMMENTS**

**SUBJECT: CONSTRUCTION ENGINEERING AND CONTINGENCIES (%)**

If a question arises concerning the percentages used for Construction Engineering and Contingencies in the itemized estimate, this sample response may be referenced.

Comment:

1. (In the Itemized Estimate, concerning the 20% Construction Engineering & Contingencies for Pavement Preservation Items and the 30% Construction Engineering & Contingencies for Safety Items) Recently, Districts and the State Engineer have informed Contracts & Specifications to increase the 15% Engineering & Contingencies for Bid Estimates to 20%, citing increased average cost for Project Administration. Your estimate should likewise reflect this change or it will directly affect our budget during design.

**Action:**

**Per discussion with David Allocco, Contracts and Specifications Services currently adds 15% for construction engineering and contingencies to final construction cost estimates. Additionally, Roadway Predesign Section discussed this concern with Pavement Design Section and there is no indication that the methods used to prepare Predesign cost estimates for pavement preservation projects are inaccurate. At this time, the percentages used in the Project Assessment for Construction Engineering & Contingencies appear adequate. The percentages will continue to be reevaluated, on a yearly basis, by Materials Group.**