

West Virginia Infrastructure & Jobs Development Council

USE OF PROJECT CONTINGENCY POLICY

PURPOSE

This outlines the Infrastructure & Jobs Development Council's (the "Infrastructure Council") policy and procedures relating to the use of project contingency funds. There are two separate approval procedures, one for requests that expand the scope of a project and are larger than \$25,000 (Expansion Requests), and one for small requests that do not substantially expand the scope of a project and total less than \$25,000 (Minor Requests). Subsequent Minor Requests that total over \$25,000 in the aggregate will be treated as Expansion Requests. Frequent requests are discouraged, and it is the intention of the Council that only one such request should be received from any project, under normal circumstances.

This Policy Statement does not pertain to routine change orders that do not change the scope of a project. These routine change orders shall continue to be reviewed and approved (or rejected) by the Technical Review Committee Chair and/or the Executive Secretary. Minor equipment purchases are not considered a change in scope.

In the event of a Minor Request the Technical Review Committee Chair review for feasibility, need and cost effectiveness is not in agreement with the Executive Secretary's review, then the request is forwarded to the Funding Committee for consideration.

PROCEDURE

A. Applicant

A request must be submitted to the Infrastructure Council containing the following information:

- a. Explanation of request,
- b. Justification for request,
- c. List of construction items and costs, on proposed change order signed by contractor and engineer, where applicable.
- d. Cost / customer, if applicable,
- e. Copy of latest contractor's estimate for project which shows the percent completion along with engineer's calculation of percent completion for the project.
- f. Project Sponsor's certification of dollar amount remaining in contingency, and,
- g. Estimate of any claims that may be made against the project.

PLEASE NOTE: The Funding Committee meets monthly. The monthly meeting is usually the last Friday of the month. All requests received 7 days prior to the Funding Committee meeting will be reviewed at the Funding Committee meeting.

B. Infrastructure Council

1. Upon receipt of Expansion Requests, the Infrastructure Council will forward the request to the Technical Review Committee Chair for review.
2. The Technical Review Committee Chair will review the request for feasibility, need and cost effectiveness and make a recommendation to the Funding Committee at its next meeting.

3. The Funding Committee will review the recommendation, compare the request to other pending projects to determine the best utilization of funds.
4. The Funding Committee will make the final decision.

Policy adopted: December 6, 2000