City of Stevens Point
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TO: The Board of Public Works/Finance Committee

RE: Contract Contingency Approval

Board of Public Works/Finance Committee:

In order to be consistent with the Wisconsin State Statutes (Sec. 62.15) governing the letting of contracts, and to get formal approval to add appropriate contingency amounts to contracts bid by the City, we are requesting that the following language be considered and adopted as part of a City bidding/letting policy.

"The Department of Public Works, when presenting the Board of Public Works with a recommendation to award a publicly let project, shall add a contingency line item to the bid amount that equals not more that 15% of the total bid amount. This dollar amount shall be reflected in the total approved bid amount being recommended to the Board for approval."

The process as described above is consistent with Sec. 62.15 in that a contract cannot be altered by more than 15% without being re-bid, and allows the Department the flexibility to appropriately change the contract amount to meet the needs of a project that change due to unforeseen limitations, needs, changes, as well as potential credits and other plan alterations.

Thanks for your consideration.

Best Regards,

Joel Lemke
Director of Public Works