



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods, and diverse communities of Fairfax County

DATE: May 13, 2009

TO: All Architects, Builders, Contractors, Developers, Engineers and Surveyors

SUBJECT: **Letter #09-06** - Administrative costs utilized to calculate the total bond amount for all projects.

Summary: The calculation of the allowance for administrative costs, inflation and potential damage to existing roads or utilities is being revised to implement recent changes to the Code of Virginia.

Effective Date: All new bonds, extensions, and reductions approved on or after July 1, 2009 shall be calculated utilizing the new 10% Administrative Cost. Any new bonds, extension, or reductions, which are approved at, or before the July 1, 2009 date, shall be calculated utilizing the 25% Administrative Cost.

Background: Chapter 193 of the Code of Virginia has been amended to state that the reasonable allowance for estimated administrative costs, inflation, and potential damage to existing roads or utilities, shall not exceed ten (10) percent of the estimated construction costs, a decrease from the current allowance of twenty-five (25) percent. As such, the total bond amount to be posted for a project shall now consist of the sum of the total estimated cost of construction, based on the current Unit Price List, plus 10% of that total cost of construction.

If you have any questions, please contact Jack Weyant in the Environmental and Facilities and Inspections Division at **703-324-1950, TTY 711**.

Sincerely,

James A. Patteson
Director

cc: Jimmie D. Jenkins, Director, Department of Public Works and Environmental Services

**Department of Public Works and Environmental Services
Land Development Services**

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