

CHANGE ORDER PRICING GUIDELINES

A. Change Order Pricing Guidelines

For each change order, the Contractor shall furnish a detailed, written proposal itemized according to these guidelines. Any Subcontractor or Material Supplier pricing shall also be itemized according to these pricing guidelines. In order to expedite the review and approval process, all proposals shall be prepared in the categories and in the order listed below.

1. Labor: All field labor shall be priced in compliance with the Common Construction Wage Determination for this project, excluding fringe benefits, which are covered under Clause 2 below. The payroll is to be based on straight time only and is to include number of hours and rate of pay for each classification of work. If overtime is approved, list only the straight time portion in this item.
 - a. If the Common Construction Wage Determination form is not included or not applicable for this project, Contractor shall state hourly rate on Change Order proposal form.
 - b. Successful bidder will be required to submit the wage rate for each employee performing work on this project prior to the start of construction, regardless of whether Common Construction Wages rates are used.
2. Fringes: All established payroll taxes, assessments and fringe benefits on the labor in item 1. This may include, but is not limited to, FICA, Federal and State Unemployment, Health and Welfare, Pension Funds, Workers' Compensation and Apprentice Fund. Each of the fringes is to be a separate line item.
3. Equipment rentals: All charges for certain non-owned heavy or specialized equipment at up to 100 percent of the documented rental cost. No rental charges will be allowed for hand tools, minor equipment, simple scaffolds, etc. Downtime due to repairs, maintenance and weather delays will not be allowed.
4. Owned equipment: All charges for certain owned heavy or specialized equipment at up to 100 percent of the cost listed by the Associated Equipment Dealers Blue Book. No recovery will be allowed for hand tools, minor equipment, simple scaffolds, etc. The longest period of time that the equipment is to be required for the work will be the basis for pricing. Downtime due to repairs, maintenance and weather delays will not be allowed.
5. Trucking: A reasonable delivery charge or per mile trucking charge for delivery of required materials or equipment. Charges for use of a pickup truck will not be allowed.
6. Materials: All materials purchased by the Contractor and incorporated in to the changed work, showing costs, quantities, or unit prices of all items, as appropriate. Reimbursement of material costs shall only be allowed in the amount of the Contractor's actual cost including any and all discounts, rebates or related credits.
7. Miscellaneous: The following items are allowable at the cost of the work, with no overhead or profit.
 - a. The cost of extending the Bond and the cost of extending liability, property damage, builder's risk or specialty coverage insurance.
 - b. The premium portion only for approved overtime (labor and fringes). The straight time portion is included in items 1 and 2.
 - c. Fees for permits, licenses, inspections, tests, etc.
8. Costs which will not be reimbursed for change order work include the following:

- a. Employee profit sharing plans: Regardless of how defined and described, the Contractor will pay these charges from Contractor profit and will not be reimbursed.
 - b. Voluntary employee deductions: Examples are United Way, U.S. Savings Bonds, etc.
- B. Overhead and profit: Overhead includes telephone charges, facsimile, telegrams, postage, photos, photocopying, hand tools, simple scaffolds (one level high), tool breakage, tool repairs, tool replacement, tool blades, tool bits, home office estimating and expediting, home office clerical and accounting support, home office labor, legal services, travel and parking expenses. The cost of the Contractors overhead and profit on change orders shall be:
- 1. For extra work completed by the Contractor with his own labor – **15 percent** shall be added as the allowance for overhead and profit.
 - 2. For extra work completed by Subcontractors of the Contractor – **7.5 percent** shall be added as the allowance for overhead and profit.
 - 3. In order to facilitate checking of quotations for extras or credits, proposals, except those too minor that their propriety can be seen by inspection, shall be accompanied by a complete itemization of costs including labor, materials and subcontracts. Labor and materials shall be itemized in the manner prescribed above. Where major cost items are subcontracts, they shall be itemized also.

end of CHANGE ORDER PRICING GUIDELINES