

# Attachment C: Changes in Scope/Work

## Changes in the Work/Scope

It is expected that the Subcontractor submit a Labor Only price for the work included in the future implementation contract and therefore minimal to no change orders are expected after entering into the contract. After entering into a contract, the cost or credit to the project resulting from any changes in the Work directed by Owner, McKinstry, or Subcontractor shall be determined in one or more of the following ways matching the Owner's project contractual requirements:

1. By unit prices stated in RFP response or as subsequently agreed upon;
2. By a lump sum proposal, which is mutually accepted, is properly itemized, and includes the following:
  - a. Labor, including benefits, payroll taxes, and workers compensation insurance or any other associated labor costs;
  - b. Materials entering permanently into the Work, including sales tax; and
  - c. Costs for equipment utilized to perform the Change Order work.
3. By a not-to-exceed maximum cost, which is based on the actual cost of time and materials, properly itemized and verified, and includes the following:
  - a. Labor, including benefits, payroll taxes, and workers compensation insurance;
  - b. Materials entering permanently into the Work, including sales tax; and
  - c. Costs for equipment utilized to perform the Change Order work.

The costs for changes in the Work may be increased to include taxes (if applicable) and a fixed mark-up for Subcontractor profit and overhead. This fixed mark-up shall not exceed the amounts stipulated below for a single Change Order item, or for any group of related items, and shall be full compensation for the cost of overhead and profit related to the Change Order. Subcontractor shall not be entitled to additional costs for supervision, insurance, bonds or field office personnel due to a change, unless that change includes additional time. In that case, the Subcontractor shall be allowed to calculate costs for supervision and field office personnel who are directly attributable to the change. Administration or preparation costs shall not be allowed, and no other costs or expenses are agreed to unless otherwise agreed to in writing.

The Change Order Mark-up Schedule (allowable fees and mark-ups) is currently being negotiated with the client and will be provided to the Subcontractor prior to execution of the contract.

Markup shall include all overhead and profit on labor and material as applies to every subcontractor and/or supplier for a particular change in scope.

For purposes of this Contract, direct costs for Change Order work directed by McKinstry or Owner shall include direct labor, direct labor burden, associated labor taxes, material, equipment and Subcontract costs.

All other costs are considered overhead or profit (to include but not limited to small tools with an actual purchase price less than \$500.00, insurance and B&O Taxes) and shall be included in the percentage of mark-up as set forth in this contract.

# Attachment C: Changes in Scope/Work

Provide within the proposal a detailed list of labor rates (fully burdened) including job title, straight time rate, overtime rate and double time rate. Identify salaried personnel on this list.

| JOB TITLE | STRAIGHT TIME | OVER TIME | DOUBLE TIME | SWING SHIFT | SALARY<br>Y/N |
|-----------|---------------|-----------|-------------|-------------|---------------|
|           |               |           |             |             |               |
|           |               |           |             |             |               |
|           |               |           |             |             |               |
|           |               |           |             |             |               |
|           |               |           |             |             |               |
|           |               |           |             |             |               |
|           |               |           |             |             |               |
|           |               |           |             |             |               |
|           |               |           |             |             |               |
|           |               |           |             |             |               |

Attach additional sheets if necessary.

