

## SCHEDULE "4"

### COST PLUS RATES

#### 1. General

- 1.1 Payment by the Province to the Contractor for Additional Maintenance Services pursuant to subsection 5(a) of Schedule 3 ("Additional Maintenance Services") shall be calculated in accordance with this Schedule and shall constitute full and final payment for all costs and expenses incurred by the Contractor in connection with providing the Additional Maintenance Services.
- 1.2 Conditional upon the Province making payment to the Contractor on the Cost Plus Rates basis is the Province's receipt of the following supporting documentation from the Contractor:
- (a) for labour: include time cards showing employee name, rate, hours worked, location of work and activity (type of work);
  - (b) for purchased materials: include invoices from the supplier that include the item description, quantity, unit cost, and total cost;
  - (c) for materials from own inventory: include three quotes for same/similar material to determine market price, including shipping and delivery charges;
  - (d) for hired equipment: invoices include the type, make, model, size, year, attachments, rate (as defined in the "Equipment Rental Rate Guide" (The Blue Book) published by the B.C. Road Builders & Heavy Construction Association), and hours worked;
  - (e) for subcontracts: include a copy of the agreement; and;
  - (f) for living out allowance payable only at the Group 1 provincial government per diem rates: include the name of employees, hours worked, location of work and receipt for accommodation. Meal receipts are not required.

#### 2. Labour

- 2.1 Cost Plus Rates for labour shall, subject to the terms of this Agreement, be an amount equal to the total of subsections 2.1(a) and 2.1(b) of this Schedule:
- (a) the actual wages paid or incurred directly by the Contractor in respect of the Contractor's labour and supervisory personnel who are actively and necessarily engaged on the particular item of work performed by the Contractor, which is based on:
    - (i) where applicable, the collective agreement in force between the Contractor and the trade union representing the employees of the Contractor that is in effect, voluntarily recognized, or certified pursuant to the Labour Relations Code of British Columbia; or
    - (ii) where there is no collective agreement, the Contractor's actual costs for wages and salaries certified in writing by the Contractor to the satisfaction of the Province; and
  - (b) 60% of the total costs calculated under subsection 2.1(a) of this Schedule to cover the Contractor's payroll burden, profit, and any and all other costs of the Contractor, including without limitation, the Contractor's overhead, supervision, administration, insurance and bonding costs and other

expenses. For clarity, payroll burden includes, but is not limited to, the following costs paid by the employer: vacation pay, sick leave, statutory holidays, training, employment insurance, group life insurance, Medical Services Plan of British Columbia, group medical plan, WorkSafe BC, pension plan, Canada Pension Plan and union contributions.

2.2 The Cost Plus Rates for labour shall not include:

- (a) any payment or costs incurred by the Contractor for operators of hired equipment, as described in the Province's Hired Equipment Policy;
- (b) labour costs incurred by the Contractor in connection with or under subcontracts; or
- (c) costs incurred by the Contractor for general supervision, administration, or management time spent on the item of work.

**3. Equipment**

3.1 Cost Plus Rates for equipment shall, subject to the terms of this Agreement, be an amount equal to the total of subsections 3.1(a), 3.1(b) and 3.1(c) of this Schedule:

- (a) costs for equipment owned or leased by the Contractor shall be an amount equal to the applicable "All Found Less Operator" rate plus the fuel surcharge set out in the "Equipment Rental Rate Guide" (The Blue Book) published by the B.C. Road Builders & Heavy Construction Association and authorized by the Province, in effect when that item of work was performed, or, if the "Equipment Rental Rate Guide" (The Blue Book) published by the B.C. Road Builders & Heavy Construction Association is silent as to the applicable rate, the rate shall be agreed upon by the Province and the Contractor prior to the use of the equipment in the performance of the applicable item of work, being full payment and reimbursement for all fuel, oil, lubrication, repairs, maintenance, and other costs incidental to owning and operating the equipment;
- (b) costs for hired equipment shall be an amount equal to the applicable "All Found" rate plus the fuel surcharge set out in the Equipment Rental Rate Guide described in subsection 3.1(a) above, in effect when that item of work was performed, or, if the "Equipment Rental Rate Guide" (The Blue Book) published by the B.C. Road Builders & Heavy Construction Association is silent as to the applicable rate, the rate shall be agreed upon by the Province and the Contractor prior to the use of the equipment in the performance of the applicable item of work, being full payment and reimbursement for the operator, and for all fuel, oil, lubrication, repairs, maintenance, and other costs incidental to owning and operating the equipment; and
- (c) 15% of the total costs calculated under subsections 3.1(a) and 3.1(b) of this Schedule to cover the Contractor's profit, and any and all other costs of the Contractor, including without limitation, the Contractor's overhead, supervision, administration, insurance and bonding costs and other expenses.

3.2 The Cost Plus Rates for equipment shall not include fees for equipment incurred by the Contractor in connection with or under subcontracts.

**4. Materials**

4.1 The Cost Plus Rates for materials purchased or supplied from stock that are necessary to carry out the work shall subject to the terms of this Agreement, be an amount equal to the total of subsections 4.1(a) and 4.1(b) of this Schedule:

- (a) the actual costs incurred by the Contractor for materials supplied in the performance of the applicable item of work at invoice costs (which includes all freight and express charges, all taxes excluding GST, and all other costs incurred by the Contractor to supply the materials delivered and used to perform the applicable item of work, at the site) or the market price for materials from the Contractor's own inventory (as evidenced by 3 quotes); and
  - (b) 10% of the total costs calculated under subsection 4.1(a) of this Schedule to cover the Contractor's profit, and any and all other costs of the Contractor, including without limitation, the Contractor's overhead, supervision, administration, insurance and bonding costs and other expenses.
- 4.2 Cost Plus Rates for materials shall not include fees for materials incurred by the Contractor in connection with or under subcontracts.
- 5. **Subcontracts**
- 5.1 Cost Plus Rates for subcontracts necessary to carry out the work shall, subject to the terms of this Agreement, be an amount equal to the total of subsections 5.1(a) and 5.1(b) of this Schedule:
  - (a) the actual costs incurred by the Contractor for subcontracts with subcontractors in the performance of the applicable item of work at invoice costs (which includes all taxes paid by the subcontractor and the Contractor); and
  - (b) 10% of the total costs calculated under subsection 5.1(a) of this Schedule to cover the Contractor's profit, and any and all other costs of the Contractor including without limitation, the Contractor's overhead, supervision, administration, insurance and bonding costs and other expenses.
- 5.2 For the purpose of this Schedule, a 'subcontract' is a contract between the Contractor and a third party for the purpose of the third party performing Additional Maintenance Services pursuant to this Agreement and does not include an equipment lease or hiring of equipment.