

## Mechanical Contractors Association of Ottawa

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# Change Order Labour Rate Guide

This guide provides MCA Ottawa's suggested **minimum** labour rate guide for Change orders or additional work in **Mechanical (piping) trade.**

Effective May 1, 2022

MCA Ottawa recommended rate is **\$118.68**

If the change order work is being done using overtime hours  
MCA Ottawa recommended overtime rate **\$185.60**

The following **are not** included in the above calculations (see next page for definitions):

### All Projects:

Overhead & Profit (recommended at **20%** for own force and **15%** for subcontract work)  
Project Management  
Estimating Changes  
Bonding Cost  
As-Builts & manuals  
Warranty  
Startup, Commissioning & Training  
Labour evaluation and productivity loss factor

### Project Specific costs:

\*BIM (Drafting, coordination, Interference Drawings)  
\*LEED Material & Labour  
\*Security Clearance  
\*Exceptional entry requirements  
\*Infection Control unique to the jobsite  
\*Exceptional project related costs

**The above change order rates are only applicable to members of MCA Ottawa. Details and calculations supporting these rates are available upon request by contacting the MCA Ottawa office.**



## **Definitions:**

**Overhead** - Overhead expenses are administrative expenses of a business which cannot be allocated to any specific project, but are necessary for the business to operate. Typical items may be but are not limited to the following items:

- Office rental, maintenance, utilities, and expenses
- Office equipment, furniture, and supplies
- Property taxes, business licenses, and auto insurance
- Dues and subscriptions
- Postage and courier (non-job related)
- Advertising and telephone
- Legal and accounting fees
- Sales and marketing
- President's salary and benefits
- Sales force salary and benefits
- Dispatcher's salary and benefits
- Purchaser's salary and benefits
- Clerical staff salary and benefits
- Estimators' salary and benefits (except for Change Orders)

**Profit** - profit is to compensate for risk, effort and return on investment.

**Labour evaluation and productivity loss factor** - Change orders can have an adverse effect on labour productivity due to circumstances beyond the control of the contractor. Factors that should be evaluated may be as follows:

- Stacking of trades
- Reassignment of Manpower
- Concurrent Operations
- Learning Curve
- Joint Occupancy
- Logistics
- Overtime
- Morale and attitude
- Crew size inefficiency
- Dilution of supervision
- Errors and Omissions
- Site Access
- Fatigue
- Season and Weather changes

**Bonding Cost** - the adjustment in premiums for all bonds and insurance which the contractor is required to purchase and maintain may be added as a lump sum if required

**As Builts & Manuals**- cost to incorporate the altered as-builts drawings into the original set. Costs of staff engaged in preparation or review of all drawings may also be included.

**Warranty** - all new items will now be covered by warranty, therefore an additional cost must be added.

*Support for the above definitions is found in CCDC2 general condition Article 6.3.*