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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 **Sheet Metal (HVAC) trade.**

Effective May 15, 2022

MCA Ottawa recommended rate is **\$116.92**

If the change order work is being done using overtime hours

MCA Ottawa recommended overtime rate **\$183.86**

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.