

## Contract Administration Unit - Best Practices for evaluating overruns for flagging under 000225.97

Things to consider when addressing 00225.97, cost justification for flagging:

- “Typical” or “Average” work week (month?) Observations and or review Certified Payroll for flaggers
- Number of flagging stations
- Number of relief flaggers
- Location of project
  - Possibility of Per Diem
  - Availability of relief flaggers
    - Overtime
- Breaks
  - Split shifts
  - Lunch Break by other flagger
  - Mid shift rest period breaks
- Overtime
  - Planned
  - Unplanned
    - Equipment Breakdown
    - Irregular work hours
- How would we staff this work if we owned the company and were in charge of labor staffing?
  - Labor Laws
  - Breaks
  - Overtime
- Section 00197.30 - Labor
  - (a) Standard Calculation
    - Includes 22% markup in doubling
    - Overtime is not addressed in the Standard Calculation
    - If subcontracted, an additional 8% is allowed under 00197.80
  - Expanded Calculation – Force Account Work
    - – NCCI, Fringe, SSI, TriMet, etc.
    - 00197.80 Percentage Allowance
      - Force Account worksheet for labor add 22%
      - If subcontracted, an additional 8% is allowed under 00197.80

General procedure is to fill out a Cost Justification for Labor form 734-1863B for a typical work week taking the preceding items into consideration. For the same week, determine the number of flagging hours paid under the bid item for the same time period. Divide the total computed amount under the Cost Justification form for the typical work week by the number of flagging hours paid to determine the “justified” amount for 00225.97.

For example (see attached), the computed amount is \$4,262.23. A review of the flagging tickets for the week reveals a quantity of 94 hours paid under the bid item. The “justified” amount would be \$4,262.23 divided by 94 or \$45.34. This would be increased by an additional 8% if the work was subcontracted or \$48.97.

Alternately, using the 2x standard method from 00197 the base rate is \$20.12, doubled is \$40.24. The rate of \$40.24 in this example is multiplied by 99/94 (payroll hours/flagging station hours) and the “justified” rate would be \$42.38 and again this would be increased by an additional 8% if the work was subcontracted or \$45.77. The higher of the two justified rates should be used, or for this example \$48.97 if the work is subcontracted.

Contact the Region Assurance Specialist or the Contract Administration Unit for questions.



# Force Account Invoice for Labor – Actual Cost Calculation

(as defined by § 00197.30(b) of the 2008 Oregon Standard Specifications for Construction)

Prepared by  Date  Project Name (Section)  Contract No.   
 Reviewed by  Date  Contractor  Period of Work  TO  Extra Work Order No.   
 Subcontractor (if applicable)

Labor			Dates												Total Hours (1)	Hourly Rate (2)	\$Amt Col 1 x Col 2			
Name of Employee	Craft	Group No.	Month	12	1	2	3	4	5	6	7	8	9	10				11	12	
1	Flagger A	Laborer	5	OT					2									2	\$30.18	\$60.36
				ST	8	8	8	8	8											40
2	Flagger B	Laborer	5	OT																
				ST	6	6	6	6	6											30
3	Flagger C	Laborer	5	OT																
				ST	5	5	5	7	5											27
4				OT																
				ST																
5				OT																
				ST																
6				OT																
				ST																
7				OT																
				ST																
8				OT																
				ST																
9				OT																
				ST																
10				OT																
				ST																

Travel, Subsistence, Expense, Etc.			
List Number from Above	Days or Hours	\$ Rate	\$ Amount
Other Expenses (attach receipts if appropriate)			
Total to Line F	<b>A</b>		

Taxes and Insurance on Payroll		
Class Code	Assigned Risk Base Rate	Computed Rate %
7720	4.72	4.72%
Experience Modification Factor	1	
Social Security - FICA		7.65%
Oregon Unemployment		5.4%
Federal Unemployment		0.8%
Transit Tax {Tri-Met @ PDX and LTD in Eugene/Spfld}		0.6%
{Transit tax varies by Project Location and may be 0}		
{Assigned Risk Rate is date specific}		
{The Experience Modification Factor is Contractor or Subcontractor specific.}		
Total Percentages for Taxes and Insurance	<b>B</b>	19.17%

Vacation		Craft		
Total for Labor and Vacation			C	\$2,012.00
Total for Taxes and Insurance (Line B x Line C)			D	\$385.70
Fringe Benefits		Craft		
(Health and welfare, pension, education, or training, etc.)	Laborer Group 5	99	11.07	\$1095.93
Total for Fringe Benefits			E	\$1095.93
Total Travel, Subsistence, Expenses, Etc. (From Line A)			F	
Total of Lines C, D, E, F			G	\$3493.63
Contractor's Percentage Allowance (Line G x 22%)			H	\$768.60
Total Amount Due (Line G & Line H)				\$4262.23

Submit the Original and one copy to Project Manager.