

# Subcontractors Guidelines

## ATTACHMENT B

1	Subcontractors Bids will not be considered without a complete listing of hourly rates AND a full breakdown of how those rates are calculated
2	BIM Clash coordination drawings and modifications to the model shall be included in the Subcontractors Base Bid.
3	BIM coordination for Change Orders under 10% of the original contract price should be included in subcontractors base bid, additional BIM coordination cost beyond 10% will be acceptable on a per change Hourly rate.
4	First Tier Subcontractors are allowed 15% maximum markup for Overhead and Profit on Changer Order work or as negotiated.
5	Second or third tier subcontractors markup can not exceed 15% maximum or as negotiated markup for Overhead and Profit.
6	The cumulative markup allowed by all First, Second and Third tier subcontractors can not exceed 21% or as negotiated for Overhead and Profit. Third Tier Sub 15% + Second tier Markup 3% + first tier markup 3% = Total 21%.
7	Should a second or third tier subcontractor not provide OH&P percentages (which they should) 15% may be assumed for lowest tier subcontractor.
8	Subcontractors are required to credit Overhead an Profit with all deductive Change Orders.
9	Subcontractors must provide their Bonding Rate with their proposal.
10	The cost of Change Order shall not include:
11	Project Managers Time
12	Supervision beyond a working Forman
13	Bonus or Incentives
14	Safety Program including on site representation
15	Small Tools and consumables
16	Third Party billing fees (A cost to process a bill)
17	Transportation excluding dedicated trips
18	IT Devices
19	Miscellaneous standard markups
20	Redline Documents
21	Freight other than specific freight charges
22	Shop burden
23	Estimating
24	

25	Mark-up Table	3rd Tier	2nd Tier	Primary	
26	Labor			15%	Provide detailed labor breakdown
27	Material			15%	Material supplier or detailed breakdown
28	Equipment			15%	Provide detailed cost breakdown
29	Second Tier Sub		15%	6%	See Two Tiers Box below
30	Third Tier Subcontractor	15%	3%	3%	See Three Tiers Box below

\* percentage can be changed but the total mark-up can not exceed 21% for multi tiered subs

#### Sample Sub-Contractor Change Order

##### One Tier

	Primary Labor	\$ 300.00	Provide detailed labor breakdown		
	Primary Material	\$ 300.00	Material supplier or detailed breakdown including sales tax		
	Primary Equipment	\$ 300.00	Provide detailed breakdown		
	<i>Primary Sub Total</i>	<i>\$ 900.00</i>			
15%	OH&P	\$ 135.00			
	<b>Total Primary Subcontractor</b>	<b>\$ 1,035.00</b>			

##### Two Tiers

		Primary	2nd Tier					
	Primary Labor	\$ 200.00		Provide detailed labor breakdown				
	Primary Material	\$ 200.00		Material supplier or detailed breakdown including sales tax				
	Primary Equipment	\$ 200.00		Provide detailed breakdown				
	<i>Primary Direct Cost Total</i>	<i>\$ 600.00</i>						
15%	Primary Direct Cost OH&P	\$ 90.00						
	<i>Primary Sub-Total</i>	<i>\$ 690.00</i>						
	2nd Tier Subcontractor Direct Cost		\$ 300.00					
15%	2nd Tier Direct Cost OH&P		\$ 45.00					
	<i>2nd Tier Sub Total</i>	<i>\$ 345.00</i>	<i>\$ 345.00</i>					
6%	Primary's OH&P on 2nd Tier Sub Total	\$ 20.70						
	<b>Total Primary &amp; 2nd Tier Cost with markup</b>	<b>\$ 1,055.70</b>						

21% Cumulative Markup

##### Three Tiers

		Primary	2nd Tier	3rd Tier				
	Primary Labor	\$ 300.00			Provide detailed labor breakdown			
	Primary Material	\$ 300.00			Material supplier or detailed breakdown including sales tax			
	Primary Equipment	\$ 300.00			Provide detailed breakdown			
	<i>Primary Direct Cost Total</i>	<i>\$ 900.00</i>						
15%	Primary Direct Cost OH&P	\$ 135.00						
	<i>Primary Sub-Total</i>	<i>\$ 1,035.00</i>						
	2nd Tier Subcontractor Direct Cost		\$ 600.00		Provide detailed labor, material, & equipment breakdown			
15%	2nd Tier OH&P		\$ 90.00					
	<i>2nd Tier Sub Total</i>		<i>\$ 690.00</i>					
	3rd Tier Subcontractor Direct Cost			\$ 300.00	Provide detailed labor, material, & equipment breakdown			
15%	3rd Tier Direct Cost OH&P			\$ 45.00				
	<i>3rd Tier Sub Total</i>			<i>\$ 345.00</i>	<i>\$ 345.00</i>			
3%	2nd Tier OH&P on 3rd Tier Sub Total			\$ 10.35				
	2nd & 3rd Tier Sub Total with markup	\$ 1,045.35	\$ 1,045.35					
3%	Primary OH&P on 2nd & 3rd Tier Sub Total with markup	\$ 31.36						
	<b>Total Primary &amp; 2nd Tier &amp; 3rd Tier Cost with markup</b>	<b>\$ 2,111.71</b>						

21% Cumulative Markup