



## **Change Order Labour Rate**

**MCA Ottawa's guidelines for its suggested minimum  
Change Order Labour Rate for Mechanical Work Covering  
Extras in *Fabrication Shop - Sheet Metal trade***

Effective May 1, 2017 through to April 30, 2018  
the recommended rate is \$109.59

If the change order work is being done using overtime hours  
use the following overtime rate \$ 166.37

---

**Published by MCA Ottawa as a membership information service and is not intended as  
a directive**

---



**Guidelines for Change Order Labour Rate for Mechanical Work Covering Extras  
Extras in Fabrication shop in the Sheet Metal trade  
May 1, 2017 through to April 30, 2018**

| <b>ITEM</b>  | <b>Regular<br/>Rate</b> | <b>Overtime<br/>Rate</b> |
|--|-------------------------|--------------------------|
| 1- Base Rate as per negotiated Collective Agreement Basic Wage | \$38.15                 | \$76.30                  |
| 2- Vacation Pay - 10%  | 3.82                    | \$7.63                   |
| 3- Union Benefits  | 15.86                   | 17.26                    |
| 4- Payroll Burden  | 5.99                    | 11.59                    |
| 5- Rest Periods  | 3.61                    | 6.32                     |
| 6- Document Processing   | 2.50                    | 4.38                     |
| 7- Material Handling   | 4.31                    | 7.54                     |
| 8- Contractors Tools & Equipment                               | 0.94                    | 0.94                     |
| 9- Safety  | 7.77                    | 7.77                     |
| 10- Indirect Costs   | 13.28                   | 13.28                    |
| 11- Shop Burden  | 13.35                   | 13.35                    |
|  | <b>\$ 109.59</b>        | <b>\$ 166.37</b>         |

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

- Overhead & Profit
- Labour evaluation and productivity loss factor
- Bonding Cost
- As-Builts & manuals
- Warranty
- Startup, Commissioning & Training
- \*BIM (Drafting, coordination & Interference Drawings)
- \*LEED Material & Labour
- Project Management
- Estimating Changes
- \*Security Clearance
- \*Infection Control

\* = Project Specific Costs

## **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 Built & 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.*