



Change Order Labour Rate

**MCA Ottawa's guidelines for its suggested minimum
Change Order Labour Rate for Mechanical Work Covering
Extras in mechanical (piping) trade**

Effective May 1, 2017 through to April 30, 2018
the recommended rate is \$95.98

If the change order work is being done using overtime hours
use the following overtime rate \$154.44

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a directive**



Guidelines for Change Order Labour Rate for Mechanical Work Covering Extras
Extras in mechanical (piping) trade
May 1, 2017 through to April 30, 2018

ITEM	Regular Rate	Overtime Rate
1- Base Rate as per negotiated Collective Agreement Basic Wage	\$38.91	\$77.82
2- Vacation Pay - 11%	4.28	8.56
3- Supervision	6.91	13.82
4- Rest Period	3.72	6.42
5- Small Tools	3.58	3.58
6- Union Benefits	16.26	16.26
7- Payroll Burden	8.02	13.68
8- Health and Safety	11.16	11.16
9- Clean Up as per OCA	0.64	0.64
10- Parking	2.50	2.50
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	\$ 95.98	\$ 154.44

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 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.