**PERCENTAGE MARKUP AND PROCEDURES APPLICABLE TO WORK**

**ADDED TO OR OMITTED FROM THE ORIGINAL SUBCONTRACT AGREEMENT**

**LUMP SUM**

Predetermined Lump Sum additions and/or omissions to the Subcontract are to be based upon the estimated “Net Actual Cost,” plus the following percentages for Overhead and Profit:

 **LABOR AND MATERIAL SUBLET WORK**

 **ADDITIONS:** OH % P % OH % P %

 **OMISSIONS:** OH % P % OH % P %

**TIME AND MATERIAL**

Additional work to the Subcontract, authorized by (Company Name) in advance to be performed on a Time and Material basis, is to be based upon the “Net Actual Cost”, plus the following percentages for Overhead and Profit:

 **LABOR AND MATERIAL SUBLET WORK**

 **ADDITIONS:** OH % P % OH % P %

**GENERAL**

1. Submission of estimates and costs shall be itemized in a form satisfactory to (Company Name) to permit ready analysis and evaluation. On Time and Material Work, Daily Reports, In Duplicate, showing all field and shop labor expended and/or material delivered shall be submitted to (Company Name) Superintendent. Invoices shall be submitted monthly.

2. No Overhead or Profit will be permitted on premium time.

3. Percentages shall apply to net differences in quantities for adds and deducts.

4. **Net Actual Cost**

a. ***Labor:***

 1. Wages of labor, including foreman, engaged in Work and directly on the Subcontractor’s

 payroll.

 2. Engineering layout and drafting performed at the site with (Company Name) prior approval.

 3. Fringe Benefits established by governing trade organizations.

 4. Federal Old Age Benefits, Federal and State Unemployment Taxes.

 5. Net actual premium paid for Public Liability, Worker’s Compensation, Property Damage, and any other form of insurance required by (Company Name).

 b. ***Material:***

 1. Net Cost of construction materials and supplies (F.O.B. Jobsite, where applicable),

 including applicable Sales and/or Use Taxes, trade and cash discounts.

 2. Costs of a special nature, approved in advance by (Company Name), such as for riggers,

labor transportation, equipment rentals, royalties, permits, and other expenses of this

general nature.

 c. ***Sublet Work:***

1. Net Cost to the Subcontractor of Work Sublet by them.

5. Percentages shall include the following overhead costs:

 a. Supervision and executive expenses.

 b. Small tools, scaffolding, blocking, shores, appliances, etc., and the expense of maintaining same.

 c. Administrative expenses, clerical, etc., both at the jobsite and in the Subcontractor’s office.

 d. Taxes required to be paid by the Subcontractor, but not included under the aforementioned Net

 Actual Cost.

6. Percentage markup for Overhead and Profit for Sub-Subcontractors shall be limited to the above listed

 percentages also.

7. Bond premium, when applicable, based on net actual cost.

The Subcontractor will be at risk if adherence to these procedures is not followed.

|  |  |  |  |
| --- | --- | --- | --- |
| SUBCONTRACTOR: |  | SIGNED: |  |
|  |  |  |  |
|  |  | PRINT NAME: |  |
|  |  |
|  |  | TITLE: |  |