

1.0 VALUATION OF CHANGES

1.1 General Procedures

1.1.1 Changes in the Work ordered by the Consultant in accordance with GC11 of the General Conditions and the Supplementary General Conditions CCDC No. 2 (Revised 1997) Stipulated Price Contract shall be valued in accordance with GC12 of the General Conditions and the Supplementary General Conditions CCDC No. 2 (Revised 1997) Stipulated Price Contract and as more fully specified herein.

1.1.2. The standard documentation for effecting changes in the Work shall be as follows:

1.1.2.1 Consultant's Contemplated Change Order issued to the Contractor on standard form and accompanied by necessary drawings, Schedule, Details, and Specifications.

1.1.2.2. Contractor's Quotation submitted to the Consultant showing amount by which the Contract Sum shall be adjusted by way of increase or decrease if the change is ordered.

1.1.2.3. Consultant's Formal Change Order issued to the Contractor on Standard Form after Owner's approval.

Note: Standard forms may be seen at the office of the Consultant during normal working hours.

2.1 Valuation of Changes

2.1.1 Quotations submitted by the Contractor in response to Consultant's Notice of Contemplated Change shall be fully detailed and itemized to facilitate checking and processing by the Consultant. Quotations shall be submitted in triplicate and shall:

- 2.1.1.1. List Work proposed to be carried out by Contractor's Own Forces showing labour, material, plant and equipment charges together with quantities and unit rates in the assessment of such charges.
 - 2.1.1.2. List Work proposed to be carried out by Subcontractors showing the amount quoted by each Subcontractor as verified by the Subcontractor's quotation which shall show labour, material, plant and equipment charges together with quantities and unit rates upon which the quotation is based.
 - 2.1.1.3. Use unit rates quoted in Tender Form and incorporated into Contract where applicable. The quantity to which the unit rate is applied in assessing the net cost shall be the net difference in quantity between the original and revised Work. For example: If the change effects the omission of 3 sq.ft. and the addition of 4 sq. ft. of an item covered by unit rates, the value of the change will be assessed by applying the unit rate to the net difference of 1 sq.ft. (extra) and applying the appropriate mark-up specified herein.
- 2.1.2 Where contract unit rates are not applicable:
- 2.1.2.1 Quote material prices which shall be the net price paid by the Contractor (or Subcontractor) after deduction of all trade and cash discounts and the like other than reasonable discount for prompt payment.

2.1.2.2. Quote plant and equipment costs which shall not be more than rates quoted in the latest edition of "Rental Rates on Contractor's Equipment" published by the Canadian Construction Association.

2.1.2.3. Quote labour costs which shall be the actual rate paid to the workmen in accordance with the fair wage provision of the Contract.

2.1.3. The following maximum mark-ups for overhead and profit may be applied as appropriate to the net costs assessed as above where the effect of the proposed change is an increase in the Contract Price and the amount of the change is not to be applied to provisional cash allowance. If the effect of the change is a decrease in the Contract Price no mark-up shall be applied:

1. Work carried out by General Contractors own forces
Overhead and Profit 10 %
2. Work carried out by Sub-Contractors:
 - .1 Sub-Contractors Overhead & Profit 10 %
 - .2 Contractor's Overhead & Profit 5 %
 - .3 Work carried out by Sub-Sub-Contractors:
 - .1 Sub-Sub Contractor's Overhead and Profit 10 %
 - .2 Sub-Contractor's Overhead and Profit 5 %
 - .3 General Contractor's Overhead and Profit 5 %

2.1.4 It shall be understood and agreed that the mark-ups specified shall be deemed to provide for payment in full for all items that in the custom of the Construction Industry in Manitoba are considered to be site or head office overhead and profit, supervision, administration and labour on-costs.

- 2.1.5 The issuance of a signed Change Order shall be deemed to be formal acceptance by the Owner of the Contractor's quotation. Following the issuance of a signed Change Order the Owner will not entertain claims for extra payments due to errors alleged to have been made in the Contractor's Quotation.

END OF SECTION