Contract Administration Unit - Best Practices for evaluating overruns for flagging under 000225.98

Things to consider when addressing 00225.97, cost justification for flagging:

- “Typical” or “Average” work week (month?) Observations and or review Certified Payroll for flaggers
- Number of flagging stations
- Number of relief flaggers
- Location of project
  - Possibility of Per Diem
  - Availability of relief flaggers
    - Overtime
- Breaks
  - Split shifts
  - Lunch Break by other flagger
  - Mid shift rest period breaks
- Overtime
  - Planned
  - Unplanned
    - Equipment Breakdown
    - Irregular work hours
- How would we staff this work if we owned the company and were in charge of labor staffing?
  - Labor Laws
  - Breaks
  - Overtime
- Section 00197.30 - Labor
  - Expanded Calculation – Force Account Work
    - – NCCI, Fringe, SSI, TriMet, etc.
    - 00197.80 Percentage Allowance
      - Force Account worksheet for labor add 22%
      - If subcontracted, an additional 8% is allowed under 00197.80

General procedure is to fill out a Cost Justification for Labor form 734-18638 for a typical work week taking the preceding items into consideration. For the same week, determine the number of flagging hours paid under the bid item for the same time period. Divide the total computed amount under the Cost Justification form for the typical work week by the number of flagging hours paid to determine the “justified” amount for 00225.97.

For example (see attached), the computed amount is $4,262.23. A review of the flagging tickets for the week reveals a quantity of 94 hours paid under the bid item. The “justified” amount would be $4,262.23 divided by 94 or $45.34. This would be increased by an additional 8% if the work was subcontracted or $48.97.

Alternately, using the 2x standard method from 00197 the base rate is $20.12, doubled is $40.24. The rate of $40.24 in this example is multiplied by 99/94 (payroll hours/flagging station hours) and the “justified” rate would be $42.38 and again this would be increased by an additional 8% if the work was subcontracted or $45.77. The higher of the two justified rates should be used, or for this example $48.97 if the work is subcontracted.

Contact the Region Assurance Specialist or the Contract Administration Unit for questions.

9/18/2019
## Force Account Invoice for Labor – Actual Cost Calculation

(as defined by § 00197.30(b) of the 2008 Oregon Standard Specifications for Construction)

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### Labor

<table>
<thead>
<tr>
<th>Name of Employee</th>
<th>Craft</th>
<th>Group No.</th>
<th>Dates</th>
<th>Total Hours</th>
<th>Hourly Rate</th>
<th>$Amt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flagger A</td>
<td>Laborer</td>
<td>5</td>
<td>OT</td>
<td>2</td>
<td>$30.18</td>
<td>$60.36</td>
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<td></td>
<td>ST 8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>$20.12</td>
<td>$804.80</td>
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<tr>
<td>Flagger B</td>
<td>Laborer</td>
<td>5</td>
<td>OT</td>
<td>40</td>
<td>$20.12</td>
<td>$804.80</td>
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<td>$603.60</td>
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<td>Flagger C</td>
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<td>OT</td>
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<td>$20.12</td>
<td>$543.24</td>
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<tr>
<td></td>
<td>ST 5</td>
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<td>5</td>
<td>7</td>
<td>$20.12</td>
<td>$543.24</td>
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### Taxes and Insurance on Payroll

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<tr>
<th>Class Code</th>
<th>Assigned Risk Base Rate</th>
<th>Experience Modification Factor</th>
<th>Social Security - FICA</th>
<th>Oregon Unemployment</th>
<th>Federal Unemployment</th>
<th>Transit Tax (Tri-Met @ PDX and LTD in Eugene/Spfld)</th>
<th>Computed Rate %</th>
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</thead>
<tbody>
<tr>
<td>7720</td>
<td>4.72%</td>
<td>1.0</td>
<td>7.65%</td>
<td>5.4%</td>
<td>0.8%</td>
<td>0.6%</td>
<td>4.72%</td>
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### Vacation

<table>
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<tr>
<th>Vacation</th>
<th>Craft</th>
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</thead>
<tbody>
<tr>
<td>contractor vacation</td>
<td>Laborer Group 5</td>
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### Travel, Subsistence, Expense, Etc.

<table>
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<tr>
<th>List Number from Above</th>
<th>Days or Hours</th>
<th>$ Rate</th>
<th>$ Amount</th>
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</thead>
<tbody>
<tr>
<td>A</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Total to Line F

<table>
<thead>
<tr>
<th>F</th>
<th>A</th>
</tr>
</thead>
</table>

### Total Percentages for Taxes and Insurance

| B | 19.17% |

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Submit the Original and one copy to Project Manager.

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Contract No. C12345

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Example Project

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Contractor Name Here

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734-1863B (02-2010)