

Study Guide for

# 14 - Ethics

By: Mark Pitts

## 14. Ethics

### Introduction

What are “ethics” and what are the ethically requirements of the professional estimator? An examination of various source definitions produces the following reasonable composite:

*ETHICS are the rules and standards governing the conduct of a person or the conduct of the members of a profession ... distinguishing between good and evil ... between right and wrong ... and between virtuous and nonvirtuous characteristics and conduct.*

The American Society of Professional Estimators has a canon of ethics which are not exclusively for the CPE but rather for every member of our society employed in the estimating profession. As a professional estimator it is your responsibility to be familiar with the nine canons specifically and critically described and to embrace them. Real world estimating activities will create situations not specifically defined in the canons; however the ethical estimator must possess an internal compass pointing at the ‘intent of the canons’ to aid in those challenging determinations of what is proper behavior.

The canons of ethics for other societies, differing professional organizations, as well as, definitions and philosophical descriptions return a surprising similar triad of concepts. The three virtually universally principles of nearly every society and culture used when describing ethical behavior are *fairness*, *honesty* and *integrity*.

### Learning Objectives

- To be able to explain an estimator’s ethical professional behavior.
- To recognize ethical conflicts whether personal or project related.
- To be able to recognize the importance of confidentiality.
- To understand the differences between bid shopping, bid peddling and collusion.
- To understand the importance of working in your discipline and your responsibility to produce accurate estimates.

## **The ASPE Canon of Ethics**

### **Canon 1**

*Professional estimators shall perform services in areas of their discipline and competence.*

### **Canon 2**

*Professional estimators shall continue to expand their professional capabilities through continuing education programs to better enable them to serve clients, employers and the industry.*

### **Canon 3**

*Professional estimators shall conduct themselves in a manner, which will promote cooperation and good relations among members of our profession and those directly related to our profession.*

### **Canon 4**

*Professional Estimators shall safeguard and keep in confidence all knowledge of the business affairs and technical procedures of an employer or client.*

### **Canon 5**

*Professional Estimators shall conduct themselves with integrity at all times and not knowingly or willingly enter into agreements that violate the laws of the United States of America or of the states in which they practice. They shall establish guidelines for setting forth prices and receiving quotations that are fair and equitable to all parties.*

### **Canon 6**

*Professional Estimators shall utilize their education, years of experience and acquired skills in the preparation of each estimate or assignment with full commitment to make each estimate or assignment as detailed and accurate as their talents and abilities allow.*

### **Canon 7**

*Professional Estimators shall not engage in the practice of "Bid Peddling" as defined by this code. This is a breach of moral and ethical standards and this practice shall not be entered into by a member of this Society.*

### **Canon 8**

*Professional Estimators and those in training to be estimators shall not enter into any agreement that may be considered acts of collusion or conspiracy (bid rigging) with the implied or express purpose of defrauding clients. Acts of this type are in direct violation of the Code of Ethics of the American Society of Professional Estimators.*

### **Canon 9**

*Professional Estimators and those in training to be estimators shall not participate in acts such as the giving or receiving of gifts, that are intended or may be construed as being unlawful acts of bribery.*

### **Terminology**

**Bid Peddling** – The peddling of a bid is the unethical behavior of a contractor offering to 'lower' their price to potential or any client after the bidding period has concluded. This can occur when a contractor becomes aware that they are not the low bid, and in an effort to supersede the proper legitimate low bidder, propose to reduce their original quote. Not only unethical, this practice presents an unprofessional behavior and an apparent suspicion in the individual or firm's ability to provide a correct honest price.

**Bid Rigging** – Bid rigging is the unethical behavior of preparing and the presentation of a quoted project with the appearance of legitimate competition when little or none exists. This may have occurred due to the unlawful procedure of coordinating bids with and between perceived competition, or a scheme to secure a contract at a pre-determined price. The unlawful practice of supplying 'complimentary' bids is also viewed as bid rigging under most, if not all, state and federal laws. Bid rigging is illegal under U.S. antitrust law (*Sherman Act of 1890*) and is a felony punishable by fines, imprisonment or both.

**Bid Shopping** – Bid Shopping is the unethical behavior of a contractor, client or an estimator requesting a subcontractor produce a 'lowered' quotation without any significant alteration to their scope or work. It is also the post-bid practice of soliciting lower quotations to a known 'successful' bid-day low quotation from the sub-contractor market.

**Collusion** – is secret or illegal cooperation or conspiracy, specifically when designed to cheat or deceive others (*chiefly an owner or client relying on a competitive bid marketplace*). It is the illegal cooperation or conspiracy between professed opponents in a project with the goal to deceive. Nearly all states have statutes which preclude bidding contractors from performing acts which might provide the 'appearance of collusion'. Courts will view it as *prima facie* evidence of collusion should a phone record exist of a telephone communication between competing bidders during the period of the bidding process.

**Complimentary Bid** – Complimentary bidding is the scheme of some "competitors" submitting offers which they know the buyer will reject because their price is either excessive or contains unacceptable terms. This collusive act is performed with the intent to create the appearance of legitimate bidding while ensuring that a prearranged "competitor" wins the bid.

### **Items for Review**

- a. Unethical Bid Behaviors for an Estimator
  1. Be able to explain the unethical behavior of bid rigging

2. Understand the differences between bid shopping and bid peddling.
3. Be able to define and explain bid collusion.
4. Understand why providing a complimentary bid is collusion.

b. Unethical Bid Behaviors of the professional estimator

1. Be able to explain why accepting remunerations or gifts may be perceived as influencing an estimator's judgment; might be viewed as a bribe.
2. Understand the various confidences which must be maintained.
3. Explain why working outside your level of competence is an ethical breach.
4. Be able to explain the importance continuing education and the good relationships between fellow members of our Society and profession.

### **Summary**

The canon of ethics emphasizes specific concepts the ethical professional estimator must follow and to not accept or tolerate in others. These principles might easily be grouped into two categories. The first comprises actions specific to a project and the second to the behaviors of the estimator and our profession.

Project specific principles:

- Never be involved in bid shopping.
- Never become involved in bid peddling.
- Never be involved in collusion.
- And to the best of your ability produce the most accurate estimate as reasonably possible.

Professional behaviors:

- Do not profess to know, prepare or present estimates outside of your discipline or level of competence.
- Remain educationally and professionally current in your field of expertise.
- Promote cooperation and good relationships with other members of the profession and society.
- Always maintain the confidence of the information you receive; whether that information is from a client, a trade contractor, or the confidential procedures of your own employer.
- Do not violate the laws of the United States or the laws of any jurisdiction in which you are working.
- And finally, do not accept remunerations or gifts which are intended to, or may be perceived as, influencing an estimator's judgment or might be viewed as a bribe.

When we review and analyzed the ethical values of our profession, we recognize the ethical principles are modest and simple. You merely need to honor the lessons your mother taught you as a child and the principle triumvirate of fairness, honesty and integrity.

## 14 – Code of Ethics - Questions

1. Working with a separate contractor and agreeing to provide a quotation to a buyer which you know to be greater than the anticipated bid of a fellow contractor is what type of unethical behavior?
  - a. Bid shopping
  - b. A complimentary bid
  - c. Bid peddling
  - d. Accepting a gratuity.
2. The ASPE Canon of Ethics requires that an estimator maintain the following behaviors except for which exception below?
  - a. Establish guidelines for receiving quotations that are fair and equitable to all parties.
  - b. Maintain confidences of the business affairs and procedures of an employer or client.
  - c. Insure that all client quotations are provided to all parties prior to bid time.
  - d. Never knowingly or willingly enter into agreements which violate the laws of the U.S.
3. The three universal principles for the ethical behavior of our society included each of the following with what exception?
  - a. Toughness
  - b. Honesty
  - c. Integrity
  - d. Fairness
4. The ASPE Canon of Ethics requires a professional estimator and those in training to be estimators shall not participate in \_\_\_\_\_.
  - a. giving and receiving of gifts.
  - b. promote cooperation and good relations among members of our profession.
  - c. continuing education programs.
  - d. safeguard and keep in confidence all knowledge of the business affairs and technical procedures of an employer or client.
5. During an active competitive bid cycle, the record of a telephone call between the two separate estimating departments of those two competitive firms may be viewed as prima facie evidence of \_\_\_\_\_.
  - a. Bid Shopping
  - b. Bid Peddling
  - c. A joint venture
  - d. Collusion

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  - b. Bid Peddling
  - c. A joint venture
  - d. Collusion**

## ETHICS - SLIDES & COMMENTS

1

**ETHICS** are the rules and standards governing the conduct of a person or the conduct of the members of a profession ... distinguishing between good and evil ... between right and wrong ... and between virtuous and nonvirtuous characteristics and conduct.

2

***fairness , honesty and integrity .***

3

### **PROJECT SPECIFIC PRINCIPLES:**

- Never be involved in **bid shopping**  
(requesting a 'lowered' quotation or soliciting lower quotations post-bid).
- Never become involved in **bid peddling**  
(a contractor offering to 'lower' their price after bid conclusion).
- Never be involved in **collusion**  
(bid rigging, coordinating bids with and between perceived competition, or 'complimentary')

4

### **PROFESSIONAL BEHAVIORS:**

- Do not profess to know, prepare or present estimates outside of your discipline or level of competence.
- Remain educationally and professionally current in your field of expertise.
- Promote cooperation and good relationships with other members of the profession and society.
- Always maintain the confidence of the information you receive; whether that information is from a client, a trade contractor, or the confidential procedures of your own employer.
- Do not violate the laws of the United States or the laws of any jurisdiction in which you are working.
- Do not accepting remunerations or gifts which are intended to, or may be perceived as, influencing an estimator's judgment or might be viewed as a bribe.





# Detail of ProjectName Budget

Budget of Documents by Project/Architect dated DateOfDrawings. Estimate Preparation Date: 22 November 2016

DIVISION DESCRIPTIVE	QUANT -ITY	UNITS	MATERIAL		LABOR		SUBCONTRACT / EQUIPMENT		TOTAL
Item Title or Descriptive			Units	COST	Units	COST	Units	COST	COST

**ESTIMATE COLUMN TOTALS**

\$ -	\$ -	\$ -	\$ -
		<b>Sales Tax</b>	\$ -
		<b>Labor Burden</b>	\$ -

## Direct Construction Costs

### CONTINGENCIES as % of Sub-Total

Construction Contingency	3.00%	\$ -
Design Contingency	5.00%	\$ -
Owner Contingency		\$ -
Annual Escalation for 0.25 years at		\$ -
Material and / or Commodity Escalation		\$ -

## Direct Construction plus Contingencies

### Fee % including Contingencies

Construction Profit	10.00%	\$ -
Home Office General Conditions	15.00%	\$ -
Preconstruction Consultant Fee	1.00%	\$ -

## Direct Construction, Contingencies and Fees

### INSURANCES and Below Line Add-ons

Builders' Risk	0.12%	\$ -
Gross Receipts' or BPOL Tax	0.69%	\$ -
Liability Insurance	1.25%	\$ -
Subcontract Bond as % Subs		In Gen. Req.
100% P&P Bond	1.000%	\$ -
Building Permit Rate per \$M	\$7.07	\$ -

(Hard Bid Estimate)

## Budget TOTAL

### Softcosts or A/E Fees

Architectural Design Fee	\$ -
Structural Engineering Design Fee	\$ -
Mechanical Engineering Design Fee	\$ -
Electrical Engineering Design Fee	\$ -
Contract Administration Fee	\$ -

## Hard Construction Costs plus Softcost

### Additional Services or Costs

Land Costs	\$ -
Pre-Construction Services	\$ -
Information Technologies	\$ -
Telephone, CCTV and Data Lines	\$ -
Security; including Cameras	\$ -
Furniture, Fixturing & Equipment	\$ -
????	\$ -
????	\$ -
????	\$ -

## Estimate of Owner Program Cost



# Detail of ProjectName Budget

Budget of Documents by ProjectArchitect dated DateOfDrawings: Estimate Preparation Date: 22 November 2016

DIVISION DESCRIPTIVE	QUANT -ITY	UNITS	MATERIAL		LABOR		SUBCONTRACT / EQUIPMENT		TOTAL
Item Title or Descriptive			Units	COST	Units	COST	Units	COST	COST
ESTIMATE COLUMN TOTALS				\$ -		\$ -		\$ -	\$ -
									Sales Tax \$ -
									Labor Burden \$ -
									<u>Direct Construction Costs</u> \$ -
» <u>CONTINGENCIES as % of Sub-Total</u> «									
Construction Contingency									3.00% \$ -
Design Contingency									5.00% \$ -
Owner Contingency									\$ -
Annual Escalation for 0.25 years at									\$ -
Material and / or Commodity Escalation									\$ -
									<u>Direct Construction plus Contingencies</u> \$ -
» <u>Fee % including Contingencies</u> «									
Construction Profit									10.00% \$ -
Home Office General Conditions									15.00% \$ -
Preconstruction Consultant Fee									1.00% \$ -
									<u>Direct Construction, Contingencies and Fees</u> \$ -
» <u>INSURANCES and Below Line Add-ons</u> «									
Builders' Risk									0.12% \$ -
Gross Receipts' or BPOL Tax									0.69% \$ -
Liability Insurance									1.25% \$ -
Subcontract Bond as % Subs									In Gen. Req.
100% P&P Bond									1.000% \$ -
Building Permit Rate per \$M									\$7.07 \$ -
(Hard Bid Estimate)									<u>Budget TOTAL</u> \$ -

3 03400 CONCRETE CONCRETE FORMWORK		Division 3 Multipliers 1.000 1.000 1.000														
		Concrete Mechanic, Concrete Helper, Equipment Operator, Laborer, Finisher = Crew of # # # #														
		Crew	Crew Daily Prod.		Material	Labor	Daily Equip Cost	Equip. / Sub	Convert 'SUB' pricing to M + L + E w/ "x" in this column or convert to Material & Sub w/ "ms" in this column ↴							
Footing Steps	10	10000	\$ 144.00	12	\$ 8.00	\$ 12.00	\$ -	\$ -	EA	8.00	80	12.00	120			200
Pier Stem Forms	839	10000	\$ 144.00	50	\$ 1.15	\$ 2.88	\$ -	\$ -	SFCA	1.15	965	2.88	2,417			3,382
SOG Screed	1,385	11000	\$ 256.00	800	\$ 0.10	\$ 0.32	\$ -	\$ -	LF	0.10	139	0.32	444			583
3/4 " Chamfer Strips	6,546	10000	\$ 144.00	1000	\$ 0.11	\$ 0.14	\$ 20	\$ 0.02	LF	0.11	721	0.14	917	0.02	131	1,769
Pan Slab Formwork	500	10000	\$ 144.00	75	\$ 0.90	\$ 1.92	\$ 15.00	\$ 0.20	SFCA	0.90	450	1.92	960	0.20	100	1,510
Pan Slab Pans	100	10000	\$ 144.00	75	\$ 0.90	\$ 1.92	\$ 15.00	\$ 0.20	LF	0.90	90	1.92	192	0.20	20	302
Wall Forms	1,395	11000	\$ 256.00	256	\$ 1.10	\$ 1.00	\$ 64.00	\$ 0.25	SFCA	1.10	1,535	1.00	1,395	0.25	349	3,279
Elevated Floor Beam Sidewall Formwork	300	11000	\$ 256.00	75	\$ 0.90	\$ 3.41	\$ 15.00	\$ 0.20	SFCA	0.90	270	3.41	1,023	0.20	60	1,353
Elevated Roof Beam Sidewall Formwork	600	11000	\$ 256.00	75	\$ 0.90	\$ 3.41	\$ 15.00	\$ 0.20	SFCA	0.90	540	3.41	2,046	0.20	120	2,706
Elevated Floor Beam Bottoms	50	21000	\$ 400.00	75	\$ 2.50	\$ 5.33	\$ 15.00	\$ 0.20	SFCA	2.50	125	5.33	267	0.20	10	402
Elevated Roof Beam Bottoms	100	21000	\$ 400.00	75	\$ 2.50	\$ 5.33	\$ 15.00	\$ 0.20	SFCA	2.50	250	5.33	533	0.20	20	803
Subtotals											\$ 5,165		\$ 10,314		\$ 810	\$ 16,289

Division 3 - Concrete	
Carpenter / Mechanic	\$18.00
Concrete Helper	\$14.00
Equipment Operator	\$20.00
Basic Laborer	\$14.00
Concrete Finisher	\$18.00

( CREW COST / DAY )

1 MECH @ 18 x 8 = \$144

1 HELPER @ 14 x 8 = \$112

CREW TOTAL = \$256

EQUIP OF \$64.00 / DAY ÷ 256 SFCA / DAY

DAILY PROD.

256 SFCA

LABOR =  $\frac{\$256 \text{ / DAY}}{256 \text{ SFCA / DAY}} = \$1.00 \text{ / SFCA}$

EQUIP

$\$0.25 \text{ / SFCA}$

# HHE Bid Day Recap - Cut Sheet Improved

Description / Item	M L S	BidRecapP M Estimate	Bid Quotes	Material Change	Labor Change	Sub Change	Sub in Bid	SF Cost	% of Job
Site Lighting	M	-	-				BidRecapPM		
Site Lighting	L	-	-				BidRecapPM		
Site Lighting	S	-	-				BidRecapPM		
Concrete	M	-	-				BidRecapPM		
Concrete	L	-	-				BidRecapPM		
Concrete	S	-	-				BidRecapPM		
Architectural Precast	M	-	-				BidRecapPM		
Architectural Precast	L	-	-				BidRecapPM		
Architectural Precast	S	-	-				BidRecapPM		
Structural Precast	M	-	-				BidRecapPM		
Structural Precast	L	-	-				BidRecapPM		
Structural Precast	S	-	-				BidRecapPM		
Concrete Tilt-up Panels	M	-	-				BidRecapPM		
Concrete Tilt-Up Panels	L	-	-				BidRecapPM		
Concrete Tilt-Up Panels	S	-	-				BidRecapPM		
Floor Topping	M	-	-				BidRecapPM		
Floor Topping	L	-	-				BidRecapPM		
Floor Topping	S	-	-				BidRecapPM		
Tectum Panels	M	-	-				BidRecapPM		
Tectum Panels	L	-	-				BidRecapPM		
Tectum Panels	S	-	-				BidRecapPM		
Architectural Cast- In - Place Restoration	M	-	-				BidRecapPM		
Architectural Cast- In - Place Restoration	L	-	-				BidRecapPM		
Architectural Cast- In - Place Restoration	S	-	-				BidRecapPM		
Blank Section	M	-	-				BidRecapPM		
Blank Section	L	-	-				BidRecapPM		
Blank Section	S	-	-				BidRecapPM		
Masonry (Brick & Block)	M	-	-				BidRecapPM		
Masonry (Brick & Block)	L	-	-				BidRecapPM		
Masonry (Brick & Block)	S	-	-				BidRecapPM		



# **This is a typical scope for a normal Costco**

The Work to be constructed and installed by the Subcontractor is described as follows:

## **MASONRY SCOPE OF WORK INCLUSIONS**

1. Furnish and install all specified and approved unit masonry, miscellaneous masonry steel, wall reinforcing, performed expansion joint, anchors and ties and rigid steel anchors, foam insulation and any other masonry accessories shown as specified in Specification Sections 04100 and 04200.
2. Unit masonry includes all CMU, brick, split face, precast concrete and smooth face block as specified.
3. Install all steel lintels and anchors embedded in masonry.
4. Install all anchor bolts embedded in masonry walls as required.
5. Provide and install all masonry copings.
6. Cleaning of all block as specified.
7. Provide one sample panel as specified.
8. Field engineering/layout other than the four building points.
9. All fire rated masonry and non-fire masonry work as shown.
10. All hoisting and scaffolding.
11. Provide and/or install all special masonry shapes including lintels, headers, corners and jambs as specified.
12. All loading bearing work as specified.
13. Grouting of all hollow metal frames within masonry work.
14. All horizontal and vertical control and expansion joints as shown.
15. Installation of reinforcing steel and grouting within masonry work.
16. Pointing, patching and tooling of joints.
17. Final cleaning.
18. Protection of adjacent work affected by masonry.
19. Coordinate with mechanical, electrical and plumbing subcontractors for the installation of all required penetrations.
20. Installation of any and all inserts as required.
21. All dry packaging as required.
22. Price to include all local sales tax.
23. Trash and debris will be removed from the jobsite on a daily basis.
24. Subcontractor will provide dumpster and remove trash.
25. Provide and install masonry insulation as required.
26. Provide final cleaning of block before sealant by others.
27. Provide and protect masonry with plastic to prevent moisture penetrating from top of wall.
28. Provide, install and unload masonry.
29. Subcontractor has acknowledged Costco Wholesale's Fair Wage Policy (See Document 00800, Special Conditions, paragraph 12).
30. Subcontractor's price includes wind bracing of masonry walls per OSHA regulations.
31. Subcontractor will provide and install all horizontal and vertical reinforcing steel.
32. Subcontractor will respond to change order proposals with itemized labor and material breakdowns within seven (7) days.
33. Subcontractor will submit all required submittals and shop drawings as required.
34. Subcontractor recognizes Armada/Hoffler Construction Company 110-calendar day construction schedule and will maintain adequate manpower.
35. Subcontractor's price includes winter protection, which consists of hot water, mortar additives, and blanketing walls as required.
36. Subcontractor agrees to work Saturdays as make-up days without charging overtime.



## GENERAL CONTRACTOR ESTIMATE FOR CHANGE ORDER

**Project Code:** 2014-13  
**Agency:** RRHA  
**Project:** ??? COT

**General Contractor:** In-House Estimate prepared for Baskervill  
**Subcontractor:** ABC Drywall  
**Subcontractor Trade:** Drywall

**Change Description:** *Foundation Change for 408 East 16th Street (substitute SOG for crawl space) - per Slab Detail X4.4*

**Change Description:**

## **GENERAL CONTRACTOR DIRECT COSTS**

Scope Description				Direct Labor			Direct Material		Direct Equipment		
Item No.	Description	Quantity	Qty Units	Direct Labor Hours Per Unit	Total Direct Labor Hours	Hourly Wage Rate, Excl. Taxes & Ins.	Total Labor Cost	Material Cost Per Unit	Total Material Cost	Equipment Cost Per Unit	Total Equipment Cost
A	B	C	D	E	F = C x E	G	H = F x G	I	J = C x I	K	L = C x K
1.01											
1.02											
1.03											
1.04											
1.05											
1.06											
1.07											
1.08											
1.09	Subtotal from Estimate Continuation Sheet 1										
1.09	Subtotal from Estimate Continuation Sheet 2										
1.97	Subtotal (\$/T) Direct Costs:										
1.98	FICA: <input type="text"/> 1.6% + <input type="text"/> FUI <input type="text"/> + <input type="text"/> SUJ <input type="text"/> + <input type="text"/> WHOT comp <input type="text"/> = <input type="text"/> 6.0% = <input type="text"/> 14.15%										
1.99	Subtotal Labor <input type="text"/> % of Item 1.97H = <input type="text"/> Subtotal Equip. Sales Tax at 5.30% <input type="text"/> Total Equip. <input type="text"/>										
	Total Direct Costs										

## SUBCONTRACT COSTS

Item No.	Subcontractor Name (List totals from attached SC-1 forms)	Total Cost
A	B	C
2.01		
2.02		
2.03		
2.04		
2.05		
2.06		
2.07		
2.08		
2.09		
2.99	<b>Total Subcontract Costs</b>	

## SUMMARY

Item No.	Description	Total Cost
3.01	Total Direct Labor Cost	Item 1.99H
3.02	Total Direct Material Cost	Item 1.99J
3.03	Total Equipment Cost	Item 1.99L
3.04	Subtotal	3.01+3.02+3.03
3.05	Overhead and Profit * (%)	15.0% x Item 3.04
3.06	Subtotal	3.04+3.05
3.07	Subcontractor Cost **	Item 2.99
3.08	GC Markup on Subcontractors	10.0% x Item 3.07
3.09	Subtotal	3.06+3.07+3.08
3.10	Additional Bond Cost (P&P)	4.50% x Item 3.09
3.99	Total Change Order Cost ***	(3.09+3.10)

Submitted By

**Mark Pitts, CPE**

Name:

Math 125; CPE

**Signature:**

**Certified Professional Estimator,  
Amer. Society of Pro. Estimators**

Tuesday, April 18, 2017

Date:

I have reviewed the costs proposed and find them to be reasonable (as proposed) (as marked).

**A/E Signature:**

**Note: Mark-up is capped in conformance with the provisions of the General Conditions (CO-7)**

\* Limited to 5% on self-performed work.

\*\*\* Limited to a total of 10%, shared (cumulative total) if multiple tier subs, on subcontracted work. Total mark-up on subcontracted work is calculated on the GC-1 form. See mark-up limitations for a more detailed description.

\*\*\* The subcontractor cost carried forward to GC-1 form does not include mark-up on sub-subcontractor costs. This mark-up is calculated on the GC-1 form. The GC and



( Attach to Form GC-1, SC-1, or SS-1 as necessary for continuation of the direct cost estimates. )

**Performing Contractor:** *In-House Estimate prepared for Baskervill*

## PERFORMING CONTRACTOR DIRECT COSTS

[illegible]



# SUBCONTRACTOR ESTIMATE FOR CHANGE ORDER

DGS-30-204  
(Rev. 05/13)

SC-1

Project Code: 2014-13  
Agency: RRHA  
Project: ??? COTTAGES

General Contractor: In-House Estimate prepared for Baskervill  
Subcontractor: ABC Drywall  
Subcontractor Trade: Drywall

Change Description: Foundation Change for 408 East 16th Street (substitute SOG for crawl space) - per Slab Detail X4.4

## SUB-CONTRACTOR DIRECT COSTS

Scope Description				Direct Labor			Direct Material		Direct Equipment	
Item No.	Description	Quantity	Qty Units	Direct Labor Hours Per Unit	Total Direct Labor Hours	Hourly Wage Rate, Excl. Taxes & Ins.	Material Cost Per Unit	Total Material Cost	Equipment Cost Per Unit	Total Equipment Cost
A	B	C	D	E	F = C x E	G	I	J = C x I	K	L = C x K
1.01										
1.02										
1.03										
1.04										
1.05										
1.06										
1.07										
1.08										
1.09	Subtotal from Estimate Continuation Sheet 1									
1.09	Subtotal from Estimate Continuation Sheet 2									
1.97	Subtotal (S/T) Direct Costs:									
1.98										
1.99	Total Direct Costs									

FICA: 1.6% + FUI + SUI = 14.15%  
Winn' comp

## SUBCONTRACT COSTS

Item No.	Sub-Subcontractor Name	Total Cost
A	B	C
2.01		
2.02		
2.03		
2.04		
2.05		
2.06		
2.07		
2.08		
2.09		
2.99	Total Sub-Subcontract Costs	

## SUMMARY

Item No.	Description	Total Cost
3.01	Total Direct Labor Cost	Item 1.99H
3.02	Total Direct Material Cost	Item 1.99J
3.03	Total Equipment Cost	Item 1.99L
3.04	Subtotal	3.01+3.02+3.03
3.05	Overhead and Profit * (%)	15.0% x Item 3.04
3.06	Subtotal	3.04+3.05
3.07	Sub-Subcontractor Cost **	Item 2.99
3.08	GC Markup on Subcontractors	10.0% x Item 3.07
3.09	Subtotal	3.06+3.07+3.08
3.10	Additional Bond Cost (P&P)	4.50% x Item 3.09
3.99	Total Change Order Cost ***	(3.09+3.10)

Submitted By  
Name: Mark Pitts, CPE

Signature: Mark Pitts, CPE

Title: Certified Professional Estimator, Amer. Society of Pro. Estimators

Date: Tuesday, April 18, 2017

I have reviewed the costs proposed and find them to be reasonable (as proposed) (as marked).

A/E Signature:

Note: Mark-up is capped in conformance with the provisions of the General Conditions (CO-7)

\* Limited to 5% on self-performed work.

\*\* Limited to a total of 10%, shared (cumulative total) if multiple tier subs, on subcontracted work. Total mark-up on subcontracted work is calculated on the GC-1 form. See mark-up limitations for a more detailed description.

\*\*\* The subcontractor cost carried forward to GC-1 form does not include mark-up on sub-subcontractor costs. This mark-up is calculated on the GC-1 form. The GC and its subcontractors shall establish how the mark-up is to be distributed among the various subcontractors involved in the work.