004 SCOPE OF THE WORK
(REV 5-28-20) (FA 07-09-20) (1-21)

SUBARTICLE 4-3.2.1 is deleted and the following is substituted:

4-3.2.1 Allowable Costs for Extra Work: The Engineer may direct in writing that extra work be done and, at the Engineer’s sole discretion, the Contractor will be paid pursuant to an agreed Supplemental Agreement or in the following manner:

1. Labor and Burden: The Contractor will receive payment for actual costs of direct labor and burden for the additional or unforeseen work. Labor includes foremen actually engaged in the work; and will not include project supervisory personnel nor necessary on-site clerical staff, except when the additional or unforeseen work is a controlling work item and the performance of such controlling work item actually extends completion of the project due to no fault of the Contractor.

Compensation for project supervisory personnel, but in no case higher than a Project Manager’s position, shall only be for the pro-rata time such supervisory personnel spent on the contract. In no case shall an officer or director of the Company, nor those persons who own more than 1% of the Company, be considered as project supervisory personnel, direct labor or foremen hereunder.

Payment for burden shall be limited solely to the following:

<table>
<thead>
<tr>
<th>Item</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FICA</td>
<td>Rate established by Law</td>
</tr>
<tr>
<td>FUTA/SUTA</td>
<td>Rate established by Law</td>
</tr>
<tr>
<td>Medical Insurance</td>
<td>Actual</td>
</tr>
<tr>
<td>Holidays, Sick &amp; Vacation benefits</td>
<td>Actual</td>
</tr>
<tr>
<td>Retirement benefits</td>
<td>Actual</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>Rates based on the National Council on Compensation Insurance basic rate tables adjusted by Contractor’s actual experience modification factor in effect at the time of the additional work or unforeseen work.</td>
</tr>
<tr>
<td>Per Diem</td>
<td>Actual but not to exceed State of Florida’s rate</td>
</tr>
<tr>
<td>Insurance*</td>
<td>Actual</td>
</tr>
</tbody>
</table>

*Compensation for Insurance is limited solely to General Liability Coverage and does not include any other insurance coverage (such as, but not limited to, Umbrella Coverage, Automobile Insurance, etc.).

At the Pre-construction conference, certify to the Engineer the following:

a. A listing of on-site clerical staff, supervisory personnel and their pro-rated time assigned to the contract,

b. Actual Rate for items listed in Table 4-3.2.1,

c. Existence of employee benefit plan for Holiday, Sick and Vacation benefits and a Retirement Plan, and,
d. Payment of Per Diem is a company practice for instances when compensation for Per Diem is requested.

Such certification must be made by an officer or director of the Contractor with authority to bind the Contractor. Timely certification is a condition precedent to any right of the Contractor to recover compensations for such costs, and failure to timely submit the certification will constitute a full, complete, absolute and irrevocable waiver by the Contractor of any right to recover such costs. Any subsequent changes shall be certified to the Engineer as part of the cost proposal or seven calendar days in advance of performing such extra work.

2. Materials and Supplies: For materials accepted by the Engineer and used on the project, the Contractor will receive the actual cost of such materials incorporated into the work, including Contractor paid transportation charges (exclusive of equipment as hereinafter set forth). For supplies reasonably needed for performing the work, the Contractor will receive the actual cost of such supplies.

3. Equipment: For any machinery or special equipment (other than small tools), including fuel and lubricant, the Contractor will receive 100% of the “Rental Rate Blue Book” for the actual time that such equipment is in operation on the work, and 50% of the “Rental Rate Blue Book” for the time the equipment is directed to standby and remain on the project site, to be calculated as indicated below. The equipment rates will be based on the latest edition (as of the date the work to be performed begins) of the “Rental Rate Blue Book for Construction Equipment” as published by EquipmentWatch, a division of Informa Business Media, Inc., using all instructions and adjustments contained therein and as modified below. On all projects, the Engineer will adjust the rates using regional adjustments and Rate Adjustment Tables according to the instructions in the “Rental Rate Blue Book.”

Allowable Equipment Rates will be established as set out below:

a. Allowable Hourly Equipment Rate = Monthly Rate/176 x Adjustment Factors x 100%.
b. Allowable Hourly Operating Cost = Hourly Operating Cost x 100%.
c. Allowable Rate Per Hour = Allowable Hourly Equipment Rate + Allowable Hourly Operating Cost.
d. Standby Rate = Allowable Hourly Equipment Rate x 50%.

The Monthly Rate is The Basic Machine Rate Plus Any Attachments. Standby rates will apply when equipment is not in operation and is directed by the Engineer to standby at the project site when needed again to complete work and the cost of moving the equipment will exceed the accumulated standby cost. Standby rates will not apply on any day the equipment operates for eight or more hours. Standby payment will be limited to only that number of hours which, when added to the operating time for that day equals eight hours. Standby payment will not be made on days that are not normally considered work days on the project.

The Department will allow for the cost of transporting the equipment to and from the location at which it will be used. If the equipment requires
assembly or disassembly for transport, the Department will pay for the time to perform this work at the rate for standby equipment.

Equipment may include vehicles utilized only by Labor, as defined above.

4. Indirect Costs, Expenses, and Profit: Compensation for all indirect costs, expenses, and profit of the Contractor, including but not limited to overhead of any kind, whether jobsite, field office, division office, regional office, home office, or otherwise, is expressly limited to the greater of either (a) or (b) below:

a. Solely a mark-up of 17.5% on the payments in (1) through (3), above.

b. Solely the formula set forth below and only as applied solely as to such number of calendar days of entitlement that are in excess of ten cumulative calendar days as defined below.

\[ D = \frac{A \times C}{B} \]

Where

- \( A \) = Original Contract Amount
- \( B \) = Original Contract Time
- \( C = 8\% \)
- \( D \) = Average Overhead Per Day

Cumulative Calendar Days is defined as the combined total number of calendar days granted as time extensions due to either extra work, excluding overruns to existing contract items, that extend the duration of the project or delay of a controlling work item caused solely by the Department, or the combined total number of calendar days for which a claim of entitlement to a time extension due to delay of a controlling work item caused solely by the Department is otherwise ultimately determined to be in favor of the Contractor.

No compensation, whatsoever, will be paid to the Contractor for any jobsite overhead and other indirect impacts when the total number of calendar days granted for time extension due to delay of a controlling work item caused solely by the Department is, or the total number of calendar days for which entitlement to a time extension due to delay of a controlling work item caused solely by the Department is otherwise ultimately determined in favor of the Contractor to be, equal to or less than ten calendar days and the Contractor also fully assumes all monetary risk of any and all partial or single calendar day delay periods, due to delay of a controlling work item.
caused solely by the Department, that when combined together are equal to or less than
ten calendar days and regardless of whether monetary compensation is otherwise
provided for hereunder for one or more calendar days of time extension entitlement for
each calendar day exceeding ten calendar days. All calculations under this provision shall
exclude weather days, Holidays, and Special Events.

Further, for (a) or (b) above, in the event there are
concurrent delays to one or more controlling work items, one or more being caused by
the Department and one or more being caused by the Contractor, the Contractor shall be
entitled to a time extension for each day that a controlling work item is delayed by the
Department but shall have no right to nor receive any monetary compensation for any
indirect costs for any days of concurrent delay.