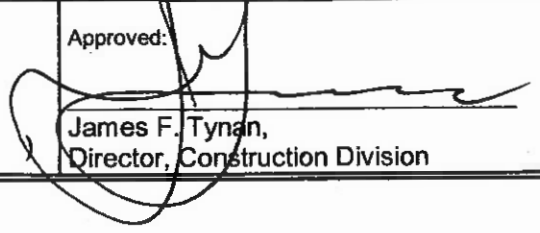


To: Superseded By EI 14-021 Effective 1/8/15		<i>New York State Department of Transportation</i> ENGINEERING INSTRUCTION	EI 05-035
Title: LABOR MARKUP FOR FORCE ACCOUNTS			
Distribution: ☒ Manufacturers (18) ☒ Local Govt. (31) ☒ Agencies (32) ☐ Surveyors (33) ☒ Consultants (34) ☒ Contractors (39) ☐ _____		Approved:  James F. Tynan, Director, Construction Division 10-28-05 Date	

ADMINISTRATIVE INFORMATION:

- This Engineering Instruction (EI) is effective upon signature.
- This EI does not supersede any other issuance.

PURPOSE: The purpose of this EI is to issue revised force account procedures for on-going contracts.

TECHNICAL INFORMATION:

- Revised force account procedures were issued via EI 05-011 Revisions to Standard Specifications Section 100 - Phase 5A.
- The revised §109-05B.1.a allows a Contractor to use a labor markup on all wages, not including supplemental (fringe) benefits, unless those benefits are paid in cash. The labor markup of 15% (or 12.5% plus 20% Overhead and Profit) covers FICA, Medicare, paid holidays, Federal unemployment tax and State unemployment insurance, in lieu of a detailed accounting.
- The Office of the State Comptroller has agreed to allow the use of the simplified labor markup for on-going contracts that do not contain Revisions to Standard Specifications Section 100 - Phase 5A.

IMPLEMENTATION:

- Contractors may begin using the 15% (optionally expressed as 12.5% plus 20% Overhead and Profit) labor markup for all contracts let prior to the adoption of the Section 100 - Phase 5A revisions beginning immediately.
- Engineers-in-Charge should include a copy of this EI with the first order-on-contract that uses revised force account procedures as documentation of a change in §109-05B.1.a. in accordance with Contract Administration Manual (CAM) §104-03I.4.

CONTACT: Direct questions regarding this revision to Brian DeWald (BDeWald@dot.state.ny.us) of the Construction Division at (518) 457-6472.