

SCHEDULE C – COMPENSATION

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SCHEDULE C – COMPENSATION

1. DEFINITIONS

In this Schedule, in addition to the definitions set out in the Contract Documents:

“Additional Work” means any Work to be completed pursuant to a Change Order or Change Directive, whether on a lump sum basis, unit rate basis or force account basis.

“Fixed Price Portion” has the meaning of fixed lump sum described in Schedule C (Compensation) which is not subject to escalation or any alteration except as expressly provided in this Contract (the “Fixed Price Portion”);

“Force Account Payment” means payment for Additional Work completed on a force account basis.

“Labour, Equipment, and Materials” or “LEMs” means the daily record of labour, equipment and material on site each day.

“Unit Rate Payment” means payment for Additional Work completed on a unit rate basis.

2. GENERAL

- (a) In accordance with the provisions of the Contract Documents, Contractor shall be compensated as set forth herein for Work performed in accordance with the Contract.
- (b) The Contract Price to be paid by Owner to Contractor is set forth in Section 3.2.1, subject to the conditions below.
- (c) Contractor costs resulting from: (i) weather downtime; (ii) mechanical downtime of Contractor's equipment; (iii) Contractor's equipment idle time, and (iv) standby time for Contractor's equipment and/or Contractor's Personnel are to Contractor's account and are therefore deemed to be included in the Contract Price.

3. CONTRACT PRICE

3.1 Complete Prices

- (a) The Fixed Price Portion is divided into WBS areas and Contractor shall be compensated for the percentage completion of the Work as set forth in Schedule C. Contractor shall provide sufficient proof of completion or that the work completed is physically identifiable. Contractor warrants and agrees that any prices or charges listed in any pricing in this Schedule C (*Compensation*) and its Appendices shall not be duplicated, repeated or included in any other pricing in this Schedule C (*Compensation*).
- (b) The Fixed Price Portion shall include the full cost of performance of all Work in accordance with the Contract Documents, including:

- (i) All site services and general indirects;
- (ii) All design and engineering services and associated disbursements and incidentals;
- (iii) Procurement services;
- (iv) Receiving of all materials and Equipment, warehousing, and material control whether at the Project Site or an offsite location;
- (v) Costs of unpacking, receiving, crating, and freight necessary to transport all Equipment to and between locations, including marine and land transport, vessel lease and operating costs, marshalling yard and customs clearance yard operations, including leases, rentals, Personnel, loading and off-loading equipment and operations, and customs clearance charges;
- (vi) Office and facility overheads;
- (vii) Contractor's Personnel engaged in, inspection, quality assurance / quality control inspectors, and supporting personnel. The value is inclusive of wages, salaries, income taxes, overtime premiums, holiday pay, payroll burdens, fringe benefits, bonuses, living allowances, travel time and expenses, subsistence allowances, computer hardware and software, office equipment, communications, reproduction services and materials, and other office expenses;
- (viii) Mobilisation and demobilisation costs including the value of mobilising Contractor's construction equipment and other Contractor supplies to the Project Site and demobilising the same after completion of the relevant Work, inclusive of all lease or rental costs during the transit periods, transportation costs, and any cost associated with importing and re-exporting such items;
- (ix) Contractor's supplies, either through direct hire, purchase, or rental or through Subcontractor supply such as construction and transportation equipment and machinery, including fuel, maintenance, parts and repairs and all other field requirements such as scaffolding, consumables and small tools;
- (x) Welding procedure qualifications, welder certifications;
- (xi) All quality testing;
- (xii) Stress relieving;
- (xiii) Security at the Project Site;
- (xiv) The cost of management and supervision including all Contractor's Personnel engaged in the management and supervision of construction activities at the Facility Site, including, construction managers, engineers, supervisors, superintendents, general foremen, construction quality assurance/quality control personnel, field office project controls personnel, safety personnel, and other support personnel such as field office clerical personnel (inclusive of wages, salaries, overtime premiums, holiday pay, income taxes,

- payroll burdens, fringe benefits, bonuses, living allowances, subsistence allowances, travel time and expenses, and field office expenses);
- (xv) Temporary facilities, including the value of temporary construction offices, fabrication shops, workshops, and warehouses including setting up, maintenance, cleaning, removal, utilities, etc.;
 - (xvi) Removal of temporary buildings on completion of the Work, including removal of all foundations and underground pipes, etc. from the Project Site and leave the whole Project Site in a clean condition.
 - (xvii) Third party inspection and certification - includes all costs of third-party inspection;
 - (xviii) Computer hardware and software;
 - (xix) Office equipment, communications, reproduction services and materials, office space and other home office and field office expenses;
 - (xx) Contractor-provided insurance;
 - (xxi) All costs associated with all performance security and insurance coverage required under the Contract Documents
 - (xxii) Any other Contractor costs, expenses, overhead, profit, and contingency;
 - (xxiii) All taxes other than GST;
 - (xxiv) All costs required for compliance with all Laws, Standards and Permits applicable to the performance of the Work;
 - (xxv) All costs of inflation and fluctuations in currency;
 - (xxvi) The cost of wages for labour performing direct work (including wages and assessments payable with respect to labour, whether or not required by any statutory scheme such as Canada Pension Plan, workers' compensation, unemployment insurance, holiday pay, overtime, and including insurance, living allowances, subsistence allowances, fringe benefits, travel time and expenses, PPE, small tools and consumables, and all employee benefits and compliance with all applicable Laws regarding trade or other qualifications of employees performing the Work);
 - (xxvii) Subcontractor costs and markup and
 - (xxviii) All items not specifically listed in this Schedule C (*Compensation*) and the attached Appendices, whether expressly stated in the Contract Documents or included by necessary inference in the interpretation of the Contract Documents.
- (c) For certainty, there will be neither any bonus, early completion pay or other extra payment of any kind except as expressly provided in this Contract.

CANADA KUWAIT PDH/PP Project

Date: January 6, 2020

CKPC-056-INF-MSA Namepi Bridge Construction

Revision: A

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3.2 Contract Price

3.2.1 Fixed Price Portion

The Fixed Price Portion is \$[insert] CAD dollars, being the sum total of the subtotals of Attachment R3, which is not subject to escalation. The Fixed Price Portion represents the complete Contract Price payable to the Contractor, excluding only GST, for the performance of the Work, and shall only be increased by Additional Work Payments (if any).

- (a) Contractor shall not exceed the total Contract Price without prior written express approval of Owner. For greater certainty, Contractor shall not, without the prior written express approval of Owner, perform any Work, whether pursuant to one or more Change Orders, or otherwise, that exceeds the total estimated Contract Price.
- (b) The Fixed Price mobilization payment will be deemed to include all costs associated with Contractor acquiring labour resources, Contractor Site-specific orientations, qualification and pre-access testing, and training of labour as necessary for labour to be qualified to perform the Work, as well as the performance of Indirect Work through to the completion of mobilization and establishment of site Indirect Work.

Fixed Price Compensation Table

Fixed Price ID	Unit	Description	UOM	Lump Sum Price
1.1	1	Mobilization and establishment of site indirects	EA	\$ -
1.2	1	Clean-up, demobilization and final deliverables	EA	\$ -
Mob/Demob and Final Deliverables Subtotal			1	\$ -
2.1	1	Temporary Construction Facilities	EA	\$ -
2.2	1	Material Testing	EA	\$ -
2.3	1	Construction Manager	EA	\$ -
2.3	1	Project Manager	EA	\$ -
2.3	1	Estimator	EA	\$ -
2.3	1	Administration Assistant	EA	\$ -
2.3	1	Site Superintendent	EA	\$ -
2.3	1	Field Coordinator	EA	\$ -
2.3	1	Project Coordinator	EA	\$ -
2.3	1	Quality Coordinator	EA	\$ -
2.3	1	HSE Field Coordinator	EA	\$ -
2.3	1	Foreman	EA	\$ -
2.3	1	Other (provide details)	EA	\$ -
Construction Indirects Subtotal			1	\$ -

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3.1	1	Engineering and Design Locker/Change Area, Warehouse Area and Maintenance Shop	EA	\$ -
3.2	1	Engineering and Design Fire Hall EMS Area	EA	\$ -
3.3	1	Engineering and Design Administrative Office Building including Reception and Town Hall	EA	\$ -
3.4	1	Engineering and Design Laboratory Shell	EA	\$ -
3.5	1	Engineering and Design Control Room Area	EA	\$ -
3.6	1	Engineering and Design Guard Station Building	EA	\$ -
3.7	1	Engineering and Design Lift Station	EA	\$ -
3.8	1	Any other Professional Services (provide details)	EA	\$ -
Engineering and Design Subtotal			1	\$ -
4.1	1	Site Preparation and Utilities	EA	\$ -
4.2	1	Construction Locker/Change Area, Warehouse Area and Maintenance Shop	EA	\$ -
4.3	1	Construction Fire Hall EMS Area	EA	\$ -
4.4	1	Construction Administrative Office Building including Reception and Town Hall	EA	\$ -
4.5	1	Construction Laboratory Shell	EA	\$ -
4.6	1	Construction Control Room Area	EA	\$ -
4.7	1	Construction Guard Station Building	EA	\$ -
4.8	1	Construction Lift Station	EA	\$ -
4.9	1	Finished Grade Construction	EA	\$ -
Construction Subtotal			1	\$ -
5.1	1	Permits	1	\$ -
Permits Subtotal			1	\$ -
6.1	1	Supply and Install Office Furniture, Workstations, AV Equipment, Kitchen Appliances, Laundry Equipment	LOT	\$ 2,000,000.00
6.2	1	Supply of Electrical Distribution Equipment Including: Switchgear, CDP's, Panel Boards, Disconnects, Starters, MCC's.	LOT	\$ 700,000.00
6.3	1	Supply of Transformers	LOT	\$ 150,000.00
6.4	1	Supply of UPS Systems	LOT	\$ 400,000.00
6.5	1	Supply of Fire Alarm devices, hardware and programming	LOT	\$ 250,000.00
6.6		Supply of Emergency Generator and Transfer Switch	LOT	\$ 350,000.00
6.7	1	Supply of Heat Trace Material	LOT	\$ 50,000.00
Provisional Subtotal			1	\$ 3,900,000.00
Total Fixed Price Non-Process Building D&B			CAD	\$ 3,900,000.00
**Optional Pricing				
7.1	1	Electrical Service Alternate Pricing (per Electrical outline specifications item 1.1.4.2)		
7.2	1	GC 26.1.1 (b) and GC 26.1.2 (b), change 12 months to 24 months		\$ -
Option Pricing			1	\$ -

3.2.2 Reimbursable Work

There shall be no Reimbursable Work and therefore no Reimbursable Work Payments.

4. NOT USED

5. RATES FOR ADDITIONAL WORK

5.1 General

- (a) The following rates will be applicable for approved Changes where a lump sum price basis is not agreed.
- (b) No additional compensation for costs listed in Section 3.1 (b) will be paid in connection with any Additional Work.
- (c) For certainty, no payment will be made for any Additional Work performed by the Contractor that does not comply with the requirements of this Contract, nor will any payment be made for excess unit rate work or force account rate work not required to be performed by the Contractor in order to perform the Work.

5.2 Unit Rate Payments

Unit Rate Payments will be calculated in accordance with this Schedule C, based on Appendix C3 (*Unit Rate Dictionary*) and the applicable unit rates specified in Appendix C5 (*Unit Rate Tables*).

5.3 Force Account Payments

5.3.1 General

- (a) The force account rates in Appendix C4 (*Force Account Rates*) will be utilized to compensate for approved Changes that are approved on a force account basis.
- (b) Contractor will provide LEMs for all construction force account work pursuant to Section 5.3.5.
- (c) Contractor will provide detailed timesheets for all design and engineering force account work.
- (d) Contractor's timesheets and LEMs will not include any costs for design and engineering, construction management, direct labour, equipment, Subcontractor Work, or any other component of cost included in the Fixed Price Portion.

5.3.2 Engineering

- (a) The engineering force account rates in Appendix C4 (*Force Account Rates*) will be utilized to compensate for approved Changes.

-
- (b) Each force account rate will be deemed to include the following;
- (i) Base salary;
 - (ii) Payroll burden (applicable to staff personnel (employees), none for contractor/agency personnel);
 - (iii) Taxes and insurance with respect to or measured by Contractor's payroll: workers' compensation (WCB), employment insurance (EI), Canada pension plan (CPP);
 - (iv) Established benefits for Contractor's employees: retirement funds, health and life insurance (includes dental, medical, vision and family assistance), any health spending account, and any health & wellness allowance;
 - (v) Employee unavailability: vacation, statutory holidays, sick and other leave with pay, special leave;
 - (vi) Other direct costs (costs that are directly attributable to the Project);
 - (A) Project office space (base rent, operating costs, property taxes, parking, business taxes, facility maintenance);
 - (B) Project specific, stationery, office supplies;
 - (C) Project specific standard or special hardware and software; and
 - (D) Project specific courier & communications (telephone, network communications, courier);
 - (vii) Overhead and SG&A: this is all non-Project-specific, corporate costs (cost of doing business) including costs for corporate personnel;
 - (A) Salaries & benefits;
 - (B) Occupancy costs;
 - (C) Incentives & employee bonuses;
 - (D) Shared services;
 - (E) Recruitment, relocations;
 - (F) Insurance;
 - (G) Travel & meals;
 - (H) Computer usage, software, IT, etc.;
 - (I) Donations and voluntary contributions;

- (J) Local telephone / cell phones;
- (K) Postage and courier; and
- (viii) Profit.

5.3.3 Construction Force Account Labour (*for approved Changes*)

- (a) Owner shall reimburse Contractor for each reimbursable hour expended by direct labour (general foreman and below) at the applicable rates shown in Appendix C4 (*Force Account Rates*).
- (b) Contractor will only be reimbursed for direct labour for personnel that are physically located at Site or within Contractor's fabrication shops.
- (c) Wage rates shown in Appendix C4 (*Force Account Rates*) include:
 - (i) Hourly basic wage rate;
 - (ii) Vacations: vacation pay, holiday pay, sick leave, statutory holiday pay, sick and other leave without pay;
 - (iii) Allowances: workers compensation premiums, Canada Pension Plan payments, employment insurance payments, and all other social taxes (excluding income taxes and value-added taxes such as GST and HST) and insurances measured by payroll;
 - (iv) Benefits, including employee pension plans, group medical and dental insurance, health and life insurance, union assessments (if any), training funds and industry and administrative funds;
 - (v) Small tools and consumables, training, and personal protection equipment;
 - (vi) Overhead and profit
- (d) All non-scheduled overtime must be pre-approved in writing by Owner. All approved overtime for approved force account work will be paid at the applicable hourly rate as determined by Appendix C4 (*Force Account Rates*).

5.3.4 Force Account Equipment for *approved Changes*

- (a) Owner shall reimburse Contractor at the applicable rates shown in Appendix C4 (*Force Account Rates*), subject to the following:
 - (i) The equipment rental rates established in Appendix C4 (*Force Account Rates*):
 - (A) include fuel, maintenance labour and material items, lubricants, filters and other consumables, support equipment (including crane pads), off-site services and repairs, spare parts, applicable taxes, insurance, loss or damage, supplies, depreciation and all other charges of any nature whatsoever associated with providing operable Contractor equipment;

- (B) include all overhead and profit;
- (C) excludes mobilization and demobilization to and from the Site, which if required will be reflected as a cost item on an approved Change Order; and
- (D) exclude labour for operating Contractor equipment.
- (ii) on the basis that non-linear rates are intended to create savings for the Owner, the Contractor will charge the lowest total cost, regardless of actual duration, when the aggregate amount under one rate equals or exceeds the rate for the next subsequent duration.
- (iii) Contractor equipment on standby shall be charged at 40% of the regular rate shown in Appendix C4 (Force Account Rates).
- (iv) Contractor equipment may only be eligible for reimbursement on a force account basis when supported by an approved Change Order.

5.3.5 Labour, Equipment and Material Reports (LEM)

- (a) Each LEM must include information on:
 - (i) Period (date and time of day) of the Work performed;
 - (ii) Contract number;
 - (iii) Summary description of the Work performed;
 - (iv) Employee names and positions consistent with Appendix C4 (Force Account Rates), and quantity of reimbursable hours (straight time and overtime) for each period;
 - (v) Equipment descriptions consistent with Appendix C4 (Force Account Rates), and the quantity of time in use for each period;
 - (vi) Materials purchased by Contractor necessary for the Work described;
 - (vii) Subcontractor Work performed shall be shown as single line entry, with Subcontractor's LEM attached subject to the same requirements for LEM submission as Contractor's; and
 - (viii) LEMs may only contain accumulated Work accomplished in one calendar day. Owner may allow Contractor to prepare a single LEM that represents Work summaries for more than one calendar day in circumstances of repetitive activities subject to prior approval by Owner.
- (b) Contractor shall complete and submit for Owner's approval, by 12:00 noon on the following Business Day, or at a time that is mutually agreeable to the parties, its quantified and un-priced daily LEM reports for Contractor's direct labour, including general foreman supervisory level and below, Contractor equipment, materials, and Subcontracts. Owner will review and return Contractor's daily LEM reports with its acknowledgment within two Business Days. Owner may, acting in good faith, and upon discussion with Contractor's superintendent, strike items from

Contractor's daily LEM report that are irregular, excessive or otherwise inconsistent with this Contract.

- (c) Contractor shall retain Owner's approved daily LEM reports and will attach copies thereof to its Request for Payment to substantiate approved quantities. A Request for Payment shall not be deemed approved on the basis that the LEM(s) attached thereto was previously approved by the Owner.

5.3.6 Payment of Subcontractors in Force Account Work (for approved Change)

- (a) Contractor will be reimbursed for the actual, reasonable and substantiated costs of services and materials procured from Subcontractors that are not Affiliates of the Contractor, plus a markup of 5% (which mark-up will be deemed to include all profit, overhead, construction management and other costs and expenses of the Contractor and its Affiliates for the use of such Subcontractors).

6. NO ESCALATION

The Fixed Price Portion and each of the unit rates, labour rates, engineering rates, and equipment rates specified in Appendices are not subject to escalation for any reason and shall remain fixed for the duration of this Contract.

7. APPENDICES

The following Appendices are attached to this Schedule C:

Appendix C1 – Not Used;

Appendix C2 – Progress Payments;

Appendix C3 – Unit Rate Dictionary;

Appendix C4 – Force Account Rates;

Appendix C5 – Unit Rate Tables.

Appendix C6 – Contractor Equipment Mobilization List and

Appendix C7 – Contractor LEM template for Force Account (approved Change)