

FPC PROJECT MANAGEMENT GUIDE**PMG-C11: ALLOWABLE LABOR BURDEN RATE**

PURPOSE: To establish guidelines for allowable labor burden rates charged by Construction Managers (CMs) and Design/Builders (D/Bs).

A. Introduction

In an effort to determine a fair and reasonable rate for reimbursement of labor burden, UF Facilities Planning and Construction (FPC) will reimburse labor burden at a percentage agreed upon by the FPC Contract Administrator (CA) and the Construction Manager (CM) or Design/Builder (DB). The rate will be determined after a review of the payroll and supporting records for the members of the construction team.

B. Policy

FPC will reimburse labor burden as a percentage of the total allowable benefits, as established by the U.S. Bureau of Labor Statistics for the construction industry. The labor burden will be determined for each member of the jobsite team billable under Staffing Costs.

C. Implementation

The review will be conducted at the Builder's office that maintains payroll records. The labor burden rate will be verified prior to the negotiation of the Overhead & Profit and execution of the Agreement for Construction Management or Design/Build services. The rate that is agreed upon will be effective for the full term of the contract.

The labor burden rate, as defined by the Bureau of Labor Statistics and for purposes of FPC's review, will include:

- Paid leave (Vacation, Holiday, and Sick)
- Supplemental pay (Lump sum and Non-production bonuses)
- Insurance (Disability, Life, Medical Care, Dental Care, and Vision Care)
- A retirement plan
- Legally required benefits (Social Security, Medicare, Federal unemployment insurance, State unemployment insurance, and Worker's Compensation).

The Labor Burden Calculation and Verification Forms are to be signed by both FPC and the CM/DB, and become a permanent part of the project file.

