

**SUPPLEMENT
to the
GENERAL CONDITIONS of the CONTRACT**

1. Article 19 "Changes in the Work", Paragraph B (1) is modified as follows:

(1) Lump Sum. By mutual agreement to a lump sum based on or negotiated from an itemized cost proposal from the Contractor. Additions to the Contract Sum shall include the Contractor's direct costs plus a maximum 15% markup for overhead and profit. Where subcontract work is involved the total mark-up for the Contractor and a Subcontractor shall not exceed 25%. ~~No allowance for overhead and profit shall be figured on a change which involves a net credit to the Owner.~~ **Changes which involve a net credit to the Owner shall include credits for overhead and profit on the deducted work. Changes involving a net credit that do not include overhead and profit shall be justified by the Architect, approved by the Owner, and must also be approved by the Director.** For the purposes of this method of determining an adjustment of the Contract Sum, "overhead" shall cover the Contractor's indirect costs of the change, such as the cost of bonds, superintendent and other job office personnel, watchman, job office, job office supplies and expenses, temporary facilities and utilities, and home office expenses.

2. Article 19 "Changes in the Work", Paragraph B (3) (f) is modified as follows:

(3) Force Account. By directing the Contractor to proceed with the change in the Work on a "force account" basis under which the Contractor shall be reimbursed for reasonable expenditures incurred by the Contractor and its Subcontractors in performing added Work and the Owner shall receive reasonable credit for any deleted Work. The Contractor shall keep and present, in such form as the Owner may prescribe, an itemized accounting of the cost of the change together with sufficient supporting data. Unless otherwise stated in the directive, the adjustment of the Contract Sum shall be limited to the following:

- (a)** costs of labor and supervision, including employee benefits, social security, retirement, unemployment and workers' compensation insurance required by law, agreement, or under Contractor's or Subcontractor's standard personnel policy;
- (b)** cost of materials, supplies and equipment, including cost of delivery, whether incorporated or consumed;
- (c)** rental cost of machinery and equipment, not to exceed prevailing local rates if contractor-owned;
- (d)** costs of premiums for insurance required by the Contract Documents, permit fees, and sales, use or similar taxes related to the change in the Work;
- (e)** reasonable credits to the Owner for the value of deleted Work, without Contractor or Subcontractor mark-ups; and
- (f)** for additions to the Contract Sum, mark-up of the Contractor's direct costs for overhead and profit not exceeding 15% on Contractor's work nor exceeding 25% for Contractor and Subcontractor on a Subcontractor's work. ~~No allowance for overhead and profit shall be figured on a change which involves a net credit to the Owner.~~ **Changes which involve a net credit to the Owner shall include credits for overhead and profit on the deducted work. Changes involving a net credit that do not include overhead and profit shall be justified by the Architect,**

approved by the Owner, and must also be approved by the Director. For the purposes of this method of determining an adjustment of the Contract Sum, "overhead" shall cover the Contractor's indirect costs of the change, such as the cost of insurance other than mentioned above, bonds, superintendent and other job office personnel, watchman, use and rental of small tools, job office, job office supplies and expenses, temporary facilities and utilities, and home office expenses.

END of SUPPLEMENT to the
GENERAL CONDITIONS of the CONTRACT