

CONTRACT AWARD		
CK09MERCER2016-23 SECURITY SYSTEMS INSTALLATION,MAINTENANCE,SERVICE AND REPAIR		
RESOLUTION NUMBER: 2017-415		
NAME OF BIDDER	ABSOLUTE PROTECTIVE SYSTEMS, INC.	SYSTEMS DESIGN GROUP DBA VANWELL ELECTRONICS
ADDRESS	3 KELLOGG COURT, UNIT 13	320 ESSEX ST. SUITE 3
CITY, STATE, ZIP	EDISON, NJ 08817	STIRLING, NJ 07980
CONTACT	PAUL SMOLEY, PRESIDENT	MARIO MIENKOWSKI
TELEPHONE	732.287.4500	908 626 1700
FAX	732.287.4502	908 626 9100
E-MAIL	PAUL@ABPS.COM	MMIENKOWSKI@VANWELLELECTRONICS.COM
HOURLY RATE	\$90.00	\$90.00

Approved as to Form and Legality

Date

Deputy County Counsel

September 14, 2017

AWARD OF BID RECEIVED FEBRUARY 23, 2017, TO MULTIPLE VENDORS FOR SECURITY SYSTEM INSTALLATION, MAINTENANCE, SERVICE AND REPAIR FOR THE MERCER COUNTY AND THE MERCER COUNTY COOPERATIVE CONTRACT PURCHASING SYSTEM PERIOD: MARCH 23, 2017 TO MARCH 22, 2019. AMOUNT NOT TO EXCEED \$200,000.00 COST PER HOUR \$90.00 (CK09MERCER2016-23)

WHEREAS, the Mercer County Purchasing Department has advertised for bids for the Security Systems Installation, Maintenance, Service and Repair throughout Mercer County through bid terms and specifications, as provided by law; and,

WHEREAS, five (5) separate sealed bids were received on February 23, 2017 in connection with the aforementioned services; and,

WHEREAS, the bidders hereinafter designated is the lowest qualified bidders; and,

Clerk to the Board

RECORD OF VOTE													
FREEHOLDER	Aye	Nay	N.V.	Abs.	Res.	Sec.	FREEHOLDER	Aye	Nay	N.V.	Abs.	Res.	Sec.
Cannon	X					✓	Verrelli	X					
Cimino	X						Walter	X					
Frisby	X				✓		Colavita	X					
Koontz	X												

X—Indicates Vote Abs.—Absent N.V.—Not Voting
 Res.—Resolution Moved Sec.—Resolution Seconded

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WHEREAS, the bid received February 23, 2017 for security system installation, maintenance, service and repair, the bids of the following vendors shall be awarded as follows, in the amount not to exceed \$200,000.00 for a period of two years from March 23, 2017 to March 22, 2019:

Absolute Protective Systems, Inc.
3 Kellogg Court, Unit 13
Edison, NJ 08817
\$90.00 Per Hour

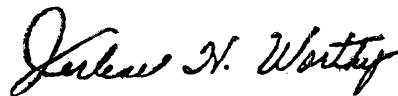
Vanwell Electronics
320 Essex St. Suite 3
Stirling, NJ 07980
\$90.00 Per Hour

(BOTH VENDORS WILL EXTEND TO CO-OP MEMBERS)

WHEREAS, funds for this purpose are available in the 2017 Mercer County Budget and are contingent upon the inclusion in and the adoption of the 2018 and 2019 Mercer County Budgets; now, therefore;

BE IT RESOLVED, that the County Executive and Clerk to the Board are authorized to execute the said contract when presented in a form approved by the County Counsel; and,

BE IT FURTHER RESOLVED, that the Clerk to the Board forward two (2) certified copies of this Resolution to the Mercer County Purchasing Department for further distribution.



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Clerk to the Board

**SPECIFICATIONS FOR SECURITY SYSTEM INSTALLATION, MAINTENANCE, SERVICE
AND REPAIR FOR THE MERCER COUNTY COOPERATIVE CONTRACT PURCHASING
SYSTEM
FOR A PERIOD OF TWO (2) YEARS**

**OFFICE OF THE SHERIFF CONTACT: PEDRO MEDINA, UNDER SHERIFF (609) 989-6123
BUILDINGS AND GROUNDS CONTACT: KARL THOMAS (609) 989-6181
MERCER COUNTY CORRECTION CENTER: JOHN CALDERONE (609) 583-3550
PARK COMMISSION CONTACT: JOE PIZZA (609) 303-0711
MERCER COUNTY AIRPORT CONTACT: KURT NEINSTEDT (609) 882-1601 EXT. 102**

INTENT

The County of Mercer request of bids for the installation, maintenance, monitoring, service and repair of security systems, electronic gates and locking systems. **BIDDERS SHALL PROVIDE A COPY OF THEIR ELECTRICAL LICENSE AND BURGLAR ALARM LICENSE OR LOCKSMITH LICENSE WITH THEIR BID. (BURGLAR ALARM LICENSE IS EXEMPTED THROUGH THE ELECTRICAL LICENSE). BIDDERS SHALL PROVIDE A COPY OF THEIR CERTIFICATION TO WORK ON HONEYWELL SYSTEMS.**

MERCER COUNTY CO-OP

County Cooperative Contract Purchasing is a Cooperative Purchasing System that may be created only by a county. Using only its own needs, the county advertises for the receipt of bids and awards a contract to the successful bidder. With the approval of both Mercer County and the vendor, contracting units located within the geographic boundary of Mercer County may purchase under the contract subject to its specifications, terms and conditions. The County reserves the right to purchase items from state contract and/or in the open market, if such use serves the interest of the County. The County reserves the right to bid separately for any commodity represented in the catalogue.

CONTRACT AWARD

The County of Mercer shall award two contracts based upon Time and Materials for a period of two (2) years. Contracts shall be awarded to the qualified bidders providing the lowest hourly rate for work performed during regular hours.

AGENCIES

All work shall be coordinated by Joe Pizza, Project Manager for the Park Commission, Pedro Medina, Under Sheriff for the Mercer County Sheriff, Karl Thomas, Supervisor of Buildings and Grounds and John Calderone, Mercer County Correction Center. See contact telephone numbers above.

AS BUILT DRAWINGS AND OPERATING AND MAINTENANCE MANUALS

The awarded contractor may be required to provide As-Built Drawings if stated in the technical specifications.

The awarded contractor shall provide three copies of the Operating and Maintenance Manual and two electronic versions of the O&M manual upon Acceptance of the Project. Payment will not be released until Manuals are turned over to the County Project Manager. One hard copy and electronic copy shall be forwarded to the Department of Purchasing.

BIDDERS SHALL BE REGISTERED AS PUBLIC WORKS CONTRACTORS ON THE DATE OF THE BID OPENING. CONTRACTORS SHALL COMPLY WITH THE PREVAILING WAGE ACT.

BIDDERS SHALL BE CERTIFIED TO INSTALL SECURITY SYSTEMS AND BIDDERS SHALL PROVIDE A COPY OF THEIR CERTIFICATION FROM THE MANUFACTURER

BIDDERS SHALL BE CERTIFIED TO INSTALL AND MAINTENANCE HONEYWELL SECURITY SYSTEMS AND BIDDERS SHALL PROVIDE A COPY OF THEIR CERTIFICATION FROM THE MANUFACTURER

ELECTRICAL LICENSE AND BURGLAR ALARM OR LOCKSMITH LICENSE

Bidders shall be licensed to perform electrical work and shall provide a copy of their ELECTRICAL LICENSE AND BURGLAR ALARM LICENSE OR LOCKSMITH LICENSE PRIOR TO THE CONTRACT AWARD. (BURGLAR ALARM LICENSE IS EXEMPTED THROUGH THE ELECTRICAL LICENSE).

COUNTY FACILITIES

Please refer Appendix A for a listing of county facilities and summary of systems for the Mercer County Park Commission. All systems may not be referenced in Appendix A.

MERCER COUNTY AIRPORT

The Trenton-Mercer Airport utilizes a layered security program that currently consists of a Burglar Alarm System, an Access Control System and a Video Surveillance System. Each system operates independently of the others. The Access Control operates under the Honeywell Enterprise Buildings Integrator Security Manager Platform. The security camera system consists of multiple Pelco Network Servers/Software and Pelco Encoders tied into 30 analog cameras consisting of a mix of PTZ and fixed focal units as well as 2 IP cameras.

MERCER COUNTY SHERIFF

There are currently thirty-three cameras installed and recording for the Mercer County Sheriff. The inventory consists of BURLE cameras, model TC9903A HK3.7MM and other models that are located on the exterior of the building. There is a KALATEL DIGIPLEX IV, KTD 440 recorder.

DEFINITIONS

"Installation," as defined in 45:5A-2 which includes the survey of a premise, the design and preparation of the specifications for the equipment or system to be installed pursuant to a survey, the installation of the equipment or system, or the demonstration of the equipment or system after the installation is completed.

"Burglar alarm" means a security system comprised of an interconnected series of alarm devices or components, including systems interconnected with radio frequency signals, which emits an audible, visual or electronic signal indicating an alarm condition and providing a warning of intrusion, which is designed to discourage crime;

"Business firm" means a partnership, corporation or other business entity engaged in the alarm business services;

"Electronic security system" means a security system comprised of an interconnected series of devices or components, including systems with audio and video signals or other electronic systems, which emits or transmits an audible, visual or electronic signal warning of intrusion and provides notification of authorized entry or exit, which is designed to discourage crime;

"Licensee" means a person licensed to engage in the alarm business pursuant to the provisions of section 7 of P.L.1997, c. 305 (C.45:5A-27);

"Qualified journeyman electrician" means a person registered pursuant to P.L.1962, c. 162 (C.45:5A-1 et seq.) or P.L.2001, c. 21 (C.45:1-7 et al.), as a qualified journeyman electrician by the board.

PERMITS/GENERAL COMPLIANCE

The Contractors shall obtain and pay for all permits required by this Contract and further shall request all required inspections and obtain those approvals required. The Contractors are required to possess all necessary valid New Jersey state licenses necessary to perform the services requested in these specifications. Materials, equipment, and installation shall comply with all current rules and regulations of all applicable Federal, State, County and Local Laws, Ordinances, Regulations, etc. All work shall be executed in a workmanlike manner and shall present a neat and mechanical appearance when completed. The Contractor shall coordinate work with the County Designee. All work shall be performed so that any interruption of the normal operation of the site shall be minimized.

FAULTY MATERIALS

The Contractors shall take full responsibility for faulty materials and/or workmanship and shall remedy all defects due thereto, and pay any damage to other resulting therefrom, which shall appear within one (1) year.

MATERIALS

All systems, materials and supplies must be new, first quality products meeting original equipment manufacturer specifications.

QUALIFICATIONS OF BIDDER

Each bidder shall present evidence of the following:

- Provide three (3) references for the past five (5) years of experience in satisfactory installation and completion of similar work.
- Evidence of technician qualification for the work is required.

- **Authorized reseller/dealer/installer evidence.**
- **Certified installer and capable of providing warranty. Provide evidence of certification in the form of a current letter or certification from the manufacturer.**

GENERAL CONDITIONS

The contractor shall guarantee all workmanship and parts furnished and installed under this contract against defect for the life of the contract. Defects will be repaired or replaced at no charge to using agency. Vendors shall generate a separate invoice detailing the labor charge and the parts and materials. The labor charge shall include all travel. No additional travel time will be honored. The contractor shall maintain an adequate inventory of applicable supplies, spare parts and replacement equipment within the contractor's warehouse or service vans, in order to ensure that emergency repairs can be made to the using agency's equipment at once with a minimum of shut down time. It shall be the responsibility of the contractor to make a thorough examination of the equipment/system required. It shall be the responsibility of the vendor upon termination date of the contract, to leave the equipment/systems in first-class operating condition.

Bidders will indicate the number of vehicles in their motor pool available to service the needs of the County of Mercer under this contract. Successful contractors shall set up, for billing purposes, a separate account for each user department. All paperwork shall be sent directly to the user department.

NORMAL RESPONSE AND EMERGENCY RESPONSE

The awarded contractors shall respond to a request for proposal within three business days from date of the request. The contractor will respond to all emergency calls by telephone within one hour of notification of answering service and will have a serviceman on the job site within one additional hour thereafter for a two-hour total response time. The contractor shall generate an invoice and submit to the agency designee for payment upon completion of the emergency work. The emergency hourly rate shall be paid for the day of the emergency and shall not carry over beyond that day.

DEFINITION OF REGULAR HOURS AND OVERTIME HOURS

Regular hours are defined as any hours worked between 7:00 A.M. and 5:00 P.M., Monday through Friday. Overtime including weekends and holiday hours are defined as any work performed outside of "Regular hours". The awarded contractors shall be paid 1.3 times their regular rate for overtime, weekends and holidays.

PROTECTION OF THE BUILDING AND SITE

The Contractor shall, during the course of the work take those precautions necessary to protect the interior and exterior of the buildings from any water or other damage. The Contractor shall take precautions to protect all trees, shrubs, and lawn in the work area.

HOURLY LABOR RATE

The County does not guarantee any minimum number of hours and will pay only for the actual number of hours authorized and worked.

TRANSITIONAL PERIOD

In the event services are terminated by contract expiration or by voluntary termination by either the Contractor or The County of Mercer, the Contractor shall continue all terms and conditions of said contract for a period not to exceed thirty (30) days at the County's request.

The County reserves the right to bid separately for capital security installations.

GENERAL REQUIREMENTS

The purpose of this request for bid is to provide all Mercer County agencies with two Contractors who will design, install, modify existing systems, maintain, supply, repair, furnish and/or install parts, and train users in the operation including but not limited to Security Alarm Systems, Access Control Systems, Panic Alarm Systems, a Pilot installation of network cameras for IP-based video surveillance system, Closed Circuit Television Systems, Intercom Systems ABD Video-Intercom systems on a time and materials basis.

Contractors must be certified installers and capable of providing a manufacturer's warranty. Contractors shall be capable of installing systems at multiple locations simultaneously.

The bidder shall provide an all-inclusive regular time rate. Travel charges are not permitted. The County will provide a 10% mark-up above the **Wholesale Cost** for all equipment and materials. The awarded contractors shall submit to the County designee a proposal for each project showing detailed labor and material costs. **THE COUNTY SHALL PAY FOR ACTUAL TIME AND MATERIALS FOR THE WORK PERFORMED AND EQUIPMENT INSTALLED. The awarded contractors must provide with a copy of their manufacturer's purchase invoice reflecting actual equipment and material costs. Falsifying invoice records from the manufacturer shall be grounds for termination of the contract. The County reserves the right to audit the manufacturer's invoice.**

Bidders must comply with the Prevailing Wage Act and Public Works Contractor Registration Act. Bidders must be registered as Public Works contractors at the time of the bid submittal. Bidders shall reference subs if applicable. Power requirements may exceed 30 volts; as a result, the contractors must hold a valid New Jersey Electrical License and reference subcontractors as per 40A:11-16.

Two successful contractors shall provide cell telephone numbers for managers, supervisors and technicians if requested by the department head. For new work installations, the bidder shall submit a proposal with cost breakdown showing labor rate, quantity of hours, material list, net cost (with evidence of same) and mark-up, at applicable contract rates.

Prior to the installation of new and/or modified Security Systems the successful bidders will be required to develop and submit for approval to the County designee, multiple copies of equipment submittals, equipment wiring diagrams of the actual installation on CAD and floor plans showing equipment locations on CAD.

CONTRACT REQUIREMENTS

The awarded contractors are to be responsible for the installation, maintenance, and repair of any and all cabling, regardless of the type of cabling involved, for those projects which require a cable connection. The awarded contractors shall also be

responsible for the installation, maintenance, and repair of the termination points of said cabling. Should it be deemed necessary to contact.

The awarded contractors must submit a proposal in writing prior to the work FOR ALL COSTS ASSOCIATED WITH THE WORK INCLUDING but not limited to labor, equipment, maintenance, shipping, installation, cabling, training, demonstration, warranty, customer support and maintenance. The county will award the work to the contractor providing the lowest responsive, responsible proposal for each project.

When the contractor has completed the project; system documentation including drawings, operation instructions and maintenance manuals must be submitted to the County designee. He shall be notified that all above specifications are met and the system is ready for acceptance testing.

Complete demonstration of the systems functions shall be performed in the presence of the County designee. Following the test, any outstanding work, which must be completed prior to issuance of the certificate of substantial completion, shall be documented in writing.

TRAINING

Training for Agency Staff shall be provided by the awarded contractor.

WARRANTY

The contractor shall include a parts and service warranty for all labor and equipment for a period of one (1) year or **AS WARRANTED BY THE MANUFACTURER FOR A LONGER PERIOD FROM THE DATE OF ACCEPTANCE**. Warranty service shall include a no less than 24 hour response time.

IDENTIFICATION

All personnel or agents of the Contractor(s) must observe all rules and regulations in effect at the various County Buildings. Contractor's staff shall wear photo identification displaying the company name and staff name on their person when performing work.

BACKGROUND CHECKS

Background Checks must be performed per bid specifications and requirements.

The awarded contractor shall provide background checks on all employees working on the project. Bidders shall provide references of three projects of similar type over the past three years.

Contractors shall comply and adhere to all requirements of the New Jersey Prevailing Wage Act and Public Works Contractor Registration Act. The awarded contractor shall submit a certified payroll record to the owner within ten (10) days of the payment of wages. The contractor is also responsible for obtaining and submitting all subcontractors' certified payroll records within the aforementioned time period. The contractor shall submit said certified payrolls to the County. It is the contractor's responsibility to obtain any additional copies of the certified payroll form to be submitted by contacting the New Jersey Department of Labor and Workforce Development, Division of Workplace Standards. All

work to be performed shall be in accordance with the Project Documents, Drawings and Specifications.

The County will retain 2% of the awarded contractor's progress payments until completion and acceptance of the project. The contractor will be responsible for all required permits.

Prior to the contract award, a copy of the New Jersey Business Registration for the General Contractor must be provided.

PROMPT PAYMENT

In compliance with N.J.S.A. 2A:30A-1 et seq., the County of Mercer shall impose the following payment process:

The County of Mercer shall pay the submitted bill not more than 30 calendar days after the receipt of the bill by the Owner's Representative if the contractor has performed in accordance with the contract and the work has been approved and certified by the Owner's Representative. The billing shall be deemed "approved" and "certified" 20 calendar days after the owner's representative receives it, unless the Owner's Representative provides, before the end of the 20-day period, a written statement of the amount withheld and the reason for withholding payment.

BIDDERS SHALL PROVIDE THE FOLLOWING INFORMATION:

BURGLAR ALARM LICENSE NUMBER _____

BURGLAR ALARM LICENSE HOLDER _____

LOCKSMITH LICENSE NUMBER _____
(EXEMPTED THROUGH ELECTRICAL LICENSE)

LOCKSMITH LICENSE HOLDER _____

ELECTRICAL LICENSE NUMBER _____

ELECTRICAL LICENSE HOLDER _____

CONTRACTOR IS AN AUTHORIZED DEALER FOR THE FOLLOWING EQUIPMENT:

CONTRACTOR HAS AT LEAST FIVE YEARS EXPERIENCE AS DEFINED IN THE SPECIFICATIONS:

YES

NO

Safety Rules and Regulations

Observe all rules and regulations of the Federal, State, and local health officials, including regulations concerning construction safety and health standards. At the preconstruction meeting, submit to the County for approval a written safety program that meets or exceeds the minimum requirements of the Contract and applicable State or Federal regulations. Include at a minimum the following:

1. **Description.** Describe in detail how the safety program is implemented and monitored. Provide guidelines for protecting personnel from hazards associated with Project operations and activities. Establish the policies and procedures for safety practices that are necessary for the Work to be in compliance with the requirements of OSHA and other State and Federal regulatory agencies with jurisdiction, rules, regulations, standards, or guidelines in effect at the time the Work is in progress.
2. **Certification, Responsibility, and Identification of Personnel.** Identify the qualified safety professional responsible for developing the safety program and provide that person's qualifications for developing the safety program including, but not be limited to, education, training, certifications, and experience in developing this type of safety program. Provide a certification, executed by the qualified safety professional that developed the safety program, stating that the safety program complies with the rules, regulations, standards, and guidelines in effect at the time the Work is in progress, of OSHA, and other applicable Federal, State, and local regulatory agencies having jurisdiction.

Identify a safety officer and designate the on-site supervisory-level personnel responsible for implementing and monitoring the safety program until Acceptance and having the authority to take prompt corrective measures to eliminate hazards, including the authority to stop work. Include documentation of training provided to the on-site supervisory-level personnel. For work that requires a competent person as defined by OSHA, ensure that the person is capable of identifying existing and predictable hazards and has the authority to take prompt corrective measures to eliminate the hazards, including the authority to stop work. Include documentation of the qualifications of such competent persons identified, including certifications received.

3. **Elements of the Program.** Include information and procedures for the following elements:
 - a. **Chain of Command.** Include the responsibilities of the management, supervisor, safety officer, and employees.
 - b. **Traffic Control Coordinator.** Include the name and contact information.
 - c. **Environmental Manager.** Include the name and contact information.
 - d. **Local Emergency Telephone Numbers.** Include police, fire, medical
 - e. **Procedures for Handling Emergencies.** Provide guidelines for handling emergencies, including emergency action plans for accidents involving death or serious injury, property damage, fires, explosions, and severe

weather. Include the emergency contact information of the Contractor's personnel responsible for handling emergencies.

- f. **Training Topics.** Include regulatory and jobsite toolbox meetings. Include the documentation from the training and an attendance sheet for each.
- g. **Contractor's Safety Rules.** Include housekeeping procedures and personal protective equipment requirements.
- h. **Employee Disciplinary Policy.** Include the violation forms.
- i. **Safety Checklists.** Include project safety-planning, emergency plans and procedures, documentation, and protective materials and equipment.
- j. **Forms.** Include OSHA 300 Log
- k. **Security Policy Guidelines.** Provide a copy for the County.
- l. **Hazard Communication Program.** Provide the following:
 1. The location of and instructions for understanding the MSDS. Ensure that the location and instruction are available to anyone within the Project Limits.
 2. The person responsible for the hazard communication program and the method of informing personnel of the hazardous communication program. Include attendance sheets of hazard communication meetings.
 3. When performing work that generates airborne crystalline silica, include engineering and work practice controls to limit exposure levels to at or below the permissible exposure limit according to 29 CFR 1910.1000 Table Z-3. Ensure that the program includes employee training and respiratory protection measures according to 29 CFR 1910.134 and control of the area when the permissible exposure limit is exceeded. Provide a trained and competent person, according to 29 CFR 1926.30, within the Project Limits at all times when performing work that produces airborne crystalline silica.
- m. **Additional Requirements.** Provide additional procedures for Project specific topics including:
 1. Compressed gas cylinders.
 2. Confined spaces.
 3. Cranes.
 4. Electrical.
 5. Equipment operators.
 6. Fall protection.
 7. Hand and power tools.
 8. Hearing conservation.
 9. Highway safety.
 10. Lead.
 11. Lock out/tag out.
 12. Materials handling, storage, use, and disposal.
 13. Night work.
 14. Personal protective equipment.
 15. Project entry and exit.
 16. Respiratory protection.

17. Sanitation.
18. Signs, signals, and barricades.
19. Subcontractors.
20. Trenching.

The Contractor is responsible for implementing, monitoring, updating, and revising the safety program until Acceptance. Submit updates and revisions to the safety program to the County for approval when new information, new practices or procedures, or changing site and environmental conditions necessitate modifications to protect site personnel. Maintain a copy of the updated safety program, including the appropriate documentation associated with each element, within the Project Limits so that it is available to workers and other authorized persons entering the Project Limits. Provide program updates to County.

The Contractor is responsible for safety in all aspects, and as set forth in the Insurance and Indemnification Agreement, shall defend and indemnify the County for any failure or breach to comply with the rules, regulations, standards, and guidelines in effect at the time the Work is in progress, of OSHA, and other applicable Federal, State, and local regulatory agencies having jurisdiction pertaining to the Contractor's safety program.

CHANGE ORDERS:

The following rates shall apply in computing indirect costs and profit for adjustments. When the contract time is increased as a result of a change, the resulting change in contract amount will include the indirect impact cost of extended performance, computed in accordance with the terms of this article, and no further consideration of such costs arising from the specific modification will be given. The percentages for overhead and profit shall be negotiated and may vary according to the nature, extent and complexity of the work involved. The percentages shall be applicable for deleted work as well as additional work. When a change consists of both added and deleted work, the applicable percentages shall be applied to the net cost or credit. In any event, the percentages shall not exceed the following:

- a. Overhead will be the sum of:
 - (1) 15 percent of direct labor costs. NOTE: For the purpose of this article, the term "direct labor" shall include all foremen, equipment operators and skilled, semi-skilled and common laborers directly assigned to the specified operation. The term "direct labor costs" shall consist of the contract or actual payroll rate of wage per hour and fringe benefits paid for each and every hour that such employees are actually engaged in the performance of the work.
 - (2) 15 percent of direct material costs. NOTE: For the purpose of this article, the term "direct material costs" shall consist of the actual costs of the materials including applicable tax and transportation charges.
- b. For rented equipment, an hourly rental rate will be used which will be determined by using the monthly rental rates taken from the current edition of the Rental Rate Blue Book for Construction Equipment and dividing it by 176. An allowance will be made for operating costs for each and every hour the equipment is actually operating in accordance with the rates listed in the

- aforesaid Rental Book. The contractor will be allowed only 65 percent of the rental rate on contractor-owned equipment.
- c. Bond premiums, insurance, payroll taxes, and travel subsistence, if applicable, will be allowed at actual cost for the equitable adjustment allowed.
 - d. The prime contractor's profit on the subcontractor's work will be six percent of the subcontractor's costs. Subcontractor indirect costs will be computed in the same manner as for the prime contractor. The prime contractor agrees to incorporate this article in each of its subcontracts. NOTE: When more than one tier of subcontractors exists, for the purpose of markups, they shall be treated as one subcontractor.
 - e. A profit of six percent, where profit is allowable by the terms of the applicable contract provision, shall be added to the contractor's total cost for the equitable adjustment allowed. Indirect costs will not be duplicated in direct costs.
 - f. The General Contractor shall bill unit costs based upon the unit cost proposal provided with the bid.