

KAISER ENGINEERS
INTER-OFFICE MEMORANDUM



TO: L. H. Oppenheim
AT: Oakland

DATE: December 15, 1966

FROM: R. J. Wolf

AT: Oakland

JOB NO. 6471-00

COPIES TO

J. E. Hughes /

SUBJECT

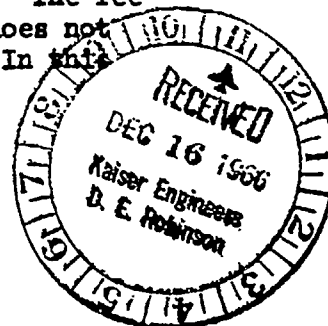
Project "600" Work Assigned to McGraw Construction Company

To date McGraw has been given the following work at Middletown on a cost plus a fee basis:

<u>Project No.</u>	<u>Description</u>	<u>Amount</u>
7116	Slag Processing Facility	\$1,680,482
7112	McGraw Shop	168,677
7109	Hydrogen and Nitrogen Lines	180,000
7105	Water -	
	12 Inch Cross Connection	66,183
	River Pump Station	954,056
	Water Treatment Plant	1,386,900
	36 Inch River Water Line	<u>78,000</u>
	Sub-total	4,514,298
	In addition McGraw was recently awarded a subcontract for the foundation work for the picklers on a fixed unit price basis	<u>1,821,956</u>
	Total	\$6,336,254

Through October the total recorded and committed at Middletown was \$170,715,000. Total amount appropriated \$286,575,000. Therefore, McGraw has been assigned 3.7% of the work recorded and committed and 2.2% of the work for which budgets have been appropriated.

McGraw's fee on cost plus a fee work for Project "600" is 4 1/2% of their estimated direct cost and overhead. The fee base does not include contingency or the cost of engineered equipment. The fee is fixed on the original approved estimate of cost and does not change unless there is a change order to the contract. In this event 4 1/2% is applied to the value of the change order.



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McGraw's overhead varies with each job and McGraw is paid actual cost.

In preparing their estimate for fee base they use the following guide lines in calculating overhead:

Job Supervision	5% of labor and field materials
Union Welfare	2% of labor
Small tools and temporary construction	2% of labor and field materials
Field engineering	2% of labor and field materials
Payroll taxes & insurance	8% of labor

When McGraw does work for Armco in the old East Works their fee is 7% of estimated direct cost plus overhead.

RJW:fc

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471 - D/C Steel Plant Facilities
Middletown, Ohio - April 60

1965 and 1966

J. E. HUGHES

FILE

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