



TO: Board of Directors: Platte Canyon Water and Sanitation District

FROM: Vanessa Shipley

THROUGH: Cynthia Lane

DATE: December 16, 2022

SUBJECT: Contract Billing Rates - 2023

The Contract Billing Rates that Platte Canyon charges Columbine, Bow Mar, and Valley are calculated and finalized in December of every year. In accordance with each contract, these billing rates are provided to those Districts by December 31st and become effective February 1st.

Hourly Labor Rates are calculated for all employee categories and consist of wages, benefits, general overhead, and maintenance overhead costs. Projected salaries and insurance costs are updated for the billing year. Overhead costs are detailed based on budgeted or actual projections and inflationary adjustments are applied to appropriate individual expense line items. The administrative overhead component is applied to all employees based on total billable hours while the maintenance overhead component is applied to the maintenance employees only based on their total billable hours.

Vehicle rates are calculated by applying projected operating hours to total estimated annual costs, inflated where appropriate, for each vehicle type. The Sewer Cleaners and Television Vans are grouped together when calculating the hourly rate. A separate rate is calculated for the Flatbed and a combined single rate is calculated for all Pickups.

The attached schedule labeled “**Labor Rate Schedule**” details the resulting Labor Rate for the various employee positions and vehicle categories. Labor rate increases range from 4.27% to 11.85%. The rate for the Sewer Cleaners and TV Units increased 18.41%. This increase is due to the new Sewer Cleaner and TV Unit that will be placed into service at the end of the month.

For billing purposes, the board’s target rate of return is 40%. When applying this markup, rate increases from 2022 range from 8.1% to 16.0%. The Operator I and II employee group rates increase 11.1% and 12.4%, respectively. The attached schedule labeled “**Contract Rates**” includes a markup of 35% which has been applied the past few years to avoid significant rate swings and accommodate changes in the position types and groupings while realizing a significant profit. In this schedule, the Operator I and II employee group rates reflect an increase of 7.15% and 8.39%, respectively. These increases are more consistent with inflationary adjustments and the hourly rates are more comparable with the current rates charged by contractors.

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Labor Rate Schedule

February 1, 2023

Labor Rates

Position	<u>Regular Rate</u>	<u>% Change From 2022</u>	<u>Overtime Rate</u>	<u>% Change From 2022</u>
Manager	151.65	4.27%	197.87	4.32%
Construction Manager	109.94	11.86%	140.27	10.69%
Construction Coordinator/Inspector	65.66	6.58%	84.57	7.00%
Financial Administrator	125.35	6.65%	159.44	6.92%
Assistant Manager - Administration	99.84	7.10%	125.88	7.35%
Communications & Admin Services Coordinator	62.83	5.34%	78.94	5.67%
Project/Information Technology Tech.	57.83	5.71%	71.93	6.13%
Operations Supervisor	112.71	6.65%	143.88	7.03%
Foreman	109.73	6.89%	137.12	7.17%
Operator II	89.54	8.39%	109.33	9.01%
Operator I	49.87	7.14%	63.84	7.47%
Seasonal Labor	29.66	0.12%	34.66	0.11%
AVG	88.72	6.72%	112.31	6.88%

Vehicle Rates

Sewer Cleaners	91.40	18.42%
Television Vans	91.40	18.42%
Flatbed Truck	35.51	5.74%
Pickups	10.02	1.23%

Contract Rates

February 1, 2023

Labor Rates

Position	<u>Regular Rate</u>	<u>% Change From 2022</u>	<u>Overtime Rate</u>	<u>% Change From 2022</u>
Manager	\$204.72	4.27%	\$267.12	4.32%
Construction Manager	148.42	11.85%	189.36	10.69%
Construction Coordinator/Inspector	88.64	6.58%	114.16	7.01%
Financial Administrator	169.23	6.65%	215.25	6.92%
Assistant Manager - Administration	134.78	7.09%	169.94	7.35%
Communications & Admin Services Coordinator	84.82	5.34%	106.56	5.67%
Project/Information Technology Tech.	78.06	5.72%	97.10	6.13%
Operations Supervisor	152.16	6.65%	194.23	7.03%
Foreman	148.14	6.89%	185.11	7.17%
Operator II	120.88	8.39%	147.59	9.01%
Operator I	67.33	7.15%	86.18	7.47%
Seasonal Labor	40.04	0.12%	46.79	0.10%
AVG	119.77	6.72%	151.62	6.88%

Vehicle Rates:

Sewer Cleaners	123.40	18.41%
Television Vans	123.40	18.41%
Flatbed Truck	47.93	5.74%
Pickups	13.53	1.27%