THE RAILWAY ASSOCIATION OF CANADA
CIRCULAR NO. 4

SUGGESTED OVERHEAD CHARGES ON DIRECT LABOUR
(Effective January 1, 1995)

1.0 GENERAL

Suggested minimum overhead rates to be applied to direct labour and material in projects where any other railway or outside party is responsible for a portion of the costs.

2.0 SOURCE

These rates are taken from National Transportation Agency (NTA) Schedule "A" Directives dated January 1995. The Schedule "A" Directive prescribes rates specifically for grade crossing warning systems specifically where the NTA has a role in authorizing the work, or where the federal government provides a portion of the funding.

3.0 SUGGESTED MINIMUM OVERHEAD RATES TO BE APPLIED TO DIRECT LABOUR

COST CATEGORY	MAINTENANCE %	CONSTRUCTION PROJECTS %
Administration	44.1	44.1
Pensions & Benefits	24.3	24.3
Working Capital	0.9	6.5
Associated Costs	7.2	7.2
TOTAL:	**76.5**	**82.1**

3.1 STATUTORY AND OTHER LEAVE

Direct labour charges may include a 15.0% allowance to cover statutory holidays, annual vacations and other types of leave.

3.2 ITEMS INCLUDED IN OVERHEAD RATES

The supervision and administration overhead factors cover the cost of all salaries and expenses of any general or supervising officer, or other person regularly employed, having supervision over any railway operation, construction or maintenance project, including all office expenses, cost of draughting room accessories, etc., all stenographic or clerical forces employed in head, regional, divisional, or district offices, handling matters pertaining to the work and all charges for minor equipment and small tools. All computer use and information systems charges are also included.

4.0 SUGGESTED MINIMUM OVERHEAD CHARGES TO BE CHARGED TO MATERIALS

Suggested minimum rate to cover material handling charges to be applied to the price of all items.

4.1 CHARGE TO BE APPLIED

28.5%

4.2 ITEMS INCLUDED IN THE OVERHEAD RATE

This overhead charge includes supervision, stores expense, inspection, accounting, handling transportation and all related data processing expenses. This rate also includes an allowance for provincial sales taxes, but not the Federal Goods and Services (GST) or the Quebec Services Tax (QST).

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MONTREAL, JANUARY 1995