

### **X.3.5.a Staffing Narrative Justification**

To begin, there are some personnel resources that are shared between the base scope of work and the change order. First of which is the Project Manager. The Project Manager, who is primarily assigned to the base scope of work is to be carried on that job, but will provide guidance and support to the Project Engineer whose sole function will be to manage the change order work. The Project Superintendent will also serve this supervisory/ supportive role to the Area Superintendent for the change order work. It is important to note that by the time the PS & PM are to be carried by the Change Order GC's, they're costs are no longer accounted for within the base scope of work GC's and must be carried elsewhere to protect the job's final margin from unexpected cost over runs.

As far as efficiencies are concerned, there are many areas where the project can ultimately save money by utilizing efficiencies already covered within the base scope of work GC's for use by the Change Order Team. It is important to understand, that although, we might want to think of each project (base scope vs. change order scope) as its own entity with its own GC budget, the success of either is measured by the margin made and the bottom line. Sharing these efficiencies and job costs will ultimately protect the bottom line, and create more revenue for the organization.

Safety costs are a prime example of where costs can be shared. The safety personnel is part time on the base scope, and can afford the little time it will take to help audit and manage the change order work. The incentive programs and drug testing can also be shared as the two are still at the same location and are ultimately the same project however, first aid supplies and fire extinguishers need to always be on the job therefore they must be accounted for each project.

Temp facilities are where the team can do the most saving and sharing of efficiencies. AS the two projects overlap, most efficiencies will be carried under the base scope of work including the office space itself. The four months beyond the base scope completion, will then be carried by the change order GC's. This is not only true for the office space, but all that comes with it including cleaning, water, coffee, IT infrastructure and service, and temp utilities. Saving and sharing these costs for the initial 5-6months of the change order will certainly increase the margin and make the company more money.