

**From:** Ted Hoog  
**Sent:** Friday, January 20, 2023 8:05 AM  
**To:** Brinkmann Constructors  
**Subject:** 2023 Internal Cost Allocation Memo  
**Attachments:** Brinkmann Constructors Internal Cost Allocations 2023.pdf

All,

Please see the attached memo in regards to the updated internal cost allocations to projects for 2023 that will go into effect on February 1<sup>st</sup>.

A few things to highlight that are also outlined in the memo:

- 1) The increased rates for Trucks and Mobile Equipment will be applied to ALL projects effective February 1st, as these are charged via payroll and we have to pick a date to make this switch. Please note we have not updated these rates since 2018.
- 2) The Preconstruction team will work to update the master estimates and bid tabs to reflect the new rates.
  - NOTE: As I'm sure many of you utilize previous bid tabs/estimates when starting a new P-File, you will need to either start fresh or ensure all rates are updated in the old bid tab/estimate. Please work with your Preconstruction Leader or your Director to get on the same page of how you will handle this.
- 3) Builder's Risk: Please note the change for the contact person to be Marianella Samplini with Brinkmann in lieu of Assured Partners. Marianella will be handling ALL things Builder's Risk, and any other insurance related questions/claims whether that be subcontractor or owner.

Have a Great Friday!

**Ted Hoog**  
Senior Vice President of Corporate Operations



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## Brinkmann Constructors Internal Overhead Fees – Billed to Jobs (Not To Be Distributed Externally)

As of February 1<sup>st</sup>, 2023

All projects currently under construction, under contract, bid, or negotiated as of February 1<sup>st</sup> will continue to be charged or will be charged in the future the rates which existed previous to this update (with the exception of truck and mobile equipment allocation – see below).

As of February 1<sup>st</sup>, 2023, all projects shall be bid and/or negotiated at the rates listed below.

The project Set-Up form will be modified to allow you to provide inputs on what rates the project was bid or negotiated at. An option will be provided for the old rate, or the new rate listed below.

### 1) Insurance (phase code 17150):

This is an allocation of insurance policy costs which includes Commercial General Liability, Contractors Equipment, Workers Compensation, Umbrella Liability, Excess Liability, Contractors Professional Liability, Contractors Pollution, and other policies that benefit the company as a whole. This allocation is recorded monthly by accounting using a job cost adjustment. Note - OCIP jobs will have different rates and must be evaluated on a case-by-case basis. Contact accounting for assistance.

**The current rate is .88% of the Contract Amount.**

*These rates will be charged on Owner Change Orders.*

### 2) Builder's Risk Insurance (phase code 17155):

All jobs requiring Brinkmann to provide the builder's risk insurance must have their own project specific policy. **Please contact Marianella Samplini, Sr. Risk Manager (msamplini@brinkmannconstructors.com, 636-537-9700, ext. 270)** to receive a quote for your project during the estimating and/or bidding process. Marianella will work directly with the project team to obtain coverage. The invoice will be charged to the job should the project be awarded to us, and we need to bind coverage.

Please ensure Marianella Samplini reviews any policies that the Owner is carrying.

### 3) Trailer Re-imaging/Maintenance (phase code 1028):

This is an allocation of our cost to paint, install a company logo or other re-work to the leased and owned trailers throughout the year. The cost to maintain the appearance of the trailers on our projects is necessary to align the professional image we uphold with the professional service we provide.

- **The current rate is \$2,000, charged one time at the start of each project.**

#### 4) Owned Trailers (phase code 1028):

This is an allocation of the costs for owned trailers to the jobs on which they are being used. This allocation is recorded monthly by accounting using a job cost adjustment. **The current rate varies depending on the type of trailer. Contact Accounting for details.**

#### 5) Procure/Technology Allocation (phase code 1048):

This is an allocation of our project technology & software expense (project management software, field management software, project tech support & supplies) as it directly relates to managing project workflow. This allocation is recorded monthly by accounting using a job cost adjustment.

- **The current rate is .27% of the Contract Amount.**

*These rates will only be charged on Original Contract amount, NOT on Owner Change Orders.*

#### 6) Safety Allocation (phase code 1600):

This is an allocation of our safety department's costs to manage safety as it directly relates to individual projects. This allocation is recorded monthly by accounting using a job cost adjustment.

- **The current rate is .25% of the Contract Amount.**

*These rates will only be charged on Original Contract amount, NOT on Owner Change Orders.*

#### 7) Legal Fees (phase code 1200):

This is an allocation of the time that our internal legal counsel spends on legal matters related to specific jobs. This allocation is recorded monthly by accounting using a job cost adjustment. This is only for internal legal counsel and any external legal fees incurred that are attributable to your project will continue to be charged directly to your project.

- **The current rate is \$250 per hour.**

**All projects will be charged the new rates listed below for Truck and Mobile Equipment allocation as of February 1<sup>st</sup>, 2023, as these rates are recorded through payroll.**

#### 8) Truck Expense (phase code 1025):

This is an allocation of all expenses related to leasing, driving, maintaining, and registering our fleet vehicles. Fuel is included in the rate. This fee is charged for all employees with a company vehicle, leased vehicle, or vehicle allowance. This allocation is recorded as part of every payroll cycle.

- **The current rate is \$1,064 per biweekly payroll.**

**9) Mobile Equipment Allocation (phase code 1047):**

This is an allocation of our cost to purchase mobile equipment including cell phones and iPads. The cost also includes monthly data usage fees. This allocation is recorded as part of every payroll cycle.

- **The current rate is \$140 per biweekly payroll per employee charged to your project.**