

# Profit Matrix Application Guidelines Vers. 1/3/11

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## New Contracts

- Starting w/ 2/11 RFP advertise base profit rate in RFP, with all but overhead component
  - To be determined by contract staff in coordination w/owner office.
- Complexity for contract with several worktype components
  - Make profit determination based on predominance of work or weighted average of work. Select value from list.
- On-Call Contracts
  - Calculate profit rates separate for each firm based on applicable firm overhead additive.
- Project Specific
  - Contract w/multiple Firms
    - Lump Sum or cost plus fixed fee
      - Use blended overhead rate for firms
    - Billing Rates or multiplier
      - Calculate profit rates separate for each firm based on applicable firm overhead additive.
- For contracts where field rate is appropriate a field rate will be used for profit determination.

## Amendments

- On old 15% profit contracts determine new profit rate based on calculation of what the profit rate would be for the entire contract. Use same base profit rate for all future amendments plus applicable overhead additive from current rate.
- On original contracts that used determined profit rate from matrix use advertised base profit rate for all amendments plus applicable overhead additive from current rate.