EXHIBIT R

RATES

1. CONTRACTOR LABOR

  A. Home Office Personnel. For home based personnel (meaning all Contractor labor who are not assigned to a project location):
     (1) Salaried employees will be reimbursed at the actual payroll wages they earn with respect to their Time multiplied by a multiplier of 1.93.
     (2) Hourly employees will be reimbursed at the actual payroll wages they earn with respect to their Time multiplied by a multiplier of 1.93 for the straight time portion (including the regular time portion of overtime wages) and 1.32 for the premium portion of overtime wages. Overtime rates will apply for hours worked in excess of 40 hours per week (Monday through Sunday) per the payroll register.

  B. Field Personnel. For field personnel (meaning all Contractor labor who are not covered by Section 1.A above – i.e. who are not home based personnel):
     (1) Salaried employees will be reimbursed at the actual payroll wages they earn with respect to their Time multiplied by a multiplier of 1.71.
     (2) Hourly employees will be reimbursed at the actual payroll wages they earn with respect to their Time multiplied by a multiplier of 1.71 for the straight time portion (including the regular time portion of overtime wages) and 1.32 for the premium portion of overtime wages. Overtime rates will apply for hours worked in excess of forty (40) hours per week (Monday through Sunday) per the payroll register.
C. Labor Multipliers – The multipliers set forth in Sections 1.A and 1.B, above, shall be subject to annual adjustments due to statutory payroll burden changes. The multipliers set forth in Sections 1.A and 1.B, above, cover all of the following overhead costs related to Contractor (and such costs shall be Contractor Expenses and not Reimbursable Expenses).

- Employer paid statutory payroll taxes
  - Social Security taxes (initial statutory payroll burden: 6.2% up to the annual maximum)
  - Medicare taxes (initial statutory payroll burden: 1.45% of wages)
  - Federal unemployment taxes (FUTA) (initial statutory payroll burden: 0.30% of wages)
- State unemployment taxes (SUTA)
  - Kentucky = 5.00% of wages
  - Colorado = 2.65% of wages
  - Texas = 3.69% of wages
- Worker’s Compensation and Employer’s Liability insurance
- All insurance (other than the Builder’s Risk policy required by Exhibit I or any other project specific Marine liability, Aircraft public liability, and Marine Cargo as approved by Owner).
- Group employee benefit plans (such as life insurance, health insurance, disability insurance, 401(k), and retirement)
- Hiring and relocation costs for Home Office Personnel or Field Personnel not hired specifically for the Work.
- Dues, memberships, professional certifications and training
- Home office facility and space cost
- Home office utilities (such as light, heat, water, sewer and local phone service)
- Home office furniture and fixtures
- Telephone systems, copiers, fax machines and other office equipment in the home office
- Home office document storage and retrieval
- Long distance telephone calls and faxes
- Home office payroll personnel and other administrative support
- General office supplies and meeting supplies (coffee, donuts, etc.)
- Consumable engineering supplies
- Accounting (other than that specifically required as part of the Work), legal, executive management, marketing, risk management (other than that specifically required as part of the Work), finance, treasury, and tax services rendered by internal Contractor personnel.
- Costs for internal/external audits (except any such audits done specifically as part of the Work)
- All other non-project personnel of Contractor
- Costs (including attorneys’ fees) associated with any employment or tort-related claims made against Contractor by Contractor personnel
- Small Tools under $1500.
• Personal Protective Equipment

• Communication expenses (such as courier services, express mail (FedEx, UPS, etc.), and teleconferences). However, does not cover project specific Job Site office communication costs such as express mail, which shall be Reimbursable Expenses.

• Reproduction expenses (such as blue-line prints, drawing reproduction, specification books and RFQ packages) for the Work. However, does not cover project specific Job Site office reproduction expenses such as copier rental or third party reprographics, which shall be Reimbursable Expenses.

• Computers plus the cost of computer and networking software and hardware and other IT expenses. However, does not cover Job Site specific computer related costs such as on-site hardware and T-1 line, which shall be Reimbursable Expenses.

• Charitable donations and activities

2. CONTRACTOR CONSTRUCTION AIDS

The rates for Contractor Construction Aids are provided in Attachment 1 to this Exhibit R; provided, that such rates shall not be Reimbursable Expenses to the extent that they exceed the then market rates for the least cost equipment suitable for the intended applications.

3. CONTRACTOR GENERAL AND ADMINISTRATIVE COSTS

Contractor shall be entitled to reimbursement (as a Reimbursable Expense) for general and administrative costs in an amount equal to seven percent (7%) mark-up of all other Reimbursable Expenses (except with respect to amounts due under the AQCS Equipment Contracts, which shall be billed at actual cost with no mark-up and Contractor Labor which will be billed at the labor multipliers set forth in Section 1 of this Exhibit R).

4. CONDITIONS AND LIMITS ON REIMBURSABLE EXPENSES

Nothing in this Exhibit R is intended to supersede any conditions or limits on Reimbursable Expenses set forth elsewhere in this Agreement.

Attachment 1: Contractor Construction Aids Rates