

# 52.222-32 Construction Wage Rate Requirements-Price Adjustment (Actual Method).

As prescribed in 22.407(g), insert the following clause:

## *Construction Wage Rate Requirements-Price Adjustment (Actual Method) (Aug 2018)*

(a) The wage determination issued under the *Construction Wage Rate Requirements* statute by the Administrator, Wage and Hour Division, U.S. Department of Labor, that is effective for an *option* to extend the term of the contract, will apply to that *option* period.

(b)

(1) The Contractor states that if the prices in this contract contain an allowance for wage or benefit increases, such allowance will not be included in any request for contract price adjustment submitted under this clause.

(2) The Contractor *shall* provide with each request for contract price adjustment under this clause a statement that the prices in the contract do not include any allowance for any increased cost for which adjustment is being requested.

(c) The *Contracting Officer* will adjust the contract price or contract unit price labor rates to reflect the Contractor's actual increase or decrease in wages and fringe benefits to the extent that the increase is made to comply with, or the decrease is voluntarily made by the Contractor as a result of—

(1) Incorporation of the Department of Labor's *Construction Wage Rate Requirements* wage determination applicable at the exercise of an *option* to extend the term of the contract; or

(2) Incorporation of a *Construction Wage Rate Requirements* wage determination otherwise applied to the contract by operation of law.

(d) Any adjustment will be limited to increases or decreases in wages and fringe benefits as described in paragraph (c) of this clause, and the accompanying increases or decreases in social security and unemployment taxes and workers' compensation *insurance*, but will not otherwise include any amount for general and administrative costs, overhead, or profit.

(e) The Contractor *shall* notify the *Contracting Officer* of any increase claimed under this clause within 30 days after receiving a revised wage determination unless this notification period is extended *in writing* by the *Contracting Officer*. The Contractor *shall* notify the *Contracting Officer* promptly of any decrease under this clause, but nothing in this clause precludes the Government from asserting a *claim* within the period permitted by law. The notice *shall* contain a statement of the amount claimed and any relevant supporting data, including payroll records that the *Contracting Officer* may reasonably require. Upon agreement of the parties, the *Contracting Officer* will modify the contract price or contract unit price *in writing*. The Contractor *shall* continue performance pending agreement on or determination of any such adjustment and its effective date.

(f) Contract price adjustment computations *shall* be computed as follows:

(1) *Computation for contract unit price per single craft hour for schedule of indefinite-quantity work.* For each labor classification, the difference between the actual wage and benefit rates (combined) paid and the wage and benefit rates (combined) required by the new wage determination *shall* be added to the original contract unit price if the difference results in a combined increase. If the difference computed results in a combined decrease, the contract unit price *shall* be decreased by that amount if the Contractor provides notification as provided in paragraph (e) of this clause.

(2) *Computation for contract unit price containing multiple craft hours for schedule of indefinite-quantity work.* For each labor classification, the difference between the actual wage and benefit rates (combined) paid and the wage and benefit rates (combined) required by the new wage determination *shall* be multiplied by the actual number of hours expended for each craft involved in accomplishing the unit-priced work item. The product of this computation will then be divided by the actual number of units ordered in the preceding contract period. The total of these computations for each craft will be added to the current contract unit price to obtain the new contract unit price. The extended amount for the *line item* will be obtained by multiplying the new unit price by the estimated quantity. If actual hours are not available from the preceding contract period for computation of the adjustment for a specific contract unit of work, the Contractor, in agreement with the *Contracting Officer*, *shall* estimate the total hours per craft per contract unit of work.

**Example: Asphalt Paving-Current Price \$3.38 per Square Yard**

DBA Craft	New WD		Hourly rate paid		Diff.		Actual Hrs	Actual units (sq.yard)		Increase/sqyard
Equip. Opr.	\$18.50	-	\$18.00	=	\$.50	x	600 hrs./	3,000 sq. yrd.	=	\$.10
Truck Driver	\$19.00	-	\$18.25	=	\$.75	x	525 hrs./	3,000 sq. yrd.	=	\$.13
Laborer	\$11.50	-	\$11.25	=	\$.25	x	750 hrs./	3,000 sq. yrd.	=	\$.06
Total increase per square yard =										\$ .29*

\* Note: Adjustment for labor rate increases or decreases *may* be accompanied by social security and unemployment taxes and workers' compensation *insurance*.

Current unit price (per square yard)		\$3.38
Add DBA price adj.		+.29
New unit price (per square yard)	=	\$3.67

(End of clause)

**Parent topic:** [52.222 \[Reserved\]](#)