

ARTICLE 12 - PRICING

A. Standard Percentage Mark Up Rates

<u>Category</u>	<u>Percentage Mark Up Rate</u>
Administrative and Clerical	36.22
Payroll Services*	29.22

*Payroll Services shall only apply to temporary labor employees that are recruited by the University and not by the Subcontractor.

B. Overtime

Overtime, if authorized by the temporary labor employee's technical supervisor, shall be paid at one and one-half times the bill rate, less the Health and Welfare benefit, for every hour worked in excess of forty hours per week and for every hour worked in excess of eight hours per day.

C. Price Increases and Decreases

Percentage mark up rates shall remain fixed for the first year. Thereafter, mark up rates may be adjusted to reflect increases required by government statute or regulation including but not limited to FICA, SUI, worker's compensation, insurance, and unemployment costs.

D. Temporary to Permanent Rate

If the University elects to hire any Subcontractor employee, the following rates shall be paid by the University:

<u>Kelly Services Employees Hours Employed at LBNL</u>	<u>Temporary to Permanent Rate</u>
0 – 540	18 percent of annual salary
>540	\$1,500.00
Payroll Services Employees	0 percent

Conversion of a Payroll Services employee to a permanent University employee can occur at any time with no additional charge to the University.

E. Other Services

Subcontractor shall provide other services such as background checks, drug screening test, credit reports, and DMV reports when requested by the University. Services shall be invoiced separately at actual cost to Subcontractor for such services.

ARTICLE 13 - VERIFICATION OF PRICING

The University reserves the right to conduct periodic reviews of the Subcontractor's records with reasonable notice to ensure the prices charged for the temporary labor services are in accordance with this Subcontract. The Subcontractor shall maintain documentation to validate the prices charged for temporary labor services for a period of three years after final payment for the services. If an audit reveals that Subcontractor overcharged the University, Subcontractor will reimburse the University for all such overcharges. If an audit reveals that Subcontractor undercharged the University, the University will reimburse Subcontractor for all such undercharges.