

Team Compensation & Bonus Program

To all team members,

We're excited to roll out a new compensation and bonus program designed to do one thing: **reward you for the hard work, skill, and smart thinking you bring to every job.**

Our goal is to be the best paving and sealing company in the area, and we know that starts with having the best team. This program is our way of investing in you and sharing the success we build together. It's built on four layers: a solid pay structure and three types of bonuses that reward you for **speed, quality, and profitability.**

Layer 1: Our Core Pay Structure

We are moving to a tiered pay rate. This means you earn more for the time you spend on a customer's property getting the job done.

- **Shop & Prep Rate: \$15/hour** This is your rate for all time spent at the shop, like loading the truck, equipment maintenance, and getting materials ready.
- **On-Site Rate: \$20/hour** Your pay automatically increases to this higher rate the moment you arrive on a job site until the moment you leave. This is to recognize the hard, revenue-generating work you do for our customers.

Layer 2: The "Beat the Clock" Efficiency Bonus

This bonus rewards you for working efficiently and getting the job done faster than planned.

- **How it works:** Every job has a "labor budget" in hours. If we complete the job to our quality standards in *fewer* hours, the crew on that job will **split 50% of the value of the hours saved.**
- **Example:** A job is budgeted for **40 total hours**. The crew works together and gets it done perfectly in **36 hours**.
 - Hours Saved: **4 hours**
 - Savings Value (at \$15/hr): **\$60**
 - **Efficiency Bonus: \$30 to be split by the crew.**

Layer 3: The "Do It Right" Quality Bonus

This bonus rewards you for top-quality work that makes our customers happy and protects our reputation. Speed is great, but quality is everything.

- **How it works:** For every job completed, there is a 30-day quality review period. If we don't get a legitimate customer callback to fix something, every crew member on that job earns a flat-rate bonus.
- **Example:** The crew finishes a job on September 29th. By October 29th, the customer is happy and there have been no issues.
 - **Quality Bonus: \$50 for each crew member.**

Layer 4: The "Company Win" Profit Bonus

This is the super bonus. It rewards you for thinking like an owner and helping us win on all fronts—labor, materials, and overall job cost.

- **How it works:** We have a target profit for every job. When your smart work helps us beat that target, you get a piece of the extra profit.
- **Example:** A job has a target profit of **\$2,000**. By being efficient and careful with materials, the final profit is **\$2,400**.
 - Extra Profit: **\$400**
 - The company shares **10% of that extra profit** with the crew.
 - **Profit Bonus: \$40 to be split by the crew.**

Frequently Asked Questions (FAQs)

Q: When will we get paid for these bonuses?

A: All bonuses you earn will be calculated and paid out on the first paycheck of the following month. For example, all bonuses earned in October will be paid on the first payday in November.

Q: What if a customer is just being unreasonable about the "Quality Bonus"?

A: We will always investigate a customer complaint fairly. This bonus is withheld only for legitimate issues with our workmanship (e.g., crooked lines, sealer on a curb, missed spots). It will not be withheld if a customer is making an unreasonable demand that wasn't part of the original job.

Q: How will we know the "labor budget" for the Efficiency Bonus?

A: Before each job, we will let the crew know the target hours. We want you to know exactly what you're aiming for.

Q: Does this change how our overtime is calculated?

A: Yes. All bonuses earned are factored into your total pay, which can increase your overtime rate for that pay period. This is required by law and works in your favor, meaning you get paid more for any overtime you work.

Q: What's the main difference between the Efficiency and Profit bonuses?

A: The Efficiency Bonus is *only* about saving time. The Profit Bonus is about the big picture—saving time, reducing material waste, and taking good care of the equipment. It's possible to earn one, both, or neither on any given job.

We're confident this new plan will help all of us succeed. Let's work together to make this a great season. Please feel free to ask any other questions you have.