

January 31, 2022

Attn: Collision Repair Program participants

RE: Updates to feather, prime and block in Mitchell Cloud

Dear collision repair partners,

To further our commitment to find operational efficiencies and keep you up to date on program developments, I want to share with you an update related to the Policy on feather, prime and block allowance ICBC introduced last year. This includes the introduction of the modified refinish materials rate which is to be applied only to the feather, prime and block operation. This change comes into effect February 1st, 2022.

Process

Currently, the Policy on feather, prime and block allowance is paid at the body labour and material rate. The operation is entered on the estimate using the FEATHER, PRIME & BLOCK template line in Mitchell Cloud Estimating.

Moving forward, the Policy on feather, prime and block will be paid by utilizing the User Defined 1 labour rate in Mitchell Cloud Estimating which is based on the current Repair and Refinish labour rates and the new revised Refinish materials allowance. This labour rate is assigned to the FEATHER, PRIME & BLOCK template line in Mitchell Cloud Estimating. It is important to note repair facilities are not to modify or change the rate; only select the FEATHER, PRIME & BLOCK line in the templates section of Mitchell Cloud Estimating.

Rates

As of February 1st, 2022 repair facilities are eligible to charge the User Defined 1 labour rate of \$86.86 per hour for the feather, prime and block operation. This modified labour rate is based on the labour rate of \$75.30 and modified Refinish material rate of \$11.56 and is only applicable to the feather, prime and block allowance. This modified rate was made possible due to the implementation of Mitchell Cloud Estimating, and is a hybrid approach, which can be broken down as follows:

The difference of the feather, prime and block material allowance less the body material allowance:

\$11.56 - \$6.11 = \$5.45

The balance of the modified materials total is then added to the Refinish labour rate of \$75.30 for a new labour rate:

 \bullet \$5.45 + \$75.30 = \$80.75

Repair facilities will still receive the current materials rate of \$6.11 in addition to the User Defined 1 labour rate for feather, prime and block times; in effect giving them \$86.86 total per hour for feather, prime and block.



• \$80.75 + \$6.11 = \$86.86 new labour rate

ICBC will adjust the rates accordingly for Collision Repair Participants and Participants in Performance Review 2.

If you have any questions, please don't hesitate to reach out to your <u>Account Services</u> <u>representative</u>.

Sincerely,

Troy Campbell Manager MD Programs & Technical – Collision