

**On-Call Construction Inspection/Surveying Loaded Billing
Rate Calculations & Explanations
7/12/2018**

Loaded Hourly Billing Rate Calculations

The following calculations are based on **Form ADM 2033 (Rev. 7/12/18)**. The information provided in alphabetic columns (Columns A & B), and the values in the 30 columns on the Cost Proposal template should support the resulting **Loaded Hourly Billing Rates**. You will see the Columns 1 – 30 at the bottom row of the cost proposal template.

The logic for the rate calculations are shown in this write-up. It is based upon the logic of compensating the employee where adjustments (**DELTA: BASE and/or FRINGE**) are required. The actual calculations in the cost proposal cells may vary due to the equation writing technique used for cost proposal. They may vary from the logic on this write-up. The overall logic should be the same for the rates when completed. The Cost Proposal templates are on the [DPAC](#) internet website.

Col 1 (Prevailing Wage), **Col 4** (Fringe Benefits), **Col 11** (Actual Fringe), **Col 29** (Escalation Increases %) and **Col 30** (Actual Base Hourly Rate-the first line only unless there is an existing predetermined increase), are either given in the DIR Wage Determination, in the RFQ/RFP advertisement and/or provided by the Consultants. The values in all other columns except for the date columns, **Col 27** and **Col 28**, are calculated based on the following:

Col 1 = Prevailing Wage (given; from the DIR Wage Determination)
Col 2 = 1.5 x Col 1 (formula calculates; should agree with the DIR Wage Determination)
Col 3 = 2.0 x Col 1 (formula calculates; should agree with the DIR Wage Determination)
Col 4 = Fringe Benefits (given; from the DIR Wage Determination)
Col 5 = Col 1 + Col 4 (formula calculates; should agree with the DIR Wage Determination)
Col 6 = Col 2 + Col 4 (formula calculates; should agree with the DIR Wage Determination)
Col 7 = Col 3 + Col 4 (formula calculates; should agree with the DIR Wage Determination)
Col 8 = Actual Base Hourly Rates (given; see explanation for Col 30)
Col 9 = 1.5 x Col 8 (formula calculates)
Col 10 = 2.0 x Col 8 (formula calculates)
Col 11 = Estimated Fringe (given; Consultant provides and may be different for each employee)
Col 12 = Col 8 + Col 11 (formula calculates)
Col 13 = Col 9 + Col 11 (formula calculates)
Col 14 = Col 10 + Col 11 (formula calculates)
Col 15 = Col 12 – Col 5 (if ≥ 0 , then 0; otherwise a Delta Total is calculated)
Col 16 = Col 13 – Col 6 (if ≥ 0 , then 0; otherwise a Delta Total is calculated)
Col 17 = Col 14 – Col 7 (if ≥ 0 , then 0; otherwise a Delta Total is calculated)
Col 18 = Col 8 – Col 1 (if ≥ 0 , then 0; otherwise a Delta Base is calculated)
Col 19 = Col 9 – Col 2 (if ≥ 0 , then 0; otherwise a Delta Base is calculated)
Col 20 = Col 10 – Col 3 (if ≥ 0 , then 0; otherwise a Delta Base is calculated)

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Col 21 = Col 15 – Col 18 (formula driven; Delta Fringe is calculated if not zero)
Col 22 = Col 16 – Col 19 (formula driven; Delta Fringe is calculated if not zero)
Col 23 = Col 17 – Col 20 (formula driven; Delta Fringe is calculated if not zero)

Non-Prevailing Wage Work

The following explains the calculations. Depending on the situation, the Consultant shall use the applicable OH rate (i.e., Field, Project Specific, Office, etc.)

Col 24 = (Col 30) x (1 + OH) x (1 + Fee)
Col 25 = (Col 24) + (Col 9 – Col 8) x (1 + OH) x (1 + Fee)
Col 26 = (Col 24) + (Col 10 – Col 8) x (1 + OH) x (1 + Fee)
Col 27 – starting effective date of hourly rate which is = RFQ/RFP advertisement date
Col 28 – ending effective date of hourly rate which is 12 months after date in Col 27
Col 29 Escalation Increase % (given; will be advertised in the RFQ/RFP)
Col 30 Actual Base Hourly Rate (provided by Consultant; as of the RFQ/RFP advertisement date)

If a Consultant has Part Time and/or Contract employees, a Project Specific OH rate should be developed by the Consultant. The American Association and State Highway and Transportation Officials (AASHTO) Audit & Accounting Guide, 2016 Edition, (AASHTO Guide) provides general guidance and information on how to calculate a Project Specific OH rate (Chapter 5.6.B, Types of Field Offices). The Project Specific OH rate calculation cost proposal must be submitted to the Department, just as a supporting schedule is required for the Home Office and/or Field Office OH rate(s). There will be instances when a consultant's Field OH rate will need to be adjusted to a Project Specific rate, but this will depend upon: 1) how the consultant prepares its Field OH rate (allocation methodology), and/or 2) if the consultant will be working out of Caltrans provided facilities (such as, but not limited to, for the continuation/staff augmentation contracts.) The AASHTO Uniform Audit & Accounting Guide can be purchased on the [AASHTO](#) website.

Typically, Exempt Employees are not paid overtime and this is often the case for Managers, Principals and QA/QC Engineers regardless of the number of hours worked. On the other hand, some Senior Level Exempt staff may be paid overtime but at the Straight Time Hourly Rate for both 1.5 and 2.0, per company policy.

Regardless of company policy, the DIR requires that overtime be paid to ALL employees (including EXEMPT) when working overtime hours

on public works projects. Consultants determine the Exempt and Non-Exempt classifications and establish their Premium Overtime (OT) Policy, accordingly.

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Uncompensated Overtime comes in to play when a salaried (Exempt) employee works overtime yet is not compensated for the overtime worked. The example in the Cost Proposal template (Stevie Ray Vaughn), is an example of this and why the 1.5 and 2.0 columns are shaded out, as follows:

Col 24 = Col 30 x (1 + Office OH) x (1 + Fee)
Col 25 = Shaded out
Col 26 = Shaded out

Non-Prevailing Wage Work - Continued

Col 27 – starting effective date of hourly rate which is = RFQ/RFP advertisement date
Col 28 – ending effective date of hourly rate which is 12 months after date in Col 27
Col 29 Escalation Increase % (given; will be advertised in the RFQ/RFP)
Col 30 Actual Base Hourly Rate (provided by Consultant as of the RFQ/RFP advertisement date)

Prevailing Wage Work

The table below provides the applicable Prevailing Wage Delta Multiplier for Consultants when preparing their cost proposal; Consultants must use the applicable multiplier that is consistent with their established written policy on how they account for the Prevailing Wage Deltas (Base and Fringe):

Prevailing Wage (PW) Delta Cost Accounting Method	PW Delta Multiplier Value
Classified as Direct Labor	(1+Field/PS/Office OH) x (1+Fee) = Full Multiplier
Classified as Other Direct Cost	1.00 Multiplier
Classified as Indirect Labor	0.00 Multiplier

For Prevailing Wage work, a Field or Project Specific OH will be required in most

instances: Straight Loaded Hourly Billing Rate:

Direct Labor Method [Full Multiplier]

Col 24 = (Col 30 + Col 15) x (1 + OH) x (1 + Fee)

Other Direct Cost Method [1 Multiplier]

Col 24 = [Col 30 x (1 + OH) x (1 + Fee)] + (Col 15 x 1)

Indirect Labor Method [0 Multiplier]

Col 24 = [Col 30 x (1 + OH) x (1 + Fee)] + (Col 15 x 0)

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Prevailing Wage Work- Continued

1.5 OT Loaded Hourly Billing Rate:

Direct Labor Method [Full Multiplier]

$$\text{Col 25} = (\text{Col 24} + 1/2 \text{ Col 30} + \text{Col 16}) \times (1 + \text{OH}) \times (1 + \text{Fee})$$

Other Direct Cost Method [1 Multiplier]

$$\text{Col 25} = (\text{Col 24} + 1/2 \text{ Col 30}) + (\text{Col 16} \times 1)$$

Indirect Labor Method [0 Multiplier]

$$\text{Col 25} = (\text{Col 24} + 1/2 \text{ Col 30}) + (\text{Col 16} \times 0)$$

2.0 OT Loaded Hourly Billing Rate:

Direct Labor Method [Full Multiplier]

$$\text{Col 26} = (\text{Col 24} + 1 \times \text{Col 30} + \text{Col 17}) \times (1 + \text{OH}) \times (1 + \text{Fee})$$

Other Direct Cost Method [1 Multiplier] Col 26 = (Col 24 + 1 x Col 30) + (Col 17x1)

Indirect Labor Method [0 Multiplier] Col 26 = (Col 24 + 1 x Col 30) + (Col 17x0)