52.237-10 Identification of Uncompensated Overtime.

As prescribed in 37.115-3 , insert the following provision:

Identification of *Uncompensated Overtime* (Mar 2015)

(a) *Definitions*. As used in this provision-

Adjusted hourly rate (including uncompensated overtime) is the rate that results from multiplying the hourly rate for a 40-hour work week by 40, and then dividing by the proposed hours per week which includes *uncompensated overtime* hours over and above the standard 40-hour work week. For example, 45 hours proposed on a 40-hour work week basis at $20 per hour would be converted to an *uncompensated overtime* rate of $17.78 per hour ($20.00 x 40 divided by 45 = $17.78).

Uncompensated overtime means the hours worked without additional compensation in excess of an average of 40 hours per week by direct charge employees who are exempt from the Fair Labor Standards Act. Compensated personal absences such as holidays, vacations, and sick leave *shall* be included in the normal work week for purposes of computing *uncompensated overtime* hours.

(b)

(1) Whenever there is *uncompensated overtime*, the *adjusted hourly rate (including uncompensated overtime*), rather than the hourly rate, *shall* be applied to all proposed hours, whether regular or *overtime* hours.

(2) All proposed labor hours subject to the *adjusted hourly rate (including uncompensated overtime*) *shall* be identified as either regular or *overtime* hours, by labor categories, and described at the same level of detail. This is applicable to all proposals whether the labor hours are at the prime or subcontract level. This includes *uncompensated overtime* hours that are in *indirect cost* pools for personnel whose regular hours are normally charged direct.

(c) The *offeror*'s accounting practices used to estimate *uncompensated overtime must* be consistent with its cost accounting practices used to accumulate and report *uncompensated overtime* hours.

(d) Proposals that include unrealistically low labor rates, or that do not otherwise demonstrate *cost realism*, will be considered in a risk assessment and will be evaluated for award in accordance with that assessment.

(e) The *offeror shall* include a copy of its policy addressing *uncompensated overtime* with its proposal.

(End of provision)

Parent topic: 52.237 [Reserved]