

NAVAL RESEARCH LABORATORY
Washington, D.C.

Canc frp: Oct 04

NRLNOTE 7310
Code 3310
24 October 2003

NRL NOTICE 7310

From: Commanding Officer
To: Distribution Lists A and B

Subj: FY 2004 NAVY WORKING CAPITAL FUND STABILIZED BILLING
RATES

Encl: (1) Overhead Rates by Division
(2) Direct Labor Billing Rates
(3) Acceleration (Leave & Fringe Benefit) Rate
(4) Procurement Surcharges
(5) Flight Support Detachment (Code 1600) Service Center
Rates
(6) Technical Information Services Branch (Code 3430)
Service Center Rates
(7) Unfunded Cost Surcharge Rates

1. Purpose. To establish the Navy Working Capital Fund stabilized billing rates and other pricing factors applicable to FY04 costs incurred by the Naval Research Laboratory.

2. Cancellation. This notice cancels and supersedes NRLNOTE 7310 of 7 October 2002, and both changes thereto.

3. Scope. This notice applies to all NRL sites.

4. Policy. The stabilized overhead and direct labor rates shown in enclosures (1) and (2) shall be applied to FY04 direct labor hours worked in support of NRL research efforts and other customer work. The direct labor rates shown in enclosure (2) include an acceleration rate of 48.0% to cover the costs of leave and fringe benefits, as shown in enclosure (3). FY04 Procurement Surcharges shall be applied at the rates shown in enclosure (4); note that these rates have been updated (primarily reduced) from the FY03 level. During FY04, customers of NRL service centers shall be charged based on the rates shown in enclosures (5) and (6). Enclosure (7) provides the FY04 unfunded cost surcharge rates and applicable information for billing unfunded costs to non-DOD customers.

5. Cancellation Contingency. This notice is canceled when up-dated.

D. M. SCHUBERT

NRL FY04 OVERHEAD RATES BY DIVISION
(DOLLARS PER DIRECT LABOR HOUR)

<u>Code</u>	<u>Title</u>	<u>Prod Rate</u>	<u>G&A Rate</u>
1000	Executive Directorate		\$17.08
1200	Command Support Division		\$17.08
1400	Military Support Division		\$17.08
1600	Flight Support Detachment		\$17.08
1800	Human Resources Office		\$17.08
3200	Contracting Division		\$17.08
3300	Financial Management Division		\$17.08
3400	Supply Division		\$17.08
3500	Research and Development Services Division		\$17.08
5050	Signature Technology Office	\$24.41	\$22.43
5300	Radar Division	\$21.03	\$20.28
5500	Information Technology Division	\$14.85	\$19.66
5600	Optical Sciences Division	\$19.92	\$21.66
5700	Tactical Electronic Warfare Division	\$22.42	\$22.84
6030	Laboratory for Structure of Matter	\$28.50	\$23.55
6100	Chemistry Division	\$29.12	\$23.46
6300	Materials Science and Technology Division	\$30.74	\$21.81
6400	Laboratory for Computational Physics and Fluid Dynamics	\$23.31	\$20.51
6700	Plasma Physics Division	\$27.21	\$23.00
6800	Electronics Science and Technology Division	\$29.51	\$21.43
6900	Center for Bio/Molecular Science and Engineering	\$22.15	\$21.94
7030	Office of Research Support Services		\$17.08
7100	Acoustics Division	\$23.83	\$21.71
7200	Remote Sensing Division	\$19.83	\$20.30
7300	Oceanography Division	\$19.97	\$24.90
7400	Marine Geosciences Division	\$22.51	\$23.83
7500	Marine Meteorology Division	\$17.30	\$11.16
7600	Space Science Division	\$21.81	\$22.00
8000	Naval Center for Space Technology	\$36.73	\$23.60
8100	Space Systems Development Department	\$36.73	\$23.60
8200	Spacecraft Engineering Department	\$36.73	\$23.60
	Off-Site		\$11.76

NRL FY04 DIRECT LABOR BILLING RATES

<u>Annual Adjusted Basic Pay Range</u>		<u>Direct Labor Billing Rate Category</u>	<u>FY04 Direct Labor Billing Rate*</u>
<u>From:</u>	<u>To:</u>		
\$0	\$21,594	A	\$14.33
\$21,595	\$24,273	B	\$16.72
\$24,274	\$27,929	C	\$18.66
\$27,930	\$31,395	D	\$20.72
\$31,396	\$34,474	E	\$23.61
\$34,475	\$38,750	F	\$26.37
\$38,751	\$42,558	G	\$29.66
\$42,559	\$47,829	H	\$32.29
\$47,830	\$52,520	I	\$35.61
\$52,521	\$57,670	J	\$39.40
\$57,671	\$64,824	K	\$43.72
\$64,825	\$76,357	L	\$50.80
\$76,358	\$89,938	M	\$61.12
\$89,939	\$108,445	N	\$73.10
\$108,446	\$124,783	O	\$86.91
\$124,784	and higher	P	\$100.97
All Wage Grade Employees		W	\$37.15

*Rates cover direct labor only (excluding Distinguished Contributions Allowance (DCA) and the Interim Staffing Allowance for Information Technology (IT) Positions); G&A and Production Overhead Rates not included.

The Annual Adjusted Basic Pay (includes Locality Pay, excludes DCA and Interim Staffing Allowance for IT Positions) is used to determine direct labor billing rates for all NRL employees in the NRL Personnel Management Demonstration Project, all GS and ST employees, and SES members. Labor costs for employees with an approved DCA or Interim Staffing Allowance for IT Positions shall include an additional charge to recover the DCA or Staffing Allowance costs; these charges shall be applied to regular straight-time hours according to the following formula: ((Biweekly DCA or Staffing Allowance amount/80 hours) x 1.202). (The additional 20.2% surcharge is reduced acceleration to compensate for annual, sick, and holiday leave.) DCA and Interim Staffing Allowance costs are reported under Cost Element 18 (Special Pay). The above direct billing rates include Labor Acceleration (Leave and Fringe Benefits) of 48%.

All Wage Grade (trade and craft) employees shall be billed based on Category W.

NRL FY04 ACCELERATION (LEAVE & FRINGE BENEFIT) RATE
(PERCENTAGE OF EMPLOYEE HOURLY PAY)

<u>Acceleration Factor</u>	<u>Percentage</u>
Annual Leave	10.8%
Sick Leave	3.9%
Holiday and Other Leave	5.5%
FICA Taxes	4.7%
FEGLI (Life Insurance)	0.2%
FEHB (Health Benefits)	6.9%
Medicare	1.7%
CSRS (Civil Service Retirement System)	3.2%
FERS (Federal Employee Retirement System)	7.9%
TSP (Thrift Savings Plan)	3.2%
Total Acceleration Rate	48.0%

NRL FY 2004 PROCUREMENT SURCHARGES

I. CONTRACT SURCHARGES:

<u>Lt Cd</u>	<u>Description</u>	<u>Value</u>	<u>Charges</u>
A	Competitive RFP >\$1M	>\$1M-\$5M	\$34,750
		>\$5M-\$10M	\$44,000
		>\$10M-\$20M	\$51,000
		>\$20M	\$58,000
B	Competitive RFP ≤\$1M	≤\$300K	\$15,750
		>\$300K-\$1M	\$24,750
C	Competitive Other	≤\$300K	\$12,250
		>\$300K-\$1M	\$19,500
		>\$1M-\$5M	\$27,500
		>\$5M-\$10M	\$36,750
		>\$10M-\$20M	\$43,500
D	Noncompetitive	>\$20M	\$47,500
		≤\$300K	\$13,500
		>\$300K-\$1M	\$21,250
		>\$1M-\$3M	\$29,500
		>\$3M-\$10M	\$39,500
E	Increments	>\$10M	\$49,750
		All	\$ 685
F	Complex Mods	All	\$ 1,850
G	Grants	≤\$70K	\$ 3,500
		>\$70K-\$300K	\$ 6,750
		>\$300K-\$1M	\$12,000
		>\$1M-\$5M	\$16,500
		>\$5M-\$10M	\$22,500
H	Simple Orders	>\$10M	\$30,000
		≤\$50K	8.25% CVAL
		>\$50K-\$300K	\$ 4,500
		>\$300K-\$1M	\$ 8,250
I	Simple Mods	All	\$ 685
J	Indef Del Contr	All	\$ 0
K	Complex Orders	≤\$50K	8.50% CVAL
		>\$50K-\$300K	\$ 5,450
		>\$300K-\$1M	\$11,750
		>\$1M-\$5M	\$15,750
		>\$5M-\$10M	\$18,750
L	New Scope Mods	>\$10M	\$21,750
		≤\$300K	\$10,500
		>\$300K-\$1M	\$16,500
		>\$1M-\$5M	\$23,500
		>\$5M-\$10M	\$30,500
M	(Reserved)	>\$10M	\$34,500
N	Multiple Awards	All	\$ 0

*Value is "Total Value (TVAL)" for all actions except orders (Codes "H" and "K"), for which it is "Contract Value (CVAL)."

II. SUPPLY DIVISION (CODE 3400) SURCHARGE:

8% of the award value, not-to-exceed \$4,000 per purchase.

NRL FLIGHT SUPPORT DETACHMENT (CODE 1600)
FY04 SERVICE CENTER RATES

1. Full Utilization Rate (at least 1.5 hours per day for every calendar day on which the aircraft is dedicated to the project, including installation and deinstallation time):

DON customers:

\$5,000 per flight hour on all aircraft except AEW/CEC
Rotodome NP-3D
\$6,410 per flight hour on AEW/CEC Rotodome NP-3D

Non-DON customers:

\$5,380 per flight hour on all aircraft except AEW/CEC
Rotodome NP-3D
\$6,800 per flight hour on AEW/CEC Rotodome NP-3D

NOTE: DON customers are considered to be any customers funded by DON appropriations or any customers of an NRL research Division. Non-DON customers are considered to be any customers not funded by DON appropriations and purchasing only Flight Support Detachment (FSD) (Code 1600) services at NRL (i.e., customers who are not purchasing FSD support as part of an ongoing research project in an NRL research Division).

2. Underutilized Rate. If the executed flight hours fall short of a cumulative average of 1.5 hours per day during the period that the aircraft has been blocked on the schedule for the project, the balance shall be charged as underutilization at a rate of \$3,000 per underutilized hour:

$(\text{Executed Flight Hours} \times \text{Full Utilization Rate}) + (\text{Underutilized Hours} \times \$3,000)$

[*The difference between full utilization (1.5 hours/day) and actual utilization. For example:

$(1.5 \text{ hours/day} \times \text{days utilized}) - (\text{hours flown})]$

For example, a project flying 30 hours in 30 days:

Full utilization would be 45 hours (30 x 1.5). With 30 hours executed, the remaining 15 hours (45-30) would be billed at the underutilization rate. The total charge would be the sum of executed hours and underutilized hours. If the executed hours exceeded 45 hours in this case, there would be no underutilization charge.

DON: (30 hrs x \$5,000) + (15 hrs x \$3,000) =
\$150,000 + \$45,000 = \$195,000

Non-DON: (30 hrs x \$6,410) + (15 hrs x \$3,000) =
\$192,300 + \$45,000 = \$237,300

3. Reimbursable Costs. FSD customers are charged on a full reimbursable basis for costs related to flight crew TAD travel expenses (e.g., per diem), landing fees, fuel costs in excess of DOD JP-5 contract prices, and other identified project-specific costs.

**TECHNICAL INFORMATION SERVICES BRANCH
FY2004 SERVICE CENTER RATES**

PUBLICATION SERVICES

Item No.	Function	Size/Description	Product Description	Unit of Measure	Unit Cost
065	4271		Publications (Writing/Editing)	Per Hour	\$80.00
066	4271		Publications Projects	Charge at Actual Cost	--
067	4271		Edit Journal Article	Each	\$500.00
070	4271		Coordination	Per Hour	\$70.00
075	4271		Composition	Per Hour	\$70.00
080	4271		Distribution	Per Hour	\$70.00
100	4271	8-1/2 x 11	B/W Copy (Single-Sided)	Each	\$0.08
101	4271	8-1/2 x 11	B/W Copy (Double-Sided)	Each	\$0.10
200	4271	8-1/2 x 11	Color Copy (Single-Sided)	Each	\$0.90
201	4271	8-1/2 x 11	Color Copy (Double-Sided)	Each	\$1.55
202	4271	11 x 17 or 12 x 18	Color Copy (Single-Sided)	Each	\$1.55
203	4271	11 x 17 or 12 x 18	Color Copy (Double-Sided)	Each	\$3.10
204	4271	8-1/2 x 11	Color Transparency	Each	\$2.50
207	4271	30 Per Hour	Binding - BGC, Coil & Coverbind	Per Hour	\$70.00
208	4271	6 -10 mm	Coils	Each	\$0.10
209	4271		Clear sheets	Each	\$0.12
210	4271		65-80 lb paper	Each	\$0.05
211	4271		80-100 lb paper	Each	\$0.07
212	4271		CD Labels (large)	Sheet of 2	\$1.65
213	4271		Coverbind material	Each	\$2.25
215	4271		Materials/Supplies	Charge at Actual Cost	--
220	4271		Business Cards	Sheet of 10	\$1.50
250	4261		DAPS/GPO Printing	Charge at Actual Cost	--

VISUAL INFORMATION SERVICES

Item No.	Function	Size/Description	Product Description	Unit of Measure	Unit Cost
300	4271		Scan to digital file	Each	\$22.00
301	4271		Visual Design Support	Per Hour	\$70.00
302	4271		Materials	Charge at Actual Cost	--
303	4271		CD-ROM Master	Each	\$15.00
304	4271		CD-ROM Authoring/Multimedia	Per Hour	\$60.00
305	4271		Exhibit Support	Charge at Actual Cost	--
306	4271		Novajet Printing	Per Sq Foot	\$13.00
307	4271		Lamination (2 sided)	Per Sq Foot	\$10.00
308	4271		CD Duplication (1st)	Each	\$11.00
309	4271		CD Multiple copies	Each	\$3.00
310	4271		SetupDesign Publication Cd	Each	\$40.00
311	4271		CD Sleeves (Tyvec, Cshells, etc.)	Each	\$0.30
312	4271		Framing/Mounting Support	Per Hour	\$80.00
313	4271		Framing Materials	Charge at Actual Cost	--
314	4271		Visual design /framing/poster projects	Charge at Actual Cost	--
315	4271		Business Card CDs	Each	--
316	4271		120 CD - w/shell	Each	\$5.00

SPECIAL PROJECTS

Item No.	Function	Size/Description	Product Description	Unit of Measure	Unit Cost
500	4601		Special Projects labor	Per Hour	\$60.00
501	4601		Material & Supplies	Charge at Actual Cost	--
502	4601		Special Report	Charge at Actual Cost	--

VIDEO SERVICES

Item No.	Function	Size/Description	Product Description	Unit of Measure	Unit Cost
600	4212		Production Services (includes shooting, production, editing, & special handling)	Per Hour	\$60.00
601	4212		Video project	Charge at Actual Cost	--
602	4212		Materials and Supplies	Charge at Actual Cost	--
603	4212		Duplicate film/slide/VGS to tape	Per Hour	\$60.00
604	4212		Duplicate tape to tape	Each	\$25.00
605	4212		2 and 3 Tape duplication	Each	\$10.00
609	4212	T-120	VHS tape	Each	\$5.00
610	4212	T-60	VHS tape	Each	\$5.00
611	4212	T-30	VHS tape	Each	\$4.00
612	4212	S-120	S-VHS tape	Each	\$8.50
613	4212	BC-30MA	Beta tape	Each	\$20.00
614	4212	BC-30MLA	Beta tape	Each	\$14.00
615	4212	BC-60MLA	Beta tape	Each	\$25.00
616	4212	BC-90MLA	Beta tape	Each	\$30.00
617	4212	AY-DV96MQ	Panasonic master tape	Each	\$22.00
618	4212	AY-DV124MQ	Panasonic master tape	Each	\$26.00
619	4212	AY-DV186MQ	Panasonic master tape	Each	\$31.00
620	4212	AY-D276MQ	Panasonic master tape	Each	\$38.00
621	4212	DVM30PR	Sony mini DV tape	Each	\$5.00
622	4212	DVM60PR	Sony mini DV tape	Each	\$5.25
623	4212	DVM80PR	Sony mini DV tape	Each	\$11.00
624	4212	DVM30EX	Sony mini DV tape	Each	\$8.00
625	4212	DVM60EX	Sony mini DV tape	Each	\$8.25

NONDIGITAL MINILAB

Item No.	Function	Size/Description	Product Description	Unit of Measure	Unit Cost
700	4212		Materials & Supplies	Charge at Actual Cost	--
701	4212	3-1/2 x 5 or 4 x 6	Minilab (process & print) 24 exp. roll	Each	\$12.00
702	4212	3-1/2 x 5 or 4 x 6	Minilab (process & print) 36 exp. roll	Each	\$16.00
703	4212	3-1/2 x 5 or 4 x 6	Minilab additional prints	Each	\$0.55
704	4212	3-1/2 x 5 or 4 x 6	Print (Machine reprints)	Each	\$1.20
705	4212	5 x 7	Print (Machine reprints)	Each	\$2.99
706	4212	8 x 10	Print (Machine reprints)	Each	\$6.99
707	4212		C-41 color film processing	Each	\$5.00

PHOTOGRAPHIC SERVICES

Item No.	Function	Size/Description	Product Description	Unit of Measure	Unit Cost
800	4212		Photographic Services (digital & nondigital)	Per Hour	\$60.00
804	4212		Photographic project	Charge at Actual Cost	--
805	4212		Passport Photo	Each	\$15.00
806	4212		Photo file services	Per Hour	\$60.00
807	4212		CD-ROM Master (includes labor to write)	Each	\$15.00
808	4212	36 mm-24 (roll)	Color negative films	Each	\$4.50
809	4212	36 mm-36 (roll)	Color negative films	Each	\$6.00
810	4212	120 mm (roll)	Color negative films	Each	\$3.75
811	4212	220 mm (roll)	Color negative films	Each	\$7.00
812	4212		From print /transparency to file - raw scan	Each	\$20.00
813	4212		From negative to file - raw scan	Each	\$30.00
814	4212	8-1/2 x 11	Fuji custom print	Each	\$10.00
815	4212	8-1/2 x 11	Fuji transparency	Each	\$10.00
816	4212	9 x 12	Fuji custom print	Each	\$11.00
817	4212	11 x 17	Fuji custom print	Each	\$19.00
818	4212	12 x 18	Fuji custom print	Each	\$23.00

CONTRACTS

Item No.	Function	Size/Description	Product Description	Unit of Measure	Unit Cost
900	4213	Contract Amount	Photo Contractor Invoice Cost	Charge at Actual Cost	--
961	4213		Handling Services	Per Hour	\$50.00

NRL FY04 UNFUNDED COST SURCHARGE RATES

Federal Non-DOD Customers	Foreign Military Sales Customers	Non-Federal Customers
.05%	3.15%	5.17%

1. Unfunded Costs are costs incurred by the Federal Government, but not charged at the agency level (i.e., not a cost charged to the Naval Research Laboratory). Such costs include additional civilian and military retirement benefits and interest costs for financing major assets. Unfunded costs applicable to work and service performed for non-DOD customers must be recovered from such customers. Accordingly, the above surcharge rates shall be charged to reimbursable fund documents accepted during FY04 and shall be based on total costs/funds received. The Unfunded Cost Surcharge amount is determined when the funds are accepted. As required by DOD Financial Management Regulations, the Unfunded Surcharge amount is not allocated at the job order level, but is held in the NRL surcharge reserve account prior to submitting to the U.S. Treasury.

2. NRL Program Managers are responsible for including the applicable unfunded cost surcharge when developing a cost proposal for non-DOD work. Total costs shall be increased by the above percentages when estimating the total costs and funds required from the customer.

3. The Budget and Funds Management Branch (Code 3310) shall determine the surcharge amount to hold in reserve. For example, if total funding received for a private-party customer order is \$100,000 (which should already include the surcharge amount), then divide \$100,000 by (1 + the above percentage) to determine the amount allocated to the job order. The balance shall be held for unfunded cost surcharge:

$\$100,000/1.0544 = \$94,840.66$ allocated to Division

Balance = \$5,159.34 reserve for unfunded surcharge