INDIRECT COSTS INCURRED BY THE NATIONAL OCEANIC & ATMOSPHERIC ADMINISTRATION DAMAGE ASSESSMENT AND RESTORATION PROGRAM

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DISCLAIMER

This report is intended solely for informational use on the Damage Assessment and Restoration Program's (DARP) development of its indirect cost rates, and should not be used for any other purpose. The DARP is a program within the National Oceanic and Atmospheric Administration (NOAA), whose mission is to assess and restore NOAA's trust resources injured as a result of releases of hazardous substances and oil in coastal and ocean environments as well as physical injury to National Marine Sanctuaries resources.

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INTRODUCTION

In support of the Damage Assessment and Restoration Program (DARP) within the National Oceanic and Atmospheric Administration, Rubino & McGeehin, Chartered (R&M) was retained to:

1) evaluate the cost accounting system and allocation practices;
2) recommend the appropriate indirect cost method; and
3) determine the indirect cost rates for the three organizations that comprise the DARP.

This report explains the concept of indirect costs, and documents R&M's findings and recommendations based on this concept and its practice.

R&M's QUALIFICATIONS

R&M is a certified public accounting firm established in February 1980. R&M provides a full suite of services such as audits and reviews of financial statements and preparation of tax returns for businesses and individuals. In addition to these services, R&M has considerable experience in providing specialized services in the following areas:

- **Cost accounting and contract administration consulting services** for clients providing goods and services to the Government under Federal contracts and grants, as well as indirect cost accumulation systems for environmental cost recovery for Federal agencies. For instance, R&M reviewed the design and maintenance of the indirect cost rate for the U.S. Department of Justice.
- **Financial accounting, management and administrative support services** to private companies, public organizations, and government contractors.
- **Expert accounting testimony and litigation support services** to clients involved in financial disputes, with specific emphasis in assisting both the contractors and Government in resolving Federal contract claims.

R&M's expertise in the field of government contract cost accounting and associated consulting services typically involve specialized assistance in the following areas:

- Pre-award audits
- Accounting system design and review
- Business plans
- Claim preparation, review and analysis
- Contract administration assistance
- Cost Accounting Standards consulting
- Cost allowability and allocability determinations under Federal cost principles
- Defective pricing reviews
- Disclosure statement preparation

- Executive compensation reviews
- Expert testimony and litigation services
- Forward pricing reviews
- Incurred cost audits
- Indirect cost rate structure and submissions
- Management system reviews and assistance
- Pre-award and historical audit support
- Proposal preparation and review
- Support in defense of fraud, waste and abuse investigations
- Support with bid protest actions, including cost realism studies
- Termination pricing assistance
- Time reporting surveys and compliance reviews.

The majority of the R&M's professional employees have direct experience with government contracts. This experience includes auditing government contractors, preparation of claims on behalf of contractors against Federal and State agencies, reviews for government agencies of claims filed by contractors, assistance in bidding and negotiating government contracts, and cost incurred and indirect rate submissions to the Defense Contract Audit Agency.

MISSION OF THE DARP

The National Oil and Hazardous Substances Pollution Contingency Plan (NCP), promulgated under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, also referred to as the Superfund Act), designates the Secretary of Commerce as the primary Federal agency to assess and restore the public's trust resources in coastal and ocean environments. These authorities have been delegated to NOAA. NOAA's trust responsibilities are provided not only under CERCLA and the NCP, but also under the Clean Water Act (CWA), the Oil Pollution Act of 1990 (OPA), the National Marine Sanctuaries Act (NMSA), and other Federal laws.

In 1990, NOAA established the DARP to fulfill its natural resource trustee responsibilities. The DARP's mission is to assess and restore[1] injured natural resources and their services resulting from incidents involving:

- releases of hazardous substances and oil; and
- physical injury to National Marine Sanctuary resources, e.g., groundings on coral reefs.

[1] This term refers to any actions to restore, rehabilitate, replace, or acquire the equivalent of the injured natural resources and their services.

To address this array of circumstances, NOAA placed three of its organizations under the DARP umbrella. These three organizations include the Damage Assessment Center (DAC) within the National Ocean Service; the Restoration Center within the National Marine Fisheries Service, and the Office of the General Counsel for Natural Resources (GCNR). The three organizations provide for a multi-disciplinary team of natural resource scientists, resource economists, restoration experts, and natural resource attorneys capable of:

- evaluating releases and physical injuries;
- assessing and quantifying injuries to NOAA's trust resources and services;
- developing and evaluating restoration alternatives for such injured resources and services; negotiating the appropriate restoration approach and associated costs; and
- implementing successful restoration strategies.

This approach to assessing and restoring injured natural resources and their services is referred to as Natural Resource Damage Assessment (NRDA).

In NRDA, claims are brought against potentially responsible parties (PRPs) by natural resource trustees[2] to assess and restore injured resources and their services resulting from an incident. These claims include the recovery of costs incurred by the DARP in evaluating the type and extent of injury, and identifying, evaluating and scaling restoration projects to address the injury. These costs include labor and other costs directly related to the conduct of NRDAs, as well as an allocation of indirect costs incurred in administering these direct efforts.

FEDERAL REQUIREMENTS FOR COST ACCOUNTING, RECOVERY, AND COST ALLOCATION

The total cost of a program properly includes a share of the overall costs of the organization. Knowing the total cost of the DARP sets the basis for cost accounting, including determining the manner in which to recover its costs.

In 1990, Congress and the Administration realized the inadequacy of the financial management systems of Federal agencies and took corrective action to address the agencies' accounting and recovery of costs incurred in various activities. In an attempt to develop cost accounting and recovery standards consistent with the well-tested private sector, Congress passed a series of acts and underlying standards that apply to many Federal agencies, including NOAA.

The mandates that apply to cost accounting, to which both NOAA and the DARP must comply are highlighted in the table on the following page.

[2] Participating trustees may include both Federal and State agencies as well as affected Native American tribes.

Federal Government Mandates/Actions	Requirements
Chief Financial Officers Act of 1990 [Pub. L. 101-576] Pub. L. 101-576 is available at http://thomas.loc.gov	This Act established the positions of Chief Financial Officers (CFOs) for each Federal agency to direct, manage, and provide policy guidance and oversight on agency financial management. The CFOs are directed to review charges imposed by the agencies for services, and to make recommendations to the Office of Federal Financial Management within the Office of Management and Budget (OMB) on revising charges to reflect costs incurred. The CFOs report to Congress.
Federal Accounting Standards Advisory Board (FASAB) established in October 1990 by OMB, the Secretary of the Treasury, and the Comptroller General SSFAS No. 4 is available at www.financenet.gov/financenet/fed/fasab/concepts.htm	The FASAB was created to establish a comprehensive suite of accounting concepts and standards for the Federal Government for improved decision-making (*see* OMB Circular A-134, May 20, 1993). The FASAB issued "Managerial Cost Accounting Concepts and Standards for the Federal Government," Statement of Federal Financial Accounting Standards Number 4 (SFFAS No. 4) that addresses the issue of cost recovery for Federal Government agencies. Specifically, SFFAS No. 4 sets forth five fundamental elements of managerial cost accounting, one of which calls for Federal agencies to determine and report the total cost (direct and indirect costs) of Federal Government programs and activities. SFFAS No. 4 states that, given the varying circumstances of Federal programs and activities and the many ways to account for and report costs, Federal agencies and programs (like the DARP) may use whatever costing system and method is best suited to their individual mission and operations. SFFAS No. 4 became effective October 1, 1997.
Government Performance and Results Act of 1993 (GPRA) [Pub. L. 103-62] Pub. L. 103-62 is available at http://www.whitehouse.gov/omb/mgmt-gpra/gplaw2m.html	This Act requires Federal agencies to have 5 year strategic financial management plans, and annual performance plans and reports on their financial status.
Government Management Reform Act of 1994 [Pub. L. 103-356] Pub. L. 103-356 is available at http://thomas.loc.gov	This Act requires annual Federal Government-wide financial statements. The first such report was issued on March 31, 1998.
Federal Financial Management Improvement Act of 1996 (FFTMA) [Pub. L. 104-208, Div A, Title 1, Section 101(f), Title VIII] Available from the 104th Congress catalogue at www.access.gpo.gov/nara/publaw/104publ.html	This Act requires Federal agencies to develop and use cost accounting methodologies consistent with SFFAS No. 4 and other applicable standards. By this Act, Federal agencies are required to comply with and report on their financial management systems consistent with applicable Federal accounting standards established by the FASAB. Federal costs are maintained in a database by Financial Management Centers (FMCs), organization codes, object codes, and task numbers.

All the above Federal mandates/actions can also be found at: http://www.darp.noaa.gov/

THE CONCEPT OF FULL COST

Paragraph 89 of the SSFAS No. 4 entitled "Managerial Cost Accounting Concepts and Standards for the Federal Government, Statement of Federal Financial Accounting Standards Number 4" (SFFAS No. 4) illustrates the principle of full cost accounting and reporting through the following quote:

> *The full cost of a responsibility segment's output is the total amount of resources used to produce the output. This includes direct and indirect costs that contribute to the output, regardless of funding sources.*

In the accounting practice, products or services are typically referred to as outputs or cost objectives. The total cost to produce a product or service includes two components – direct and indirect costs.[3]

Direct cost is defined as "the cost of resources directly consumed by an activity. Direct costs are assigned to activities by direct tracing of units of resources consumed by individual activities. A cost that is specifically identified with a single cost object."[4] On the other hand, indirect cost is defined as "a cost that cannot be identified specifically with or traced to a given cost object in an economically feasible way."[4]

By way of a simple example, the cost of producing a car includes the direct cost of the materials used to assemble the car, as well as the cost of the labor needed to assemble its parts. These are direct costs because they can be identified with the production of a specific product - the car. Similarly, when the car needs repair, the cost of replacement parts for the repair and the mechanic's wages reflect direct costs.

Indirect costs, as related to producing a car, include the cost of company support functions (payroll, inventory, engineering, research, and marketing) and expenses for heat, light, power, depreciation of capital equipment, and rent. Indirect costs, as related to servicing a car, include the rent of service bays, cost of the equipment used in making the repair, management salaries, and the heat, light, and power of the repair facility. Indirect costs are those costs required for the operation of the company as a whole, but cannot be identified with the specific product or service.

The DARP's outputs are generally in the form of services, and are accumulated against specific "task numbers." For example, NRDA cases represent the typical output produced by the DARP. Thus, a specific task number is assigned to each case, and all costs that are incurred in direct support of a case (such as direct labor, travel, and contract support) are allocated to this task number.

Costs incurred for work that supports the overall mission and operation of the DARP, but cannot be attributed to a specific case, similarly represent indirect costs. Indirect costs include non-case-specific time incurred, for instance, by clerical and other organizational staff, senior

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[3] Indirect costs are also referred to as burdens, loading, and overhead costs.

[4] Statement of Federal Financial Accounting Standards Number 4, Appendix B – Glossary.

management time spent developing organizational policies, financial management, budget planning and execution, network/PC hardware and software maintenance, general filing, etc.

Accordingly, for each of the DARP organizations incurring costs, the cost of casework includes costs specifically attributed to producing the output (the direct costs) as well as a proportionate allocation of costs necessary to manage and administer the DARP organizations in support of the output (the indirect costs). These costs reflect the total cost of the program.

When identifying the total cost of an output (i.e., performing a service under the DARP), indirect costs:

- represent a real component of total costs, i.e., indirect costs are accepted as part of the business practice in cost accounting and recovery actions;
- are allowed under various statutory provisions;
- must be appropriately proved, documented and applied;
- must be based on generally accepted accounting standards; and
- must be allocable to a NRDA case.

It is the policy of the Department of Commerce and NOAA to record the total cost of each program and activity. The Federal Financial Management Improvement Act of 1996 simply requires Federal agencies to follow and be consistent with the guidance of SFFAS No. 4.

ALLOCATING INDIRECT COSTS

SFFAS No. 4 does not specify or recommend a particular cost allocation method. Rather, since there are many equitable methods for capturing the total cost of performance, SFFAS No. 4 requires each Federal agency to determine the most appropriate method for allocating indirect costs given its unique circumstances. The method for allocating indirect costs should have an equitable causal-benefit relationship with its direct cost allocation base.

NOAA documents costs by identifying both direct and indirect costs incurred. The DARP's three organizations each allocate indirect costs incurred against the cost of direct labor plus benefits. A description of this allocation method is provided later in this report.

Comparing one agency's indirect cost to another is not practical since different agencies can have different allocation methods, management practices and organizational structures. So long as indirect costs are adequately documented and justified according to generally accepted accounting standards, the variance in indirect costs rates between agencies does not make those costs any less recoverable.

INDIRECT COST RATES USED BY THE DARP'S ORGANIZATIONS

The organizations supporting the DARP currently apply four types (or categories) of indirect costs: Leave Surcharge, Benefits, Administrative Support, and Organizational Overhead.

The first three categories of indirect cost defined below are identified by the NOAA Comptroller. These NOAA indirect rate categories include the following:

- **Leave Surcharge** includes leave payment for administrative, annual and sick leave.

- **Benefits rate** includes payroll taxes, civil service retirement, health benefits, life insurance, regular employer retirement contributions, FICA contributions, and Federal Retirement Service thrift savings plan basic and matching.

- **Administrative Support rate** is comprised of NOAA-wide functions such as: NOAA's administrative, personnel, agency training, procurement, telecommunication, equipment operations, warehouse, internal mail, and housekeeping support, and other NOAA common services.

The fourth type of indirect cost element is commonly referred to as "Organizational Overhead." Organizational Overhead provides for the recovery of indirect costs accumulated by each organization supporting the DARP. Each organization's indirect costs are allocated, assigned, and distributed based on a substantive, causal-beneficial relationship, i.e., the indirect support activities must relate to or benefit the DARP mission, and are necessary to or will enhance casework. Examples of activities that apply to the accumulation of these indirect costs include:

- general management and administrative support, e.g., staffing, program budgeting, program communication and coordination, general cost accounting, and general computer, secretarial, records management, and database support, etc. .
- maintenance of emergency spill response capabilities;
- general program and policy development work, e.g., the DARP Board of Directors activities, general program coordination, general policy development, etc.; and
- development or enhancement of techniques and methods for conducting NRDAs.

REVIEW OF THE DARP'S ACCOUNTING SYSTEM AND ALLOCATION PRACTICE

Development of indirect cost rates requires accurate and complete identification and assignment of the DARP's activities to discrete task numbers. R&M has reviewed the accounting system used by each organizational unit supporting the DARP, and concluded that it fairly documents and portrays the proper allocation of costs in a manner that is reliable to identify the total cost incurred – direct and indirect costs included. This review included verification of each organization's timekeeping practices as well as purchasing function and tests of accounting data.

INDIRECT COST METHODS CONSIDERED AND SELECTED

Three alternative indirect cost allocation methodologies were considered for allocating the indirect cost pools for the DARP component organizations, i.e., the DAC, GCNR, and RC, including:

? **Professional Hourly Rate** is computed by allocating the total indirect cost over a direct labor hours base to develop one average hourly rate for all professionals. Direct, non-labor cost or Other Direct Costs (ODC) would have no burden cost applied to it.

? **Total Direct Cost Base** is calculated by distributing total indirect cost over the sum of direct labor costs, fringe benefits costs relating to direct labor, and ODCs.

? **Direct Labor Cost Base** is computed by allocating total indirect cost over the sum of direct labor dollars plus the application of the NOAA leave surcharge and benefit rates to direct labor. As in the case of the professional hourly rate, there is no indirect cost applied to ODCs.

The Professional Hourly Rate method assumes each employee's benefit to a task is at the same cost. This may not be true, especially when the hourly rate is compared to the level of experience and training of each employee. Thus, this method was not considered further.

The Total Direct Cost Base approach was not the true "driver" for the indirect cost pool for any of the DARP component organizations. In charting the relationship between the indirect cost pool and the direct labor base for FYs 1993 through 1999, the allocation base significantly fluctuated with the indirect cost. Consequently, there was not a clear causal-beneficial relationship between the indirect cost pool and the allocation base.

For the Direct Labor Cost Base method, there was a high correlation between the cost pool and allocation base, where direct labor is clearly the "driver" of the indirect cost pool. Thus, the Direct Labor Cost Base is recommended as the most appropriate cost allocation method for each of the three organizational units supporting the DARP because there is a causal-beneficial relationship between the indirect cost pool and the direct labor dollar base.

RECOMMENDED INDIRECT COST RATES

Based on the Direct Labor Cost Base method, R&M calculated the indirect cost rates for each of the DARP's component organizations (see ATTACHMENT 1). R&M computed the indirect cost pools, direct labor bases, and the indirect cost rates for the DAC, GCNR, and the RC for the respective fiscal years in this Attachment.

ATTACHMENT 2 also identifies each type of NOAA indirect rate, broken down by fiscal year. For NOAA's indirect rates shown in this attachment, there may be rate changes not only between fiscal years, but also perhaps within fiscal years. The reason is that at the beginning of each fiscal year, the rates for each of the four NOAA indirect rate categories are based on the previous year's costs. The rates are periodically reviewed and changed based on current information.

ATTACHMENT 3 shows an example of how all four indirect cost rates are applied to labor costs in order to compute the total indirect expense associated with a given amount of labor dollars.

CONCLUSION

R&M's analysis considered the cost principles contained in Federal Accounting Standards Advisory Board, Statement of Federal Financial Accounting Standards No. 4, "*Managerial Cost Accounting Concepts and Standards For the Federal Government.*" For guidance as to the industry practices for contract cost accounting, R&M referred to the Federal Acquisition Regulations, Cost Accounting Standards, and the Office of Management and Budget Circulars. In order to adequately identify the total cost of its services, each organizational component supporting the Damage Assessment and Restoration Program (DARP) should include its direct and indirect costs incurred and allocated to each output. The indirect costs should be allocated at the rates identified in ATTACHMENT 1, and based on the total direct cost of labor plus benefits per the illustration in ATACHMENT 3.

ATTACHMENT 1: DARP ORGANIZATIONAL OVERHEADS

(Based on the Direct Labor Cost Base Method)

	Damage Assessment Center						
	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Indirect Cost Pool	$1,096,745	$1,369,994	$1,507,566	$1,696,891	$1,554,115	$1,598,938	$1,453,463
Direct Labor Cost Base	$483,942	$552,803	$528,354	$553,483	$621,442	$640,056	$900,923
Organizational Overhead Rate	226.63%	247.83%	285.33%	306.58%	250.08%	249.81%	161.33%

	General Counsel Natural Resources						
	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Indirect Cost Pool	$664,927	$649,583	$816,444	$1,093,836	$866,845	$1,005,768	$1,114,804
Direct Labor Cost Base	$620,853	$605,754	$555,200	$381,370	$500,188	$526,251	$466,288
Organizational Overhead Rate	107.10%	107.24%	147.05%	286.82%	173.30%	191.12%	239.08%

	Restoration Center						
	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Indirect Cost Pool					$460,914	$741,803	$835,291
Direct Labor Cost Base					$329,933	$519,385	$410,995
Organizational Overhead Rate					139.70%	142.82%	203.24%

ATTACHMENT 2

NOAA INDIRECT COST RATES

A summary of NOAA overhead rates (Leave Surcharge/Benefits/Administrative Support) is set forth below. NOAA's overhead rates are developed, managed and apportioned for each Financial Management Center (FMC) by the NOAA Chief Financial Officer.

Indirect Rates by Fiscal Years

Fiscal Year 1999

Organization	FMC	NOAA Leave Surcharge	NOAA Benefits	NOAA Administrative Support
(Effective 10/01/98 to 2/28/99)				
GCNR	130	23.9%	21.6%	23.4%
DAC	820	21.7%	22.1%	35.4%
RC*	700	22.9%	24.0%	27.3%
(Effective 2/28/99 - 9/30/99)				
GCNR	130	23.9%	21.6%	23.4%
DAC	890	**21.1%****	**20.5%****	**33.4%****
RC*	700	22.9%	24.0%	27.3%

(Rate change due to reorganization from FMC 820 to FMC 890 on 2/28/99)

Fiscal Year 1998

Organization	FMC	NOAA Leave Surcharge	NOAA Benefits	NOAA Administrative Support
(Effective 09/28/97 to 09/30/98)				
GCNR	130	19.0%	22.5%	21.2%
DAC	820	20.5%	22.4%	39.2%
RC*	700	22.0%	23.0%	25.1%

* These rates, based on the Office of Assistant Administrator for Fisheries, NMFS, reflect RC headquarters' indirect costs exclusively.
** The rates in **boldface** type reflect FMC-specific rate changes for the new time period indicated.

Fiscal Year 1997

Organization	FMC	NOAA Leave Surcharge	NOAA Benefits	NOAA Administrative Support
		(Effective 09/27/96 to 09/27/97)		
GCNR	130	18.0%	22.4%	22.6%
DAC	820	19.1%	22.8%	41.6%
RC*	700	21.0%	23.0%	26.7%

Fiscal Year 1996

Organization	FMC	NOAA Leave Surcharge	NOAA Benefits	NOAA Administrative Support
		(Effective 10/01/95 to 03/16/96)		
GCNR	130	17.8%	22.7%	24.7%
DAC	820	18.9%	23.0%	43.7%
RC*	700	20.7%	23.4%	28.6%
		(Effective 03/17/96 to 09/30/96)		
GCNR	130	**25.2%****	22.7%	24.7%
DAC	820	18.9%	23.0%	43.7%
RC*	700	**23.7%****	23.4%	28.6%

Fiscal Year 1995

Organization	FMC	NOAA Leave Surcharge	NOAA Benefits	NOAA Administrative Support
		(Effective 10/01/94 to 09/30/95)		
GCNR	130	17.4%	22.4%	24.1%
DAC	820	17.9%	23.0%	43.8%
RC*	700	19.2%	23.5%	27.9%

* These rates, based on the Office of Assistant Administrator for Fisheries, NMFS, reflect RC headquarters' indirect costs exclusively.
** The rates in **boldface** type reflect FMC-specific rate changes for the new time period indicated.

Fiscal Year 1994

Organization	FMC	NOAA Leave Surcharge	NOAA Benefits	NOAA Administrative Support
	(Effective 10/01/93 to 02/05/94)			
GCNR	130	17.0%	18.7%	24.3%
DAC	820	17.0%	18.7%	45.3%
RC*	700	18.8%	18.7%	28.0%
	(Effective 02/06/94 to 04/16/94)			
GCNR	130	17.0%	**20.0%****	24.3%
DAC	820	17.0%	**20.0%****	45.3%
RC*	700	18.8%	**20.0%****	28.0%
	(Effective 04/17/94 to 09/30/94)			
GCNR	130	**18.0%****	20.0%	24.3%
DAC	820	**18.0%****	20.0%	45.3%
RC*	700	**19.8%****	20.0%	28.0%

Fiscal Year 1993

Organization	FMC	NOAA Leave Surcharge	NOAA Benefits	NOAA Administrative Support
	(Effective 10/01/92 to 12/26/92)			
GCNR	130	17.0%	18.3%	21.4%
DAC	820	17.0%	18.3%	43.3%
RC*	700	19.3%	18.3%	25.1%
	(Effective 12/27/92 to 09/30/93)			
GCNR	130	17.0%	18.3%	**22.7%****
DAC	820	17.0%	18.3%	**44.6%****
RC*	700	19.3%	18.3%	**26.4%****

* These rates, based on the Office of Assistant Administrator for Fisheries, NMFS, reflect RC headquarters' indirect costs exclusively.
** The rates in **boldface** type reflect FMC-specific rate changes for the new time period indicated.

ATTACHMENT 3

CALCULATING INDIRECT COST RATES

The following example outlines the approach by which the DARP calculates its indirect costs for the purpose of cost recovery using the four types of indirect cost rates as applied to direct labor. Direct labor cost is determined by those employees charging to direct tasks via time reports. The example computes the costs incurred for direct labor for an employee earning $65,000 per year. The cost rates are simplified for ease of illustration, and are applied only to one of the DARP organizational components.

Example

The four indirect cost rates applicable to the DAC in the first five months of FY 1999 are: *

- NOAA Leave Surcharge Rate – 21.70% or (.2170)
- NOAA Benefits Rate – 22.10% or (.2210)
- NOAA Administrative Support Rate – 35.40% or (.3540)
- DARP Organizational Overhead Rate for DAC – 161.33% or (1.6133)

Nomenclature	Formula		Amount
Base Hourly Rate	$65,000/2,088	=	$31.13(a)
NOAA Leave Surcharge	(a) x 21.70%	=	6.76(b)
Base Hourly Rate + Leave	Subtotal (a) + (b)	=	37.89(c)
NOAA Benefits Rate	(c) x 22.10%	=	8.37(d)
Base Hourly Rate + Leave + Benefits			
	(c) + (d)	=	46.26(e)
NOAA Administrative Support	(c) x 35.40%	=	13.41(f)
DAC Organizational Support	(e) x 1.6133%	=	74.63(g)
Total Labor Loaded with Burden	(e) + (f) + (g)	=	$134.30/hr

* The NOAA leave, benefits and administrative support rates are from ATTACHMENT 2; the DAC organizational support rate is from ATTACHMENT 1.