UNCOMPENSATED OVERTIME POLICY - OFFEROR TEMPLATE

Complete all fields marked with an asterisk. Enter 'Not applicable' only where the requested item does not apply. Entries must reflect the Offeror's actual timekeeping, accounting, and proposal practices.

OFFEROR AND POLICY INFORMATION

Legal business name *

Doing business as (DBA)

Unique Entity Identifier (UEI) *

Policy owner *

Effective date (MM/DD/YYYY) *

Revision number *

Timekeeping system *

Accounting system *

Compliance contact *

Contact phone & email *

*Fields marked * are required for submission of this template.*

1. PURPOSE AND AUTHORITY

This policy establishes the Offeror's uniform treatment of uncompensated overtime in estimating, proposal preparation, labor charging, accounting, and contract performance. It is intended to comply with FAR provision 52.237-10, Identification of Uncompensated Overtime (Mar 2015), and, for Multiple Award Schedule service offers, Solicitation 47QSMD20R0001, Provision SCP-FSS-001(j)(3)(iv)(A).

This policy does not authorize off-the-clock work, alter employee compensation, or replace applicable wage-and-hour requirements. It governs how the Offeror identifies, estimates, records, and reports uncompensated overtime when the cited provision applies.

2. SCOPE AND APPLICABILITY

- Proposals and offers that include FAR 52.237-10, including applicable MAS service offers and order-level proposals.
- FLSA-exempt, direct-charge employees whose proposed hours exceed an average of 40 hours per week without additional compensation.
- Prime- and subcontract-level labor hours, including applicable uncompensated overtime hours in indirect cost pools for personnel whose regular hours are normally charged direct.
- Personnel who estimate, price, approve, record, accumulate, report, or monitor labor hours and rates subject to this policy.

3. DEFINITIONS

Adjusted hourly rate (including uncompensated overtime). The rate produced by multiplying the hourly rate for a 40-hour workweek by 40 and dividing that amount by the total proposed hours per week, including uncompensated overtime above 40 hours.

Uncompensated overtime. 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 (FLSA). Compensated personal absences, including holidays, vacation, and sick leave, are included in the normal workweek when computing uncompensated overtime hours.

4. POLICY CONTROLS

4.1 COMPLETE AND ACCURATE TIME RECORDING

All employees must record all hours worked accurately and timely in the Offeror's timekeeping system, including hours above 40 in a workweek. Supervisors may not direct or permit an employee to omit hours worked. Recorded hours are accumulated and reported through the accounting system under the same practices used to estimate uncompensated overtime.

4.2 ADJUSTED HOURLY RATE

Whenever uncompensated overtime is included in a proposal, the Offeror will use the adjusted hourly rate, rather than the unadjusted 40-hour-workweek rate, for every proposed hour subject to the adjustment, whether the hour is identified as regular or uncompensated overtime.

4.3 PROPOSAL IDENTIFICATION AND LEVEL OF DETAIL

For every labor category subject to an adjusted hourly rate, the proposal will separately identify regular and uncompensated overtime hours and describe both at the same level of detail. The disclosure will cover affected labor hours at both the prime and subcontract levels and applicable uncompensated overtime hours in indirect cost pools for personnel whose regular hours are normally charged direct.

Adjusted hourly rate = (40-hour-workweek hourly rate x 40) / average total proposed hours per week

4.4 ESTIMATING AND ACCOUNTING CONSISTENCY

The accounting practices used to estimate uncompensated overtime will be consistent with the cost accounting practices used to accumulate and report those hours. Estimates must be supported by documented company practice, reliable historical experience, a reasonable workload analysis, or other verifiable data applicable to the proposed work.

POLICY CONTROLS AND PROCEDURES

4.5 COST/PRICE REALISM AND PERFORMANCE RISK

The Offeror will not use uncompensated overtime to create unrealistically low labor rates or an execution plan that jeopardizes recruitment, retention, quality, schedule, safety, or contract performance. Management will evaluate whether the hours, staffing, rates, workload, and total proposed price are realistic and supportable.

4.6 SUBCONTRACTOR AND NON-EXEMPT LABOR

Before including subcontractor labor, the Offeror will determine whether subcontractor rates or labor assumptions include uncompensated overtime and will obtain the information required to disclose affected labor categories, regular hours, uncompensated overtime hours, total hours, adjusted rates, and accounting consistency. Non-exempt employees are not treated as performing uncompensated overtime and must be compensated in accordance with applicable law and company policy.

5. PROCEDURES

1. Confirm that FAR 52.237-10 and the solicitation policy requirement apply.
2. Confirm the FLSA status of each affected labor category.
3. Identify prime and subcontract uncompensated overtime assumptions and obtain support.
4. Calculate the adjusted hourly rate and apply it to every affected proposed hour.
5. Identify regular and uncompensated overtime hours by labor category at the same detail.
6. Verify consistency between estimating and the accumulation and reporting practices.
7. Review staffing, workload, labor rates, and total price for realism and performance risk.
8. Record all hours worked and monitor material variances during performance.

6. RECORDS AND REVIEW

The Offeror will retain this policy, approvals, time records, calculations, proposal disclosures, subcontractor support, and related accounting records in accordance with applicable requirements. The policy owner will review this policy at least annually and when the controlling solicitation or FAR requirements change.

7. POLICY APPROVAL

Authorized official *

Title *

Date (MM/DD/YYYY) *

Typed signature *