



DEPARTMENT OF THE AIR FORCE
AIR FORCE RESEARCH LABORATORY (AFRL)

2 January, 2004

MEMORANDUM FOR AFRL/IF

FROM: AFRL/IFKC
26 Electronic Parkway
Rome, NY, 13441-4514

SUBJECT: FY03 Average Rates of AFRL/IF Contractors

1. The attached schedules reflect the average labor and burden rates for AFRL/IF contractors during FY 03 and the average profit/fee rates negotiated during FY 03. It should be noted that individual contractor rates and factors can and will vary widely from these averages based on their individual accounting systems. Therefore, care must be taken when using these averages for the development of Government cost estimates or for other purposes. The information in the attachments represents just one of several tools available for cost estimating purposes.

2. The point of contact for these rates can be reached at IFKC, x1971.

Attachments:
FY 2003 AFRL/IF Experienced
Average Rates - Overall & By Region

OVERALL - FY 2003 AIR FORCE RESEARCH LABORATORY / INFORMATION DIRECTORATE (AFRL / IF) EXPERIENCED AVERAGE RATES (1)

1. PROPOSED WAGE RATES (Per Hour)

| | All Organizations | | | Large Business | | | Small Business | | |
|--------------------------------|-------------------|----------|----------|------------------|----------|----------|------------------|----------|----------|
| | Avg (mean) \$ | Low | High | Avg (mean) \$ | Low | High | Avg (mean) \$ | Low | High |
| a. Principal or Staff Engineer | 57.17 | \$ 47.09 | \$ 67.25 | 54.42 | \$ 46.89 | \$ 62.15 | 60.94 | \$ 49.36 | \$ 72.52 |
| b. Senior Engineer | 39.28 | 37.10 | 41.46 | 38.89 | 37.01 | 40.77 | 39.94 | 37.65 | 42.23 |
| c. Engineer | 30.63 | 28.89 | 32.37 | 30.51 | 28.78 | 33.24 | 30.81 | 29.20 | 32.42 |
| d. Junior Engineer | 24.39 | 23.06 | 25.72 | 24.20 | 22.87 | 25.53 | 24.88 | 23.67 | 26.09 |
| e. Technician | 18.49 | 16.17 | 20.81 | 18.08 | 16.30 | 19.86 | 18.82 | 15.94 | 21.70 |
| f. Senior Programmer | 35.74 | 29.72 | 41.76 | 33.83 | 30.68 | 36.98 | 36.93 | 29.93 | 43.93 |
| g. Programmer | 24.71 | 21.42 | 28.00 | 20.19 | 20.19 | 20.19 | 26.97 | 26.00 | 27.94 |
| h. Consultant * | 138.06 | 91.19 | 184.93 | 169.80 | 126.56 | 213.04 | 128.04 | 84.66 | 171.42 |

2. PROPOSED OVERHEAD RATES (%)

| | | | | | | | | | |
|-----------------------------|--------|-------|--------|--------|-------|--------|--------|-------|--------|
| a. COMMERCIAL ORGANIZATIONS | | | | | | | | | |
| Material Handling | 3.0% | 0.4% | 5.6% | 2.1% | 0.8% | 3.4% | 5.4% | 1.7% | 9.1% |
| Engineering Overhead | 105.9% | 66.1% | 145.7% | 110.6% | 78.0% | 143.2% | 100.6% | 54.5% | 146.7% |
| Field | 75.7% | 66.3% | 85.1% | 76.4% | 67.8% | 85.0% | 69.5% | 56.0% | 83.0% |
| General & Administrative | 18.6% | 6.8% | 30.4% | 16.0% | 6.0% | 26.0% | 22.4% | 9.3% | 35.5% |
| b. UNIVERSITIES | | | | | | | | | |
| Fringe / Payroll Benefits | 33.4% | 18.9% | 47.9% | N/A | N/A | N/A | N/A | N/A | N/A |
| Indirect / Overhead | 50.9% | 49.5% | 52.3% | N/A | N/A | N/A | N/A | N/A | N/A |
| c. NOT-FOR-PROFIT | | | | | | | | | |
| Engineering Overhead | 97.7% | 68.8% | 126.6% | N/A | N/A | N/A | N/A | N/A | N/A |
| General & Administrative | 17.1% | 10.4% | 23.8% | N/A | N/A | N/A | N/A | N/A | N/A |

3. NEGOTIATED PROFIT OR FEE (%)

| | All Organizations | | | Commercial | | | Not-For-Profit | | |
|----------------------------------|-------------------|------|------|------------|------|------|----------------|-------|-------|
| | Avg (mean) | Low | High | Avg (mean) | Low | High | Avg (mean) | Low | High |
| Fixed Price Completion | 7.2% | 5.2% | 9.2% | 7.2% | 5.2% | 9.2% | - (2) | - (2) | - (2) |
| Fixed Price Term (2) | - | - | - | - | - | - | - | - | - |
| Fixed Price Incentive (2) | - | - | - | - | - | - | - | - | - |
| Cost Plus Incentive Fee (2) | - | - | - | - | - | - | - | - | - |
| Cost Plus Fixed Fee / C | 7.2% | 5.9% | 8.5% | 7.3% | 6.1% | 8.5% | 5.7% | 4.9% | 6.5% |
| Cost Plus Fixed Fee / T (2) | - | - | - | - | - | - | - | - | - |
| Labor Hour / Time & Material (2) | - | - | - | - | - | - | - | - | - |
| Cost Plus Award Fee (2) | - | - | - | - | - | - | - | - | - |
| Prime Fee on Sub-K Effort ** | 4.2% | 3.3% | 5.1% | N/A | N/A | N/A | N/A | N/A | N/A |

(1) A statistical analysis has been performed using the FY 2003 AFRL / IF experienced labor, indirect, and profit / fee rates in order to arrive at an average (mean), standard deviation, and range. The low and high range represent one standard deviation below and above the mean respectively. One standard deviation (below and above the mean) would include approximately 68% of all the rates used in this analysis.

(2) No data available.

* This is a fully burdened ("loaded") rate which includes consultant indirects and fee / profit. This rate represents an outside consultant being hired by a contractor to perform work on the prime (or subcontract) effort. This does not represent the contractor's own proposed ("unloaded") labor category to which the contractor applies their own fringe and labor overhead rates. If applicable, the contractor's proposed G&A and fee / profit are applied to total consultant dollars.

** Prime fee on subcontractor effort is usually associated with CPFF / IDIQ efforts. On CPFF / IDIQ efforts the prime is usually encouraged to propose two fee rates. The first is a fee rate applied to the work the prime accomplishes. The second is a fee rate (Prime Fee on Sub-K Effort) applied to subcontract costs. For purposes of this fee calculation, subcontractor costs include the costs resulting from any supplier, distributor, vendor or firm, including consultants, that furnishes supplies or services to or for a prime contractor.

NORTHEASTERN REGION - FY 2003 AFRL / IF EXPERIENCED AVERAGE RATES

1. PROPOSED WAGE RATES (Per Hour)

| | All <u>Entities</u> | Large <u>Business</u> | Small <u>Business</u> |
|--------------------------------|------------------------|--------------------------|--------------------------|
| a. Principal or Staff Engineer | \$ 58.66 | \$ 61.82 | \$ 60.18 |
| b. Senior Engineer | 39.17 | 38.24 | 39.60 |
| c. Engineer | 30.89 | 30.28 | 31.26 |
| d. Junior Engineer | 24.66 | 24.12 | 25.03 |
| e. Technician | 17.07 | 17.62 | 14.63 |
| f. Senior Programmer | 25.59 (1) | * | 25.59 (1) |
| g. Programmer | 26.00 (2) | 22.50 (1) | 26.00 (2) |
| h. Consultant ** | 162.45 | 198.48 | 147.00 |

2. PROPOSED OVERHEAD RATES (%)

a. COMMERCIAL ORGANIZATIONS

| | | | |
|--------------------------|--------|--------|-------|
| Material Handling | 3.3% | 3.5% | 3.0% |
| Engineering Overhead | 104.5% | 115.8% | 99.0% |
| Field | 71.6% | 71.6% | * |
| General & Administrative | 24.1% | 21.5% | 26.3% |

b. UNIVERSITIES

| | <u>Overall</u> |
|---------------------------|----------------|
| Fringe / Payroll Benefits | 25.4% |
| Indirect / Overhead | 50.5% |

c. NOT-FOR-PROFIT

| | |
|--------------------------|-------|
| Engineering Overhead | 88.8% |
| General & Administrative | 14.5% |

* Either insufficient or no data for this region / business type.

** This is a fully burdened ("loaded") rate which includes consultant indirects and fee / profit. This rate represents an outside consultant being hired by a contractor to perform work on the prime (or subcontract) effort. This does not represent the contractor's own proposed ("unloaded") labor category to which the contractor applies their own fringe and labor overhead rates. If applicable, the contractor's proposed G&A and fee / profit are applied to total consultant dollars.

(1) Insufficient data to compute new FY 2003 rates; represents FY 2001 rates.

(2) Insufficient data to compute new FY 2003 rates; represents FY 2002 rates.

MID-ATLANTIC REGION - FY 2003 AFRL / IF EXPERIENCED AVERAGE RATES

1. PROPOSED WAGE RATES (Per Hour)

| | All <u>Entities</u> | Large <u>Business</u> | Small <u>Business</u> |
|--------------------------------|------------------------|--------------------------|--------------------------|
| a. Principal or Staff Engineer | \$ 57.35 | \$ 56.24 | \$ 58.21 |
| b. Senior Engineer | 39.64 | 39.52 | 39.76 |
| c. Engineer | 30.36 | 30.63 | 30.16 |
| d. Junior Engineer | 25.00 | 25.35 | 24.88 |
| e. Technician | 18.42 | 16.14 (2) | 18.42 |
| f. Senior Programmer | 33.65 | 33.65 | * |
| g. Programmer | 23.10 | 20.19 | 26.00 |
| h. Consultant ** | 127.81 | * | 127.81 |

2. PROPOSED OVERHEAD RATES (%)

a. COMMERCIAL ORGANIZATIONS

| | | | |
|--------------------------|--------|--------|-------|
| Material Handling | 3.7% | 4.0% | 2.9% |
| Engineering Overhead | 107.0% | 123.2% | 93.4% |
| Field | * | * | * |
| General & Administrative | 20.9% | 20.6% | 21.1% |

b. UNIVERSITIES (2)

| | <u>Overall</u> |
|---------------------------|----------------|
| Fringe / Payroll Benefits | 22.0% |
| Indirect / Overhead | 48.0% |

c. NOT-FOR-PROFIT (1)

| | |
|--------------------------|--------|
| Engineering Overhead | 127.7% |
| General & Administrative | 16.7% |

* Either insufficient or no data for this region / business type.

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EASTERN REGION - FY 2003 AFRL / IF EXPERIENCED AVERAGE RATES

1. PROPOSED WAGE RATES (Per Hour)

| | All <u>Entities</u> | Large <u>Business</u> | Small <u>Business</u> |
|--------------------------------|------------------------|--------------------------|--------------------------|
| a. Principal or Staff Engineer | \$ 53.42 | \$ 52.41 | \$ 57.65 |
| b. Senior Engineer | 38.96 | 38.76 | 40.00 |
| c. Engineer | 30.71 | 30.64 | 31.59 |
| d. Junior Engineer | 24.25 | 24.26 | 24.15 |
| e. Technician | 18.59 | 18.29 | 19.11 |
| f. Senior Programmer | 35.10 | 33.87 | 40.00 |
| g. Programmer | 27.94 | 24.42 (1) | 27.94 |
| h. Consultant ** | 114.58 | 121.67 | 107.50 |

2. PROPOSED OVERHEAD RATES (%)

a. COMMERCIAL ORGANIZATIONS

| | | | |
|--------------------------|--------|--------|-------|
| Material Handling | 1.4% | 1.4% | * |
| Engineering Overhead | 100.4% | 100.7% | 98.7% |
| Field | 75.9% | 76.6% | 69.5% |
| General & Administrative | 15.4% | 13.6% | 24.5% |

b. UNIVERSITIES

| | <u>Overall</u> |
|---------------------------|----------------|
| Fringe / Payroll Benefits | 21.0% |
| Indirect / Overhead | 49.5% |

c. NOT-FOR-PROFIT (1)

| | |
|--------------------------|--------|
| Engineering Overhead | 105.9% |
| General & Administrative | 16.1% |

* Either insufficient or no data for this region / business type.

** This is a fully burdened ("loaded") rate which includes consultant indirects and fee / profit. This rate represents an outside consultant being hired by a contractor to perform work on the prime (or subcontract) effort. This does not represent the contractor's own proposed ("unloaded") labor category to which the contractor applies their own fringe and labor overhead rates. If applicable, the contractor's proposed G&A and fee / profit are applied to total consultant dollars.

(1) Insufficient data to compute new FY 2003 rates; represents FY 2002 rates.

CENTRAL REGION - FY 2003 AFRL / IF EXPERIENCED AVERAGE RATES

1. PROPOSED WAGE RATES (Per Hour)

| | All <u>Entities</u> | Large <u>Business</u> | Small <u>Business</u> |
|--------------------------------|------------------------|--------------------------|--------------------------|
| a. Principal or Staff Engineer | \$ 59.22 | \$ 53.48 | \$ 61.91 |
| b. Senior Engineer | 40.91 | 39.75 | 42.06 |
| c. Engineer | 29.65 | 29.42 | 29.93 |
| d. Junior Engineer | 23.95 | 24.06 | 23.88 |
| e. Technician | 17.03 | 16.98 | 17.11 |
| f. Senior Programmer | 36.61 | * | 36.61 |
| g. Programmer | 23.20 (2) | 23.20 (2) | 25.75 (1) |
| h. Consultant ** | 132.57 | * | 132.57 |

2. PROPOSED OVERHEAD RATES (%)

a. COMMERCIAL ORGANIZATIONS

| | | | |
|--------------------------|-----------|-----------|-------|
| Material Handling | 3.8% | 2.5% | 7.0% |
| Engineering Overhead | 89.1% | 117.4% | 74.0% |
| Field | 39.5% (2) | 39.5% (2) | * |
| General & Administrative | 21.4% | 19.1% | 23.0% |

b. UNIVERSITIES (1)

| | <u>Overall</u> |
|---------------------------|----------------|
| Fringe / Payroll Benefits | 26.8% |
| Indirect / Overhead | 53.0% |

c. NOT-FOR-PROFIT

| | |
|--------------------------|---|
| Engineering Overhead | * |
| General & Administrative | * |

* Either insufficient or no data for this region / business type.

** This is a fully burdened ("loaded") rate which includes consultant indirects and fee / profit. This rate represents an outside consultant being hired by a contractor to perform work on the prime (or subcontract) effort. This does not represent the contractor's own proposed ("unloaded") labor category to which the contractor applies their own fringe and labor overhead rates. If applicable, the contractor's proposed G&A and fee / profit are applied to total consultant dollars.

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(2) Insufficient data to compute new FY 2003 rates; represents FY 2002 rates.

WESTERN REGION - FY 2003 AFRL / IF EXPERIENCED AVERAGE RATES

1. PROPOSED WAGE RATES (Per Hour)

| | All <u>Entities</u> | Large <u>Business</u> | Small <u>Business</u> |
|--------------------------------|------------------------|--------------------------|--------------------------|
| a. Principal or Staff Engineer | \$ 61.42 | \$ 56.34 | \$ 64.25 |
| b. Senior Engineer | 39.32 | 39.37 | 39.65 |
| c. Engineer | 30.71 | 30.48 | 30.63 |
| d. Junior Engineer | 24.50 | 22.91 | 26.09 |
| e. Technician | 20.95 | 19.25 | 21.92 |
| f. Senior Programmer | 35.77 | 32.05 (1) | 35.77 |
| g. Programmer | 15.78 (2) | 22.40 (1) | 15.78 (2) |
| h. Consultant ** | 113.75 | 180.00 | 91.67 |

2. PROPOSED OVERHEAD RATES (%)

a. COMMERCIAL ORGANIZATIONS

| | | | |
|--------------------------|-----------|-----------|--------|
| Material Handling | 7.8% | 15.5% | 6.5% |
| Engineering Overhead | 127.9% | 141.7% | 121.2% |
| Field | 50.2% (1) | 50.2% (1) | * |
| General & Administrative | 18.5% | 18.1% | 18.7% |

b. UNIVERSITIES

| | <u>Overall</u> |
|---------------------------|----------------|
| Fringe / Payroll Benefits | 53.7% |
| Indirect / Overhead | 52.8% |

c. NOT-FOR-PROFIT

| | |
|--------------------------|--------|
| Engineering Overhead | 124.7% |
| General & Administrative | 24.8% |

* Either insufficient or no data for this region / business type.

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REGIONAL BOUNDARIES

