

Council Communication

August 4, 2015, Business Meeting

Contract with Pathway Enterprises (QRF) to provide janitorial services

FROM

Mike Morrison, Public Works Superintendent, mike.morrison@ashland.or.us

Rachel Dials, Recreation Superintendent, rachel.dials@ashland.or.us

SUMMARY

This is a contract with Pathway Enterprises to provide janitorial services for City and Parks facilities. Pathway Enterprises is a local Qualified Rehabilitation Facility (QRF) in Ashland and in accordance with ORS 279.850, the City is required by law to contract with a QRF if it can provide the product or service as specified and required by the City. The term for these janitorial service contracts will be July 1, 2015, to June 30, 2016. Contracts are processed annually because Pathway Enterprises is required to pay its employees the City's living wage and the living wage is adjusted annually every June 30 by the Consumer Price Index.

BACKGROUND AND POLICY IMPLICATIONS:

The existing contracts with Pathway Enterprises expired on June 30, 2015. As stated above and in the attached information on how to do business with a QRF, the City is required by law to contract with a QRF if the QRF can provide the product or services as required and specified by the City.

COUNCIL GOALS SUPPORTED:

None.

FISCAL IMPLICATIONS:

Funds are budgeted each fiscal year by the City and Ashland Parks Commission for janitorial services.

Janitorial pricing proposals for FY 2015-2016

City of Ashland - \$107,631.27

Ashland Parks Commission - \$55,392.24

STAFF RECOMMENDATION AND REQUESTED ACTION:

Staff recommends the public contracts for janitorial services be awarded to Pathway Enterprises, Inc.

SUGGESTED MOTION:

The Council, acting as the Local Contract Review Board, moves to approve the award of public contracts for janitorial services to Pathway Enterprises, a local qualified rehabilitation facility (QRF).

ATTACHMENTS:

How to do Business with a QRF

Pricing Proposal and Costing Workbook for City of Ashland

Pricing Proposal and Costing Workbook for Ashland Park Commission



Qualified Rehabilitation Facilities

How to do Business with QRF

Q: What is a Qualified Rehabilitation Facility "QRF" and what do they do?

A: A Qualified Rehabilitation Facility "QRF" is a non-profit rehabilitation organization qualified by the Oregon Department of Administrative Services employing Individuals with qualifying disabilities for not less than 75 percent of the total work hours of direct labor required for providing products and services their business customers. The mission of a QRF must be providing or facilitating employment related services to individuals with disabilities, enabling them to maximize their opportunities for employment.

Q: What are the reasons to do business with a QRF?

A: As a purchasing agent or buyer for a taxpayer-supported political subdivision, such as a city, county, school district, or an agency of the state of Oregon, there are several reasons to do business with a QRF:

1. It is the right thing to do. People who work in a QRF business need your help; jobs depend on business orders. There are thousands of Oregonians who are out of work because of a disability. As a public purchasing agent, you can make a difference. Your cooperation and willingness to buy goods and services from QRF businesses puts disabled people to work.
2. It is the smart thing to do. Oregonians with a disability who earn a wage require less taxpayer money. Your participation makes a difference to all Oregon taxpayers.
3. It puts you in the driver's seat. A negotiated contract process can allow you to tailor specifications to get exactly the product/service or performance you want. The long-term relationship with a QRF makes contract renewals a breeze. It also reduces the time to establish a contract.
4. It is the necessary thing to do. In 1977, the Oregon legislature passed the "Products of Disabled Individuals" act. This resulting statute, ORS 279.835 through 279.850 law obliges all state and local governments, school districts, and other tax-supported political bodies in Oregon to purchase goods and services from QRFs when the product or service is listed on the DAS Procurement List and meets the agency's requirements.

The details of this act are contained in Chapter 279.835-855 of the [Oregon Revised Statutes \(ORS 279\)](#). This Chapter, "Public Contracts and Purchasing," spells out to all tax-supported state and local agencies how they are to spend

the taxpayers' money on needed goods and services.

Q: When should you do business with a QRF?

A: Anytime you plan to make a purchase of the types of goods or services listed in the DAS Directory of Qualified Rehabilitation Facilities ([Procurement List](#)), you are obliged to procure it from the listed QRF if it meets your specifications and is available when you need to have it.

Q: Who's in charge of this program?

A: The Oregon Department of Administrative Services (DAS) manages the Products of the Disabled program. DAS qualifies each QRF in Oregon, and manages the list of those goods and services determined suitable for procurement by state and local governments, school districts and other taxpayer-supported agencies. It is DAS's duty to work cooperatively with the QRFs and Public Agencies to develop and maintain contracting opportunities for Oregonians with disabilities.

Q: Why doesn't a QRF have to compete with other businesses for Government Contracts?

A: Taxpayer-supported state and local political subdivisions do business with QRFs on a non-competitive basis. This means a QRF is not required to bid for your purchases in competition with for-profit contractors. Some of the reasons for this special treatment of QRF business enterprises are:

1. QRFs are non-profit enterprises. They have a mission to provide employment services to disabled members of the community.
2. QRFs provide special employment support to people with disabilities that cost time and money. Workers with disabilities require accommodations such as special training and job modifications that go far beyond what a commercial business could be required to provide.
3. The investment in the disabled worker is high, but in terms of public benefit it is returned many times over when long-term employment can be provided. Stable employment is critical to the success of these programs.
4. QRF businesses are self-supporting. Their prices for goods and services have to recover all the costs necessary to train, equip and supervise their workers. They are required by law to pay the prevailing wage in their area for the type and quality of work being done. Plus, the QRF pays for liability and workers' compensation insurance, and all the other overhead expenses any business has.

The purpose of the state "Products of Disabled Individuals" law is to encourage and assist disabled people to work, and to achieve gainful employment. Employment enhances the ability to be as self-supporting as they can be. They

will be less dependent on welfare and costly institutionalization.

Q: How to get started?

A: Once you have established the need to procure a product or service go to the [Procurement List](#), published on SPO's website, to see if the product or service is provided by a QRF. If there is a QRF on the Procurement List, contact the QRF to see if they can meet your specifications and delivery timelines. If they are able to meet your specifications and timelines you can begin negotiating a contract.

When looking to procure a product, ask the QRF representative to provide you with samples so you can make sure the products are right for you. Talk with the QRF representative if you need some minor adjustment or changes to suit your particular use of the product.

When looking to procure a service you may find more than one QRF available. Contact as many of those QRFs as you wish. Inquire which QRF is interested in servicing your needs. Invite those interested QRFs to meet with you and tour your facility. Provide them with your specification draft. You may narrow down your candidates through references, training they provide their employees, and/or by an interview process with the QRF representatives.

If no source is located on the Procurement List for your specific needs, you may move forward with your agency's procurement process.

Q: How to negotiate the deal?

A: If you are purchasing a product and you are an ORCPP member you may simply make your purchase from the DAS Price Agreement. If you are purchasing a product or service from a QRF and DAS does not have an established contract for that product or service you may work directly with the QRF to negotiate your own contract. DAS must determine the price of that contract before the contract is initiated.

If the initial price exceeds your budget estimate, let the QRF know and give them a chance to work through the numbers with you a second time. There could be a misunderstanding about your requirements or a mistake somewhere in the figures. It could be that your specifications exceed your budget. When the price submitted by the QRF meets the agency's budget the QRF and the Agency may submit that price to DAS on an approved form for final determination. To simplify the process, DAS has developed a form for this purpose. [Price Approval Form.doc](#)

It is sometimes not possible to develop a contract with a QRF contractor. Usually, it will be price or specification that will get in the way. As the public purchasing agent, you should know what the limits of the program budget or specification tolerances. The QRF can drop the project or perhaps try again later. In the past agencies have been able was able to split up the work into

smaller pieces in order to have partial QRF participation.

It is necessary to make a good faith effort to establish a QRF contract. QRFs are looking for long-term business partnerships, not advantages.

Q: How to deal with quality assurance and performance problems?

A: One of the biggest advantages of doing business with a QRF is that it is a relationship, not just a one-time competitive bidding arrangement. QRF businesses are there to provide permanent jobs for disabled Oregonians, not to make money by cutting corners. You should expect quality services and products.

As a purchasing agent, you have the capability to make your agency's QRF contract successful. It just takes communication and cooperation. Talk to your QRF counterpart. Make sure your program people are introduced to the QRF representative and that everyone involved in the contract administration process knows what's expected of them. For example, if you have a QRF doing custodial services, plan a joint walk-through on a weekly basis from the beginning of the contract. Spend time talking about performance expectations at the beginning of your relationship and you will each get to know and understand the other.

As your contract relationship settles into a routine, you can cut down on the frequency with which you meet with the QRF contractor. But still plan on regular meetings with the QRF representative to talk about their performance and to make adjustments in the contract as needed. Together, write down any changes you and the QRF agree to make. Amend your contract to reflect the mutually agreed upon changes. This bit of routine "housekeeping" will keep your mutual understanding of what's to be done fresh and current.

If a problem does surface, however, you must tell the QRF management immediately. Don't wait, hoping things will get better. They can't fix the problem if they don't know about it. If you have taken the time to get to know each other at the start of the contract, any issue will be easier to solve.

Again, document any needed changes or complaints and share them with the QRF. Remember the old adage is true; take care of the little things before they get to be big things!

If, after making these efforts, you cannot resolve your problems, remember that you have authority to terminate the contract just as you would with any commercial business. If there seems to be no other way, talk candidly with the QRF about termination. It may be in the best interests of everyone involved.

Q:What is the process for contract renewal with a QRF?

A: Here are a few points to consider when preparing for the renewal process:

- Plan your annual renewal process well in advance of the ending date of the contract period. For a large custodial contract, for example, three or four months is not too early to start working with the QRF on the renewal process.
- Revise and update your specifications to show any changes made during the contract period. At renewal, the QRF will review its pricing structure, which is to your advantage. Often, they are able to work with the agency to cut prices or costs as they gain experience with you and understand the fine points of the work to be performed.
- A quality service or product can potentially be provided to your agency for many years to come, resulting in long-term benefits for disabled Oregonians and taxpayers alike.
- Remember that DAS must approve any price changes in the renewal process.

Q: Who can you call for more information or help?

A: QRF Coordinator

Darvin Pierce

Tel: (503) 378-4690

E-mail: darwin.pierce@state.or.us

Procurement Policy Group
Chief Financial Office
Department of Administrative Services
155 Cottage St. NE
Salem, OR 97031
FAX: (503) 373-7643

July 13, 2015

Kari Olson
 Purchasing Representative
 City of Ashland
 90 N. Mountain Ave.
 Ashland, OR 97520

Ms. Olson,

I have prepared our janitorial service pricing proposal for the City of Ashland based on the unchanged living wage of \$14.42 per hour. The updated changes for 2015 -2016 services is as follows –

Monthly	14 -15	15-16	
City Hall	1,138.09	1,138.09	
Community Development	1,785.05	1,785.05	
Municipal Court	640.43	640.43	
Police Department	1,536.22	1,536.22	
Police Sub Station	115.06	115.06	
Service Center	1,348.64	1,348.64	
Street and Shop	430.64	430.64	
The Grove	939.02	939.02	
Carpet and Hard Floors	1,036.12	1,036.12	Difference
Total	8,969.27	8,969.27	0.00

Annual	14 -15	15-16	
City Hall	13,657.08	13,657.08	
Community Development	21,420.60	21,420.60	
Municipal Court	7,685.16	7,685.16	
Police Department	18,434.64	18,434.64	
Police Sub Station	1,380.75	1,380.75	
Service Center	16,183.68	16,183.68	
Street and Shop	5,167.68	5,167.68	
The Grove	11,268.24	11,268.24	
Carpet and Hard Floors	12,433.44	12,433.44	Difference
Total	107,631.27	107,631.27	0.00



Rebecca Simpson; CEO

In total we are requesting no change in price to provide current services. Pathway Enterprises, Inc. truly appreciates the partnership we have with the City of Ashland and we look forward to another year of services.

Sincerely,

A handwritten signature in blue ink that reads "Richard Simpson".

Richard Simpson
Contract Services Director
Pathway Enterprises, Inc.
1600 Skypark Drive, Suite 101
Medford, OR 97504
Office (541) 973-2728
Cell (541) 601-4550
Fax (541) 973-2729

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
Qualified Rehabilitation Facilities Program**



Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
Salem, Oregon 97301
(503) 378-4642

SUMMARY OF ANNUAL COSTS

07302007

Oregon Department of Administrative Services

Project Costing Worksheet

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name
 Project

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$ 1,382.14
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 533.53
	Subtotal 1	\$ 1,915.67

Labor

Direct Labor	(from labor daily worksheet)	\$ 7,658.09
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Overhead

See Overhead Worksheet		\$ 2,113.69
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Delivery

Transportation	(from Trans & Reserve worksheet)	\$ -
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Total Before Margin \$ 11,687.45

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 746.01
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Total Bid Yearly \$ 12,433.46
Monthly \$ 1,036.12

RAW MATERIALS

Supplies
Pathway Enterprises Inc.
City of Ashland Facility Floors 15-16

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1 Pro Strip	74.22	0.3333	\$ 24.74	\$ 296.85
2 Optimum Finish	10.2	3	\$ 30.60	\$ 367.20
3 Grease Lightning	8.64	0.08333	\$ 0.72	\$ 8.64
4 Via Fresh Lemon Drop	15.81	0.08333	\$ 1.32	\$ 15.81
5 Defoamer	16	0.1667	\$ 2.67	\$ 32.01
6 Black Pads 20"	4.45	0.5	\$ 2.23	\$ 26.70
7 Green Pads 20"	4.45	0.5	\$ 2.23	\$ 26.70
8 Doodle Bug Pads	1.8	0.5	\$ 0.90	\$ 10.80
9 Neutral Cleaner SE#64	22.81	0.1667	\$ 3.80	\$ 45.63
10 Blue Tape	8.26	1	\$ 8.26	\$ 99.12
11 Rags	19.99	0.0833	\$ 1.67	\$ 19.98
12 Carpet Cleaning Solution SE#62	19.05	0.25	\$ 4.76	\$ 57.15
13 Nitrile Gloves Large	7.85	0.25	\$ 1.96	\$ 23.55
14 Finish Mop Heads	7.21	0.5	\$ 3.61	\$ 43.26
15 Mop Heads	13.11	0.5	\$ 6.56	\$ 78.66
16 Mop Handles	7.59	0.33	\$ 2.50	\$ 30.06
17 Broom	11.67	0.1667	\$ 1.95	\$ 23.34
18 Dust Pan	6.29	0.1667	\$ 1.05	\$ 12.58
19 White Pads 20	4.45	1	\$ 4.45	\$ 53.40
20 One Step	18.45	0.5	\$ 9.23	\$ 110.70
21			\$ -	\$ -
22			\$ -	\$ -
23			\$ -	\$ -
24			\$ -	\$ -
25			\$ -	\$ -
26			\$ -	\$ -
27			\$ -	\$ -
28			\$ -	\$ -
29			\$ -	\$ -
30			\$ -	\$ -
31			\$ -	\$ -
32			\$ -	\$ -
33			\$ -	\$ -
34			\$ -	\$ -
35			\$ -	\$ -
36			\$ -	\$ -
37			\$ -	\$ -
38			\$ -	\$ -
39			\$ -	\$ -
40			\$ -	\$ -
41			\$ -	\$ -
42			\$ -	\$ -
43			\$ -	\$ -
44			\$ -	\$ -
45			\$ -	\$ -
46			\$ -	\$ -
47			\$ -	\$ -
48			\$ -	\$ -
49			\$ -	\$ -
50			\$ -	\$ -
		Total	\$ 115.18	\$ 1,382.14

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.
Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises Inc.
 City of Ashland Facility Floors 15-16

The following Equipment & Tools are examples which may be required to do the job:

- | | |
|---------------------------|-------------------------|
| Burnishing/Floor machines | Carpet extractors |
| Blind cleaning machines | Auto scrubbers |
| Sweepers | Mop buckets and presses |

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.

Do not include any vehicle or transportation costs in this schedule.

Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	MOP BUCKET WITH WRINGER	\$ 85.79	36	12	33%	\$ 28.60	25%	\$ 7.15	3	\$ 21.45
2	VACUUM CLEANER	\$ 520.00	24	12	50%	\$ 260.00	25%	\$ 65.00	1	\$ 65.00
3	WET DRY VACUUM	\$ 780.00	24	12	50%	\$ 390.00	25%	\$ 97.50	1	\$ 97.50
4	PACESETTER BUFFER	\$ 850.00	36	12	33%	\$ 283.33	25%	\$ 70.83	1	\$ 70.83
5	CARPET BRUSH	\$ 230.00	24	12	50%	\$ 115.00	25%	\$ 28.75	1	\$ 28.75
6	EXTRACTOR	\$ 2,550.00	36	12	33%	\$ 850.00	25%	\$ 212.50	1	\$ 212.50
7	HIGH PERFORMANCE FAN	\$ 225.00	36	12	33%	\$ 75.00	25%	\$ 18.75	2	\$ 37.50
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
16				12						
17				12						
18				12						
19				12						
20				12						
									Total	\$ 533.53

Areas in green are formula driven.

Useful Life of Assets = What is the estimated useful life of the equipment in months

Depreciation Percentage = Depreciation is calculated by dividing the contract life by the useful life.

Unit Cost Per Year = Computed by multiplying the total unit cost by the depreciation.

Projected % Use = Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)

Projected Unit Cost = Calculated by multiplying the unit cost per year times the project use.

of Units = Multiply by units needed to complete the contract/service.

Annual Cost = Computed by project unit cost times the number of units.

LABOR

Direct Labor
 Pathway Enterprises Inc.
 City of Ashland Facility Floors 15-16

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor	
1 City Hall Carpet	11.00	\$ 14.42	100%	\$ 158.62	0.0765	\$ 12.13	6.00%	\$ 9.52	3.00%	\$ 4.76	6.00%	\$ 9.52	\$ 194.55		2	\$ 389.09	22.00	
2 City Hall Hard FL	7.00	\$ 14.42	100%	\$ 100.94	0.0765	\$ 7.72	6.00%	\$ 6.06	3.00%	\$ 3.03	6.00%	\$ 6.06	\$ 123.80		2	\$ 247.61	14.00	
3 Comm Dev Carpet	13.50	\$ 14.42	100%	\$ 194.67	0.0765	\$ 14.89	6.00%	\$ 11.68	3.00%	\$ 5.84	6.00%	\$ 11.68	\$ 238.76		2	\$ 477.53	27.00	
4 Comm Dev Hard FL	18.00	\$ 14.42	100%	\$ 259.56	0.0765	\$ 19.86	6.00%	\$ 15.57	3.00%	\$ 7.79	6.00%	\$ 15.57	\$ 318.35		2	\$ 636.70	36.00	
5 Courts Carpet	3.00	\$ 14.42	100%	\$ 43.26	0.0765	\$ 3.31	6.00%	\$ 2.60	3.00%	\$ 1.30	6.00%	\$ 2.60	\$ 53.06		2	\$ 106.12	6.00	
6 Courts Hard FL	35.00	\$ 14.42	100%	\$ 504.70	0.0765	\$ 38.61	6.00%	\$ 30.28	3.00%	\$ 15.14	6.00%	\$ 30.28	\$ 619.01		2	\$ 1,238.03	70.00	
7 Police Carpet	11.00	\$ 14.42	100%	\$ 158.62	0.0765	\$ 12.13	6.00%	\$ 9.52	3.00%	\$ 4.76	6.00%	\$ 9.52	\$ 194.55		2	\$ 389.09	22.00	
8 Police Hard FL	13.50	\$ 14.42	100%	\$ 194.67	0.0765	\$ 14.89	6.00%	\$ 11.68	3.00%	\$ 5.84	6.00%	\$ 11.68	\$ 238.76		2	\$ 477.53	27.00	
9 Police High Speed	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69		24	\$ 424.47	24.00	
10 Service Ctr Carpet	15.00	\$ 14.42	100%	\$ 216.30	0.0765	\$ 16.55	6.00%	\$ 12.98	3.00%	\$ 6.49	6.00%	\$ 12.98	\$ 265.29		2	\$ 530.58	30.00	
11 Service Ctr Hard FL	13.50	\$ 14.42	100%	\$ 194.67	0.0765	\$ 14.89	6.00%	\$ 11.68	3.00%	\$ 5.84	6.00%	\$ 11.68	\$ 238.76		2	\$ 477.53	27.00	
12 Streets Carpet	0.00	\$ 14.42	100%	\$ -	0.0765	\$ -	6.00%	\$ -	3.00%	\$ -	6.00%	\$ -	\$ -		2	\$ -	0.00	
13 Streets Hard FL	18.00	\$ 14.42	100%	\$ 259.56	0.0765	\$ 19.86	6.00%	\$ 15.57	3.00%	\$ 7.79	6.00%	\$ 15.57	\$ 318.35		2	\$ 636.70	36.00	
14 Grove Carpets	11.00	\$ 14.42	100%	\$ 158.62	0.0765	\$ 12.13	6.00%	\$ 9.52	3.00%	\$ 4.76	6.00%	\$ 9.52	\$ 194.55		2	\$ 389.09	22.00	
15 Grove Hard FL	35.00	\$ 14.42	100%	\$ 504.70	0.0765	\$ 38.61	6.00%	\$ 30.28	3.00%	\$ 15.14	6.00%	\$ 30.28	\$ 619.01		2	\$ 1,238.03	70.00	
16				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00	
17				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00	
18				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00	
19				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00	
20				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00	
Total															\$ 3,634.50	Total	\$ 7,658.09	433.00

Areas in green are formula driven.

Work Hours = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.

Subtotal 1 = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.

Subtotal 2 = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).

Subtotal 3 = Computed by multiplying subtotal 1 by your organization's Workers Comp %.

Subtotal 4 = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.

Other Benefits % = Input in this column if you calculate Other Benefits by a percentage.

Other Benefits Mo. \$ = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g, Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.

Subtotal 5 = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.

Daily Per Item Labor = The sum of subtotals 1,2,3, 4, and 5

Times Per Year = This is the days or shifts worked per year

Annual Total Labor = Times per year multiplied by daily/per item labor

Annual Labor Hours = Work hours multiplied by times per year

List "Other Benefits" Provided	
Leave	6%

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

- Matching FICA
- Workers' Comp at your cost
- Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs 17.00%

OR

Percent of Total Cost Method:
For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

Dollar-Figure Sum Method:
You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Direct Labor Method:
To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	
Input Total from Worksheet on Below	
Overhead per labor hour	\$ -
Time required to complete contract	433
Total Assigned Overhead	\$ -

Worksheet

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ -	\$ -

CPI Factor from BLS (see link below) 3.15% 3.15%
<http://www.bls.gov/ro9/mostreq.htm>
Total \$ -

WORK AREA:

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises Inc.

City of Ashland Facility Floors 15-16

Oregon Department of Administrative Services

Project Costing Worksheet

The State of Oregon reimburses employee use of their own vehicles on State business by the mile . The amount reimbursed per mile is based on a federal guideline which can be retrieved by following the link below to the GSA web site. This standard reimbursement is the standard for QRF cost calculation. Gas, oil, vehicle maintenance and repair are considered part of Delivery costs. The labor required (the driver and the workers if they are on the clock), should be captured in the Direct Labor worksheet. Vehicle costs may only be captured in the "Equipment, Tools & Subcontracts" spreadsheet or "Trans & Reserve" spreadsheet within this workbook. It is not permissible to capture costs in both spreadsheets.

It is permissible to use this spreadsheet to capture vehicle costs for the following situations:

- (a) Transporting the individuals who will perform the service to the location where the service will be provided.
- (b) Services dependent on vehicle in the provision of that service.

[GSA - Privately Owned Vehicle \(POV\) Mileage Reimbursement Rates](#)

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1				\$ -		\$ -
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ -		\$ -

Margin

The law allows a "margin held in reserve". The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of total cost of contract

6.0%

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
Qualified Rehabilitation Facilities Program**



**Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
Salem, Oregon 97301
(503) 378-4642**

SUMMARY OF ANNUAL COSTS

**Oregon Department of Administrative Services
Project Costing Worksheet**

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name Pathway Enterprises, Inc.
Project City of Ashland 2015-2016 City Hall

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$ 233.29
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 166.17
	Subtotal 1	\$ 399.46

Labor

Direct Labor	(from labor daily worksheet)	\$ 10,116.47
--------------	------------------------------	--------------

Overhead

See Overhead Worksheet		\$ 2,321.70
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Delivery

Transportation	(from Trans & Reserve worksheet)	\$ -
----------------	----------------------------------	------

Total Before Margin \$ 12,837.62

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 819.42
------------------------	----------------------------------	-----------

Total Bid Yearly \$ 13,657.04

Monthly \$ 1,138.09

	Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1	Janitor	2.50	\$ 14.42	100%	\$ 36.05	0.0765	\$ 2.76	6.00%	\$ 2.16	3.00%	\$ 1.08	6.00%	\$ 2.16	\$ 44.22	208	\$ 9,196.79	520.00	
2	Supervisor	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69	52	\$ 919.68	52.00	
3					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
4					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
5					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
6					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
7					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
8					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
9					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
10					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
11					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
12					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
13					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
14					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
15					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
														Total	\$ 61.90	Total	\$ 10,116.47	572.00

Areas in green are formula driven.

- Work Hours** = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.
- Subtotal 1** = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.
- Subtotal 2** = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).
- Subtotal 3** = Computed by multiplying subtotal 1 by your organization's Workers Comp %.
- Subtotal 4** = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.
- Other Benefits %** = Input in this column if you calculate Other Benefits by a percentage.
- Other Benefits Mo. \$** = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)
- Subtotal 5** = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.
- Daily Per Item Labor** = The sum of subtotals 1,2,3, 4, and 5
- Times Per Year** = This is the days or shifts worked per year
- Annual Total Labor** = Times per year multiplied by daily/per item labor
- Annual Labor Hours** = Work hours multiplied by times per year

List "Other Benefits" Provided	
PTO	

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

Matching FICA
 Workers' Comp at your cost
 Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

RAW MATERIALS

Supplies
Pathway Enterprises, Inc.
City of Ashland 2015-2016 City Hall

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1	Pine Q Disinfectant	\$ 4.80	0.1666	\$ 0.80	\$ 9.60
2	Cream Cleanser	\$ 2.91	0.1666	\$ 0.48	\$ 5.82
3	Glass Cleaner	\$ 6.29	0.1666	\$ 1.05	\$ 12.57
4	Heavy Duty Cleanser	\$ 4.80	0.1666	\$ 0.80	\$ 9.60
5				\$ -	\$ -
6				\$ -	\$ -
7				\$ -	\$ -
8	24 oz Bottle & trigger	\$ 2.27	0.1666	\$ 0.38	\$ 4.54
9	Acrylic Bowl Mops	\$ 1.71	0.5000	\$ 0.86	\$ 10.26
10	Scraper W/blades	\$ 6.51	0.1666	\$ 1.08	\$ 13.01
11	! OZ Pumps	\$ 2.31	0.1666	\$ 0.38	\$ 4.62
12	Paper Filter	\$ 21.10	0.3332	\$ 7.03	\$ 84.37
13	Std Loop end Mop	\$ 5.65	0.3332	\$ 1.88	\$ 22.59
14	24" Dust mop	\$ 4.26	0.1666	\$ 0.71	\$ 8.52
15	Doodlebug BN Pads	\$ 1.18	0.1666	\$ 0.20	\$ 2.36
16	Duster - expandable	\$ 5.75	0.1666	\$ 0.96	\$ 11.50
17	Spot Away	\$ 2.74	0.3332	\$ 0.91	\$ 10.96
18	Cleaning Pads	\$ 4.70	0.1666	\$ 0.78	\$ 9.40
19	Wax Mop	\$ 6.80	0.1666	\$ 1.13	\$ 13.59
20				\$ -	\$ -
21				\$ -	\$ -
22				\$ -	\$ -
23				\$ -	\$ -
24				\$ -	\$ -
25				\$ -	\$ -
26				\$ -	\$ -
27				\$ -	\$ -
28				\$ -	\$ -
29				\$ -	\$ -
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
	Total			\$ 19.44	\$ 233.29

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.
Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises, Inc.
 City of Ashland 2015-2016 City Hall

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.
 Do not include any vehicle or transportation costs in this schedule.
Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	Windsor Vacuum	\$ 401.00	36	12	33%	\$ 133.67	100%	\$ 133.67	1	\$ 133.67
2				12						
3				12						
4	Mopbuckets and presses	\$ 65.00	24	12	50%	\$ 32.50	100%	\$ 32.50	1	\$ 32.50
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
	Total									\$ 166.17

Areas in green are formula driven.

- Useful Life of Assets =** What is the estimated useful life of the equipment **in months**
- Depreciation Percentage =** Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year =** Computed by multiplying the total unit cost by the depreciation.
- Projected % Use =** Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost =** Calculated by multiplying the unit cost per year times the project use.
- # of Units =** Multiply by units needed to complete the contract/service.
- Annual Cost =** Computed by project unit cost times the number of units.

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs 17.00%

OR

Percent of Total Cost Method:
For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

Dollar-Figure Sum Method:
You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Direct Labor Method:
To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	
Input Total from Worksheet on Below	
Overhead per labor hour	\$ -
Time required to complete contract	572
Total Assigned Overhead	\$ -

Worksheet

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ -	\$ -

CPI Factor from BLS (see link below) 1.65% 1.65%
<http://www.bls.gov/ro9/mostreque.htm>
Total \$ -

WORK AREA:

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises, Inc.
City of Ashland 2015-2016 City Hall

**Oregon Department of Administrative Services
Project Costing Worksheet**

This category covers any costs associated with delivering your product or service to the buyer. A service contract, for example, will likely include the costs associated with getting the individuals who will perform the service to the place where the service will be performed. Gas, oil, vehicle maintenance and repair are all part of Delivery costs. Most often these costs can be recovered by charging a certain amount per mile. The State of Oregon reimburses 36 cents per mile for its employees who use their own vehicles on State business. That's not to say your costs may be less or more. The labor required (the driver and the workers if they are on the clock), should be captured in Direct Labor. If your costs are greater than the state allowed cost, please provide a detailed schedule on how you arrived at your cost per mile.

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1	caravan			\$ -		\$ -
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ -		\$ -

Margin

The law allows a "margin held in reserve" This is usually added as a percentage after all other costs have been calculated. The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of "Total Before Margin"

6.0%

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
Qualified Rehabilitation Facilities Program**



**Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
Salem, Oregon 97301
(503) 378-4642**

SUMMARY OF ANNUAL COSTS

**Oregon Department of Administrative Services
Project Costing Worksheet**

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name Pathway Enterprises, Inc.
Project City of Ashland 2015-2016 Community Development

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$ 233.29
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 166.17
	Subtotal 1	\$ 399.46

Labor

Direct Labor	(from labor daily worksheet)	\$ 16,094.38
--------------	------------------------------	--------------

Overhead

See Overhead Worksheet		\$ 3,641.50
------------------------	--	-------------

Delivery

Transportation	(from Trans & Reserve worksheet)	\$ -
----------------	----------------------------------	------

Total Before Margin \$ 20,135.33

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 1,285.23
------------------------	----------------------------------	-------------

Total Bid Yearly \$ 21,420.57

Monthly \$ 1,785.05

RAW MATERIALS

Supplies
Pathway Enterprises, Inc.
City of Ashland 2015-2016 Community Development

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1 Pine Q Disinfectant	\$ 4.80	0.1666	\$ 0.80	\$ 9.60
2 Cream Cleanser	\$ 2.91	0.1666	\$ 0.48	\$ 5.82
3 Glass Cleaner	\$ 6.29	0.1666	\$ 1.05	\$ 12.57
4 Heavy Duty Cleanser	\$ 4.80	0.1666	\$ 0.80	\$ 9.60
8 24 oz Bottle & trigger	\$ 2.27	0.1666	\$ 0.38	\$ 4.54
9 Acrylic Bowl Mops	\$ 1.71	0.5000	\$ 0.86	\$ 10.26
10 Scrapper W/blades	\$ 6.51	0.1666	\$ 1.08	\$ 13.01
11 ! OZ Pumps	\$ 2.31	0.1666	\$ 0.38	\$ 4.62
12 Paper Filter	\$ 21.10	0.3332	\$ 7.03	\$ 84.37
13 Std Loop end Mop	\$ 5.65	0.3332	\$ 1.88	\$ 22.59
14 24" Dust mop	\$ 4.26	0.1666	\$ 0.71	\$ 8.52
15 Doodlebug BN Pads	\$ 1.18	0.1666	\$ 0.20	\$ 2.36
16 Duster - expandable	\$ 5.75	0.1666	\$ 0.96	\$ 11.50
17 Spot Away	\$ 2.74	0.3332	\$ 0.91	\$ 10.96
18 Cleaning Pads	\$ 4.70	0.1666	\$ 0.78	\$ 9.40
19 Wax Mop	\$ 6.80	0.1666	\$ 1.13	\$ 13.59
20			\$ -	\$ -
21			\$ -	\$ -
22			\$ -	\$ -
23			\$ -	\$ -
24			\$ -	\$ -
25			\$ -	\$ -
26			\$ -	\$ -
27			\$ -	\$ -
28			\$ -	\$ -
29			\$ -	\$ -
30			\$ -	\$ -
31			\$ -	\$ -
32			\$ -	\$ -
33			\$ -	\$ -
34			\$ -	\$ -
35			\$ -	\$ -
36			\$ -	\$ -
37			\$ -	\$ -
38			\$ -	\$ -
39			\$ -	\$ -
40			\$ -	\$ -
Total			\$ 19.44	\$ 233.29

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.

Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises, Inc.
 City of Ashland 2015-2016 Community Development

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.
 Do not include any vehicle or transportation costs in this schedule.
Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS		
Description	Cost per Time	Times per Year
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	Windsor Vacuum	\$ 401.00	36	12	33%	\$ 133.67	100%	\$ 133.67	1	\$ 133.67
2	Floor Machine	\$ 1,200.00	36	12	33%	\$ 400.00	20%	\$ 80.00	0	\$ -
3	Extractor	\$ 2,400.00	36	12	33%	\$ 800.00	20%	\$ 160.00	0	\$ -
4	Mopbuckets and presses	\$ 65.00	24	12	50%	\$ 32.50	100%	\$ 32.50	1	\$ 32.50
5	Burnisher	\$ 1,200.00	36	12	33%	\$ 400.00	20%	\$ 80.00	0	\$ -
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
									Total	\$ 166.17

Areas in green are formula driven.

- Useful Life of Assets =** What is the estimated useful life of the equipment **in months**
- Depreciation Percentage =** Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year =** Computed by multiplying the total unit cost by the depreciation.
- Projected % Use =** Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost =** Calculated by multiplying the unit cost per year times the project use.
- # of Units =** Multiply by units needed to complete the contract/service.
- Annual Cost =** Computed by project unit cost times the number of units.

LABOR

Direct Labor
 Pathway Enterprises, Inc.
 City of Ashland 2015-2016 Community Development

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Janitor 2x	3.25	\$ 14.42	100%	\$ 46.87	0.0765	\$ 3.59	6.00%	\$ 2.81	3.00%	\$ 1.41	6.00%	\$ 2.81	\$ 57.48	104	\$ 5,977.91	338.00	
2 Janitor 3x	3.00	\$ 14.42	100%	\$ 43.26	0.0765	\$ 3.31	6.00%	\$ 2.60	3.00%	\$ 1.30	6.00%	\$ 2.60	\$ 53.06	156	\$ 8,277.11	468.00	
3 Supervisor	2.00	\$ 14.42	100%	\$ 28.84	0.0765	\$ 2.21	6.00%	\$ 1.73	3.00%	\$ 0.87	6.00%	\$ 1.73	\$ 35.37	52	\$ 1,839.36	104.00	
4				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
5				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
6				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
7				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
8				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
9				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
10				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
11				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
12				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
13				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
14				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
15				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
Total													\$ 145.91	Total	\$ 16,094.38	910.00	

Areas in green are formula driven.

- Work Hours** = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.
- Subtotal 1** = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.
- Subtotal 2** = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).
- Subtotal 3** = Computed by multiplying subtotal 1 by your organization's Workers Comp %.
- Subtotal 4** = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.
- Other Benefits %** = Input in this column if you calculate Other Benefits by a percentage.
- Other Benefits Mo. \$** = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)
- Subtotal 5** = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.
- Daily Per Item Labor** = The sum of subtotals 1,2,3, 4, and 5
- Times Per Year** = This is the days or shifts worked per year
- Annual Total Labor** = Times per year multiplied by daily/per item labor
- Annual Labor Hours** = Work hours multiplied by times per year

List "Other Benefits" Provided	
PTO	

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

Matching FICA
 Workers' Comp at your cost
 Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs

OR

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Cost Method:

For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

Dollar-Figure Sum Method:

You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

Percent of Total Direct Labor Method:

To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	<input type="text"/>
Input Total from Worksheet on Below	<input type="text"/>
Overhead per labor hour	\$ <input type="text" value="-"/>
Time required to complete contract	<input type="text" value="910"/>
Total Assigned Overhead	\$ <input type="text" value="-"/>

Worksheet		
INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ <input type="text" value="-"/>	\$ <input type="text" value="-"/>
CPI Factor from BLS (see link below)	1.65%	1.65%
http://www.bls.gov/ro9/mostreque.htm		
Total	\$ <input type="text" value="-"/>	

WORK AREA:

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises, Inc.

City of Ashland 2015-2016 Community Development

Oregon Department of Administrative Services

Project Costing Worksheet

This category covers any costs associated with delivering your product or service to the buyer. A service contract, for example, will likely include the costs associated with getting the individuals who will perform the service to the place where the service will be performed. Gas, oil, vehicle maintenance and repair are all part of Delivery costs. Most often these costs can be recovered by charging a certain amount per mile. The State of Oregon reimburses 36 cents per mile for its employees who use their own vehicles on State business. That's not to say your costs may be less or more. The labor required (the driver and the workers if they are on the clock), should be captured in Direct Labor. If your costs are greater than the state allowed cost, please provide a detailed schedule on how you arrived at your cost per mile.

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1	caravan			\$ -		\$ -
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ -		\$ -

Margin

The law allows a "margin held in reserve" This is usually added as a percentage after all other costs have been calculated. The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of "Total Before Margin"

6.0%

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
Qualified Rehabilitation Facilities Program**



**Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
Salem, Oregon 97301
(503) 378-4642**

SUMMARY OF ANNUAL COSTS

**Oregon Department of Administrative Services
Project Costing Worksheet**

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name Pathway Enterprises, Inc.
Project City of Ashland 2015-2016 Municipal Court

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$ 233.29
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 166.17
	Subtotal 1	\$ 399.46

Labor

Direct Labor	(from labor daily worksheet)	\$ 5,518.07
--------------	------------------------------	-------------

Overhead

See Overhead Worksheet		\$ 1,306.47
------------------------	--	-------------

Delivery

Transportation	(from Trans & Reserve worksheet)	\$ -
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Total Before Margin \$ 7,224.00

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 461.11
------------------------	----------------------------------	-----------

Total Bid Yearly \$ 7,685.10
Monthly \$ 640.43

RAW MATERIALS

Supplies
Pathway Enterprises, Inc.
City of Ashland 2015-2016 Municipal Court

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1	Pine Q Disinfectant	\$ 4.80	0.1666	\$ 0.80	\$ 9.60
2	Cream Cleanser	\$ 2.91	0.1666	\$ 0.48	\$ 5.82
3	Glass Cleaner	\$ 6.29	0.1666	\$ 1.05	\$ 12.57
4	Heavy Duty Cleanser	\$ 4.80	0.1666	\$ 0.80	\$ 9.60
5	Oder Counteractant	\$ 30.65		\$ -	\$ -
6	Carpet Lane	\$ 5.00		\$ -	\$ -
7	Carpet Shampoo	\$ 13.01		\$ -	\$ -
8	24 oz Bottle & trigger	\$ 2.27	0.1666	\$ 0.38	\$ 4.54
9	Acrylic Bowl Mops	\$ 1.71	0.5000	\$ 0.86	\$ 10.26
10	Scraper W/blades	\$ 6.51	0.1666	\$ 1.08	\$ 13.01
11	! OZ Pumps	\$ 2.31	0.1666	\$ 0.38	\$ 4.62
12	Paper Filter	\$ 21.10	0.3332	\$ 7.03	\$ 84.37
13	Std Loop end Mop	\$ 5.65	0.3332	\$ 1.88	\$ 22.59
14	24" Dust mop	\$ 4.26	0.1666	\$ 0.71	\$ 8.52
15	Doodlebug BN Pads	\$ 1.18	0.1666	\$ 0.20	\$ 2.36
16	Duster - expandable	\$ 5.75	0.1666	\$ 0.96	\$ 11.50
17	Spot Away	\$ 2.74	0.3332	\$ 0.91	\$ 10.96
18	Cleaning Pads	\$ 4.70	0.1666	\$ 0.78	\$ 9.40
19	Wax Mop	\$ 6.80	0.1666	\$ 1.13	\$ 13.59
20				\$ -	\$ -
21				\$ -	\$ -
22				\$ -	\$ -
23				\$ -	\$ -
24				\$ -	\$ -
25				\$ -	\$ -
26				\$ -	\$ -
27				\$ -	\$ -
28				\$ -	\$ -
29				\$ -	\$ -
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
	Total			\$ 19.44	\$ 233.29

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.
Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises, Inc.
 City of Ashland 2015-2016 Municipal Court

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
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 Do not include any vehicle or transportation costs in this schedule.
Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	Windsor Vacuum	\$ 401.00	36	12	33%	\$ 133.67	100%	\$ 133.67	1	\$ 133.67
2				12						
3				12						
4	Mopbuckets and presses	\$ 65.00	24	12	50%	\$ 32.50	100%	\$ 32.50	1	\$ 32.50
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
	Total									\$ 166.17

Areas in green are formula driven.

- Useful Life of Assets =** What is the estimated useful life of the equipment **in months**
- Depreciation Percentage =** Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year =** Computed by multiplying the total unit cost by the depreciation.
- Projected % Use =** Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost =** Calculated by multiplying the unit cost per year times the project use.
- # of Units =** Multiply by units needed to complete the contract/service.
- Annual Cost =** Computed by project unit cost times the number of units.

LABOR

Direct Labor
 Pathway Enterprises, Inc.
 City of Ashland 2015-2016 Municipal Court

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Janitor 2x	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69	104	\$ 1,839.36	104.00	
2 Janitor 3x	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69	156	\$ 2,759.04	156.00	
3 Supervisor	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69	52	\$ 919.68	52.00	
4				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
5				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
6				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
7				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
8				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
9				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
10				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
11				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
12				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
13				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
14				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
15				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
Total														\$ 53.06	Total	\$ 5,518.07	312.00

Areas in green are formula driven.

- Work Hours** = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.
- Subtotal 1** = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.
- Subtotal 2** = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).
- Subtotal 3** = Computed by multiplying subtotal 1 by your organization's Workers Comp %.
- Subtotal 4** = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.
- Other Benefits %** = Input in this column if you calculate Other Benefits by a percentage.
- Other Benefits Mo. \$** = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)
- Subtotal 5** = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.
- Daily Per Item Labor** = The sum of subtotals 1,2,3, 4, and 5
- Times Per Year** = This is the days or shifts worked per year
- Annual Total Labor** = Times per year multiplied by daily/per item labor
- Annual Labor Hours** = Work hours multiplied by times per year

List "Other Benefits" Provided	
PTO	

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

- Matching FICA
- Workers' Comp at your cost
- Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs

OR

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Cost Method:

For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

Dollar-Figure Sum Method:

You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

Percent of Total Direct Labor Method:

To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	<input type="text"/>
Input Total from Worksheet on Below	<input type="text"/>
Overhead per labor hour	\$ <input type="text" value="-"/>
Time required to complete contract	<input type="text" value="312"/>
Total Assigned Overhead	\$ <input type="text" value="-"/>

Worksheet		
INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ <input type="text" value="-"/>	\$ <input type="text" value="-"/>
CPI Factor from BLS (see link below)	1.65%	1.65%
http://www.bls.gov/ro9/mostreque.htm		
Total	\$ <input type="text" value="-"/>	

WORK AREA:

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises, Inc.
City of Ashland 2015-2016 Municipal Court

**Oregon Department of Administrative Services
Project Costing Worksheet**

This category covers any costs associated with delivering your product or service to the buyer. A service contract, for example, will likely include the costs associated with getting the individuals who will perform the service to the place where the service will be performed. Gas, oil, vehicle maintenance and repair are all part of Delivery costs. Most often these costs can be recovered by charging a certain amount per mile. The State of Oregon reimburses 36 cents per mile for its employees who use their own vehicles on State business. That's not to say your costs may be less or more. The labor required (the driver and the workers if they are on the clock), should be captured in Direct Labor. If your costs are greater than the state allowed cost, please provide a detailed schedule on how you arrived at your cost per mile.

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1	caravan			\$ -		\$ -
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ -		\$ -

Margin

The law allows a "margin held in reserve" This is usually added as a percentage after all other costs have been calculated. The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of "Total Before Margin"

6.0%

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
Qualified Rehabilitation Facilities Program**



**Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
Salem, Oregon 97301
(503) 378-4642**

SUMMARY OF ANNUAL COSTS

**Oregon Department of Administrative Services
Project Costing Worksheet**

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name Pathway Enterprises, Inc.
Project City of Ashland 2015-2016 Ashland Police Department

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$ 233.29
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 166.17
	Subtotal 1	\$ 399.46

Labor

Direct Labor	(from labor daily worksheet)	\$ 13,795.18
--------------	------------------------------	--------------

Overhead

See Overhead Worksheet		\$ 3,133.88
------------------------	--	-------------

Delivery

Transportation	(from Trans & Reserve worksheet)	\$ -
----------------	----------------------------------	------

Total Before Margin \$ 17,328.52

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 1,106.08
------------------------	----------------------------------	-------------

Total Bid Yearly \$ 18,434.60
Monthly \$ 1,536.22

RAW MATERIALS

Supplies
Pathway Enterprises, Inc.
City of Ashland 2015-2016 Ashland Police Department

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1	Pine Q Disinfectant	\$ 4.80	0.1666	\$ 0.80	\$ 9.60
2	Cream Cleanser	\$ 2.91	0.1666	\$ 0.48	\$ 5.82
3	Glass Cleaner	\$ 6.29	0.1666	\$ 1.05	\$ 12.57
4	Heavy Duty Cleanser	\$ 4.80	0.1666	\$ 0.80	\$ 9.60
5	Oder Counteractant	\$ 30.65		\$ -	\$ -
6	Carpet Lane	\$ 5.00		\$ -	\$ -
7	Carpet Shampoo	\$ 13.01		\$ -	\$ -
8	24 oz Bottle & trigger	\$ 2.27	0.1666	\$ 0.38	\$ 4.54
9	Acrylic Bowl Mops	\$ 1.71	0.5000	\$ 0.86	\$ 10.26
10	Scraper W/blades	\$ 6.51	0.1666	\$ 1.08	\$ 13.01
11	! OZ Pumps	\$ 2.31	0.1666	\$ 0.38	\$ 4.62
12	Paper Filter	\$ 21.10	0.3332	\$ 7.03	\$ 84.37
13	Std Loop end Mop	\$ 5.65	0.3332	\$ 1.88	\$ 22.59
14	24" Dust mop	\$ 4.26	0.1666	\$ 0.71	\$ 8.52
15	Doodlebug BN Pads	\$ 1.18	0.1666	\$ 0.20	\$ 2.36
16	Duster - expandable	\$ 5.75	0.1666	\$ 0.96	\$ 11.50
17	Spot Away	\$ 2.74	0.3332	\$ 0.91	\$ 10.96
18	Cleaning Pads	\$ 4.70	0.1666	\$ 0.78	\$ 9.40
19	Wax Mop	\$ 6.80	0.1666	\$ 1.13	\$ 13.59
20				\$ -	\$ -
21				\$ -	\$ -
22				\$ -	\$ -
23				\$ -	\$ -
24				\$ -	\$ -
25				\$ -	\$ -
26				\$ -	\$ -
27				\$ -	\$ -
28				\$ -	\$ -
29				\$ -	\$ -
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
	Total			\$ 19.44	\$ 233.29

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.
Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises, Inc.
 City of Ashland 2015-2016 Ashland Police Department

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.
 Do not include any vehicle or transportation costs in this schedule.
Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	Windsor Vacuum	\$ 401.00	36	12	33%	\$ 133.67	100%	\$ 133.67	1	\$ 133.67
2				12						
3				12						
4	Mopbuckets and presses	\$ 65.00	24	12	50%	\$ 32.50	100%	\$ 32.50	1	\$ 32.50
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
	Total									\$ 166.17

Areas in green are formula driven.

- Useful Life of Assets =** What is the estimated useful life of the equipment **in months**
- Depreciation Percentage =** Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year =** Computed by multiplying the total unit cost by the depreciation.
- Projected % Use =** Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost =** Calculated by multiplying the unit cost per year times the project use.
- # of Units =** Multiply by units needed to complete the contract/service.
- Annual Cost =** Computed by project unit cost times the number of units.

LABOR

Direct Labor
 Pathway Enterprises, Inc.
 City of Ashland 2015-2016 Ashland Police Department

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Janitor 4x	3.50	\$ 14.42	100%	\$ 50.47	0.0765	\$ 3.86	6.00%	\$ 3.03	3.00%	\$ 1.51	6.00%	\$ 3.03	\$ 61.90	208	\$ 12,875.50	728.00	
2 Supervisor	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69	52	\$ 919.68	52.00	
3				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
4				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
5				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
6				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
7				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
8				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
9				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
10				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
11				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
12				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
13				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
14				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
15				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
Total														\$ 79.59	Total	\$ 13,795.18	780.00

Areas in green are formula driven.

- Work Hours** = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.
- Subtotal 1** = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.
- Subtotal 2** = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).
- Subtotal 3** = Computed by multiplying subtotal 1 by your organization's Workers Comp %.
- Subtotal 4** = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.
- Other Benefits %** = Input in this column if you calculate Other Benefits by a percentage.
- Other Benefits Mo. \$** = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)
- Subtotal 5** = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.
- Daily Per Item Labor** = The sum of subtotals 1,2,3, 4, and 5
- Times Per Year** = This is the days or shifts worked per year
- Annual Total Labor** = Times per year multiplied by daily/per item labor
- Annual Labor Hours** = Work hours multiplied by times per year

List "Other Benefits" Provided	
PTO	

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

- Matching FICA
- Workers' Comp at your cost
- Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs

OR

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Cost Method:

For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

Dollar-Figure Sum Method:

You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

Percent of Total Direct Labor Method:

To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	<input type="text"/>
Input Total from Worksheet on Below	<input type="text"/>
Overhead per labor hour	\$ <input type="text" value="-"/>
Time required to complete contract	<input type="text" value="780"/>
Total Assigned Overhead	\$ <input type="text" value="-"/>

Worksheet		
INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ <input type="text" value="-"/>	\$ <input type="text" value="-"/>
CPI Factor from BLS (see link below)	1.65%	1.65%
http://www.bls.gov/ro9/mostreque.htm		
Total	\$ <input type="text" value="-"/>	

WORK AREA:

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises, Inc.
City of Ashland 2015-2016 Ashland Police Department

**Oregon Department of Administrative Services
Project Costing Worksheet**

This category covers any costs associated with delivering your product or service to the buyer. A service contract, for example, will likely include the costs associated with getting the individuals who will perform the service to the place where the service will be performed. Gas, oil, vehicle maintenance and repair are all part of Delivery costs. Most often these costs can be recovered by charging a certain amount per mile. The State of Oregon reimburses 36 cents per mile for its employees who use their own vehicles on State business. That's not to say your costs may be less or more. The labor required (the driver and the workers if they are on the clock), should be captured in Direct Labor. If your costs are greater than the state allowed cost, please provide a detailed schedule on how you arrived at your cost per mile.

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1	caravan			\$ -		\$ -
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ -		\$ -

Margin

The law allows a "margin held in reserve" This is usually added as a percentage after all other costs have been calculated. The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of "Total Before Margin"

6.0%

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
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**Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
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SUMMARY OF ANNUAL COSTS

**Oregon Department of Administrative Services
Project Costing Worksheet**

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name Pathway Enterprises, Inc.
Project Ashland Service Center 2015-2016

Executive Director Signature: _____

Raw Materials		
Per Time Use - Supplies	(from supplies worksheet)	\$ 233.29
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 166.17
	Subtotal 1	\$ 399.46
Labor		
Direct Labor	(from labor daily worksheet)	\$ 12,061.94
Overhead		
See Overhead Worksheet		\$ 2,751.22
Delivery		
Transportation	(from Trans & Reserve worksheet)	\$ -
	Total Before Margin	\$ 15,212.62
Reserve		
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 971.02
	Total Bid Yearly	\$ 16,183.63
	Monthly	\$ 1,348.64

RAW MATERIALS

Supplies
Pathway Enterprises, Inc.
Ashland Service Center 2015-2016

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1	Pine Q Disinfectant	\$ 4.80	0.1666	\$ 0.80	\$ 9.60
2	Cream Cleanser	\$ 2.91	0.1666	\$ 0.48	\$ 5.82
3	Glass Cleaner	\$ 6.29	0.1666	\$ 1.05	\$ 12.57
4	Heavy Duty Cleanser	\$ 4.80	0.1666	\$ 0.80	\$ 9.60
8	24 oz Bottle & trigger	\$ 2.27	0.1666	\$ 0.38	\$ 4.54
9	Acrylic Bowl Mops	\$ 1.71	0.5000	\$ 0.86	\$ 10.26
10	Scrapper W/blades	\$ 6.51	0.1666	\$ 1.08	\$ 13.01
11	! OZ Pumps	\$ 2.31	0.1666	\$ 0.38	\$ 4.62
12	Paper Filter	\$ 21.10	0.3332	\$ 7.03	\$ 84.37
13	Std Loop end Mop	\$ 5.65	0.3332	\$ 1.88	\$ 22.59
14	24" Dust mop	\$ 4.26	0.1666	\$ 0.71	\$ 8.52
15	Doodlebug BN Pads	\$ 1.18	0.1666	\$ 0.20	\$ 2.36
16	Duster - expandable	\$ 5.75	0.1666	\$ 0.96	\$ 11.50
17	Spot Away	\$ 2.74	0.3332	\$ 0.91	\$ 10.96
18	Cleaning Pads	\$ 4.70	0.1666	\$ 0.78	\$ 9.40
19	Wax Mop	\$ 6.80	0.1666	\$ 1.13	\$ 13.59
20				\$ -	\$ -
21				\$ -	\$ -
22				\$ -	\$ -
23				\$ -	\$ -
24				\$ -	\$ -
25				\$ -	\$ -
26				\$ -	\$ -
27				\$ -	\$ -
28				\$ -	\$ -
29				\$ -	\$ -
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
			Total	\$ 19.44	\$ 233.29

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.

Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises, Inc.
 Ashland Service Center 2015-2016

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.
 Do not include any vehicle or transportation costs in this schedule.
Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	Windsor Vacuum	\$ 401.00	36	12	33%	\$ 133.67	100%	\$ 133.67	1	\$ 133.67
2				12						
3				12						
4	Mopbuckets and presses	\$ 65.00	24	12	50%	\$ 32.50	100%	\$ 32.50	1	\$ 32.50
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
	Total									\$ 166.17

Areas in green are formula driven.

- Useful Life of Assets =** What is the estimated useful life of the equipment **in months**
- Depreciation Percentage =** Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year =** Computed by multiplying the total unit cost by the depreciation.
- Projected % Use =** Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost =** Calculated by multiplying the unit cost per year times the project use.
- # of Units =** Multiply by units needed to complete the contract/service.
- Annual Cost =** Computed by project unit cost times the number of units.

	Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1	Janitor	3.25	\$ 14.42	100%	\$ 46.87	0.0765	\$ 3.59	6.00%	\$ 2.81	3.00%	\$ 1.41	6.00%		\$ 2.81	\$ 57.48	208	\$ 11,955.82	676.00
2	Supervisor	0.50	\$ 14.42	100%	\$ 7.21	0.0765	\$ 0.55	6.00%	\$ 0.43	3.00%	\$ 0.22	6.00%		\$ 0.43	\$ 8.84	12	\$ 106.12	6.00
3					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
4					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
5					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
6					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
7					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
8					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
9					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
10					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
11					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
12					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
13					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
14					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
15					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
														Total	\$ 66.32	Total	\$ 12,061.94	682.00

Areas in green are formula driven.

- Work Hours** = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.
- Subtotal 1** = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.
- Subtotal 2** = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).
- Subtotal 3** = Computed by multiplying subtotal 1 by your organization's Workers Comp %.
- Subtotal 4** = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.
- Other Benefits %** = Input in this column if you calculate Other Benefits by a percentage.
- Other Benefits Mo. \$** = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)
- Subtotal 5** = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.
- Daily Per Item Labor** = The sum of subtotals 1,2,3, 4, and 5
- Times Per Year** = This is the days or shifts worked per year
- Annual Total Labor** = Times per year multiplied by daily/per item labor
- Annual Labor Hours** = Work hours multiplied by times per year

List "Other Benefits" Provided	
PTO	

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

- Matching FICA
- Workers' Comp at your cost
- Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs 17.00%

OR

Percent of Total Cost Method:
For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

Dollar-Figure Sum Method:
You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Direct Labor Method:
To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	
Input Total from Worksheet on Below	
Overhead per labor hour	\$ -
Time required to complete contract	682
Total Assigned Overhead	\$ -

Worksheet

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ -	\$ -

CPI Factor from BLS (see link below) 1.65% 1.65%
<http://www.bls.gov/ro9/mostreque.htm>
Total **\$ -**

WORK AREA:

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises, Inc.
Ashland Service Center 2015-2016

**Oregon Department of Administrative Services
Project Costing Worksheet**

This category covers any costs associated with delivering your product or service to the buyer. A service contract, for example, will likely include the costs associated with getting the individuals who will perform the service to the place where the service will be performed. Gas, oil, vehicle maintenance and repair are all part of Delivery costs. Most often these costs can be recovered by charging a certain amount per mile. The State of Oregon reimburses 36 cents per mile for its employees who use their own vehicles on State business. That's not to say your costs may be less or more. The labor required (the driver and the workers if they are on the clock), should be captured in Direct Labor. If your costs are greater than the state allowed cost, please provide a detailed schedule on how you arrived at your cost per mile.

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1	caravan			\$ -		\$ -
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ -		\$ -

Margin

The law allows a "margin held in reserve" This is usually added as a percentage after all other costs have been calculated. The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of "Total Before Margin"

6.0%

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
Qualified Rehabilitation Facilities Program**



**Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
Salem, Oregon 97301
(503) 378-4642**

SUMMARY OF ANNUAL COSTS

**Oregon Department of Administrative Services
Project Costing Worksheet**

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QRF Name Pathway Enterprises, Inc.
Project City of Ashland 2015-2016 Street and Shop

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$	134.25
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$	166.17
		Subtotal 1	\$ 300.41

Labor

Direct Labor	(from labor daily worksheet)	\$	3,678.72
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Overhead

See Overhead Worksheet		\$	878.51
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Delivery

Transportation	(from Trans & Reserve worksheet)	\$	-
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Total Before Margin \$ 4,857.64

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$	310.06
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Total Bid Yearly \$ 5,167.70

Monthly \$ 430.64

RAW MATERIALS

Supplies
Pathway Enterprises, Inc.
City of Ashland 2015-2016 Street and Shop

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1	Pine Q Disinfectant	\$ 4.80	0.0833	\$ 0.40	\$ 4.80
2	Cream Cleanser	\$ 2.91	0.0833	\$ 0.24	\$ 2.91
3	Glass Cleaner	\$ 6.29	0.0833	\$ 0.52	\$ 6.29
4	Heavy Duty Cleanser	\$ 4.80	0.0833	\$ 0.40	\$ 4.80
5	Oder Counteractant	\$ 30.65		\$ -	\$ -
6	Carpet Lane	\$ 5.00		\$ -	\$ -
7	Carpet Shampoo	\$ 13.01		\$ -	\$ -
8	Emulsifier Extract	\$ 2.27		\$ -	\$ -
9	Acrylic Bowl Mops	\$ 1.71	0.1666	\$ 0.28	\$ 3.42
10	Scraper W/blades	\$ 6.51	0.0833	\$ 0.54	\$ 6.51
11	! OZ Pumps	\$ 2.31	0.0833	\$ 0.19	\$ 2.31
12	Paper Filter	\$ 21.10	0.1666	\$ 3.52	\$ 42.18
13	Std Loop end Mop	\$ 5.65	0.1666	\$ 0.94	\$ 11.30
14	24" Dust mop	\$ 4.26	0.0833	\$ 0.35	\$ 4.26
15	Doodlebug BN Pads	\$ 1.18	0.1666	\$ 0.20	\$ 2.36
16	Duster - expandable	\$ 5.75	0.1666	\$ 0.96	\$ 11.50
17	Spot Away	\$ 2.74	0.3332	\$ 0.91	\$ 10.96
18	24 oz bottle/w trigger	\$ 4.70	0.0833	\$ 0.39	\$ 4.70
19	Wax mop	\$ 6.80	0.0833	\$ 0.57	\$ 6.80
20	Cleaning Pads	\$ 4.59	0.1666	\$ 0.76	\$ 9.18
21				\$ -	\$ -
22				\$ -	\$ -
23				\$ -	\$ -
24				\$ -	\$ -
25				\$ -	\$ -
26				\$ -	\$ -
27				\$ -	\$ -
28				\$ -	\$ -
29				\$ -	\$ -
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
	Total			\$ 11.19	\$ 134.25

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.
Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises, Inc.
 City of Ashland 2015-2016 Street and Shop

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.
 Do not include any vehicle or transportation costs in this schedule.
Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	Windsor Vacuum	\$ 401.00	36	12	33%	\$ 133.67	100%	\$ 133.67	1	\$ 133.67
2				12						
3				12						
4	Mopbuckets and presses	\$ 65.00	24	12	50%	\$ 32.50	100%	\$ 32.50	1	\$ 32.50
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
									Total	\$ 166.17

Areas in green are formula driven.

- Useful Life of Assets =** What is the estimated useful life of the equipment in months
- Depreciation Percentage =** Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year =** Computed by multiplying the total unit cost by the depreciation.
- Projected % Use =** Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost =** Calculated by multiplying the unit cost per year times the project use.
- # of Units =** Multiply by units needed to complete the contract/service.
- Annual Cost =** Computed by project unit cost times the number of units.

LABOR

Direct Labor
 Pathway Enterprises, Inc.
 City of Ashland 2015-2016 Street and Shop

	Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1	Janitor x 5	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69	156	\$ 2,759.04	156.00	
2	Supervisor	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69	52	\$ 919.68	52.00	
3					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
4					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
5					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
6					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
7					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
8					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
9					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
10					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
11					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
12					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
13					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
14					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
15					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
														Total	\$ 35.37	Total	\$ 3,678.72	208.00

Areas in green are formula driven.

- Work Hours** = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.
- Subtotal 1** = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.
- Subtotal 2** = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).
- Subtotal 3** = Computed by multiplying subtotal 1 by your organization's Workers Comp %.
- Subtotal 4** = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.
- Other Benefits %** = Input in this column if you calculate Other Benefits by a percentage.
- Other Benefits Mo. \$** = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)
- Subtotal 5** = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.
- Daily Per Item Labor** = The sum of subtotals 1,2,3, 4, and 5
- Times Per Year** = This is the days or shifts worked per year
- Annual Total Labor** = Times per year multiplied by daily/per item labor
- Annual Labor Hours** = Work hours multiplied by times per year

List "Other Benefits" Provided	
PTO	

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

Matching FICA
 Workers' Comp at your cost
 Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs 17.00%

OR

Percent of Total Cost Method:
For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

Dollar-Figure Sum Method:
You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Direct Labor Method:
To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	
Input Total from Worksheet on Below	
Overhead per labor hour	\$ -
Time required to complete contract	208
Total Assigned Overhead	\$ -

Worksheet

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ -	\$ -

CPI Factor from BLS (see link below) 1.65% 1.65%
<http://www.bls.gov/ro9/mostreque.htm>
Total **\$ -**

WORK AREA:

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises, Inc.

City of Ashland 2015-2016 Street and Shop

Oregon Department of Administrative Services

Project Costing Worksheet

This category covers any costs associated with delivering your product or service to the buyer. A service contract, for example, will likely include the costs associated with getting the individuals who will perform the service to the place where the service will be performed. Gas, oil, vehicle maintenance and repair are all part of Delivery costs. Most often these costs can be recovered by charging a certain amount per mile. The State of Oregon reimburses 36 cents per mile for its employees who use their own vehicles on State business. That's not to say your costs may be less or more. The labor required (the driver and the workers if they are on the clock), should be captured in Direct Labor. If your costs are greater than the state allowed cost, please provide a detailed schedule on how you arrived at your cost per mile.

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1	caravan			\$ -		\$ -
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ -		\$ -

Margin

The law allows a "margin held in reserve" This is usually added as a percentage after all other costs have been calculated. The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of "Total Before Margin"

6.0%

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
Qualified Rehabilitation Facilities Program**



**Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
Salem, Oregon 97301
(503) 378-4642**

SUMMARY OF ANNUAL COSTS

**Oregon Department of Administrative Services
Project Costing Worksheet**

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name Pathway Enterprises, Inc.
Project City of Ashland The Grove 2015-2016

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$ 233.29
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 166.17
	Subtotal 1	\$ 399.46

Labor

Direct Labor	(from labor daily worksheet)	\$ 8,277.11
--------------	------------------------------	-------------

Overhead

See Overhead Worksheet		\$ 1,915.61
------------------------	--	-------------

Delivery

Transportation	(from Trans & Reserve worksheet)	\$ -
----------------	----------------------------------	------

Total Before Margin \$ 10,592.17

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 676.10
------------------------	----------------------------------	-----------

Total Bid Yearly \$ 11,268.27

Monthly \$ 939.02

RAW MATERIALS

Supplies
Pathway Enterprises, Inc.
City of Ashland The Grove 2015-2016

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1 Pine Q Disinfectant	\$ 4.80	0.1666	\$ 0.80	\$ 9.60
2 Cream Cleanser	\$ 2.91	0.1666	\$ 0.48	\$ 5.82
3 Glass Cleaner	\$ 6.29	0.1666	\$ 1.05	\$ 12.57
4 Heavy Duty Cleanser	\$ 4.80	0.1666	\$ 0.80	\$ 9.60
8 24 oz Bottle & trigger	\$ 2.27	0.1666	\$ 0.38	\$ 4.54
9 Acrylic Bowl Mops	\$ 1.71	0.5000	\$ 0.86	\$ 10.26
10 Scrapper W/blades	\$ 6.51	0.1666	\$ 1.08	\$ 13.01
11 1 OZ Pumps	\$ 2.31	0.1666	\$ 0.38	\$ 4.62
12 Paper Filter	\$ 21.10	0.3332	\$ 7.03	\$ 84.37
13 Std Loop end Mop	\$ 5.65	0.3332	\$ 1.88	\$ 22.59
14 24" Dust mop	\$ 4.26	0.1666	\$ 0.71	\$ 8.52
15 Doodlebug BN Pads	\$ 1.18	0.1666	\$ 0.20	\$ 2.36
16 Duster - expandable	\$ 5.75	0.1666	\$ 0.96	\$ 11.50
17 Spot Away	\$ 2.74	0.3332	\$ 0.91	\$ 10.96
18 Cleaning Pads	\$ 4.70	0.1666	\$ 0.78	\$ 9.40
19 Wax Mop	\$ 6.80	0.1666	\$ 1.13	\$ 13.59
20			\$ -	\$ -
21			\$ -	\$ -
22			\$ -	\$ -
23			\$ -	\$ -
24			\$ -	\$ -
25			\$ -	\$ -
26			\$ -	\$ -
27			\$ -	\$ -
28			\$ -	\$ -
29			\$ -	\$ -
30			\$ -	\$ -
31			\$ -	\$ -
32			\$ -	\$ -
33			\$ -	\$ -
34			\$ -	\$ -
35			\$ -	\$ -
36			\$ -	\$ -
37			\$ -	\$ -
38			\$ -	\$ -
39			\$ -	\$ -
40			\$ -	\$ -
Total			\$ 19.44	\$ 233.29

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.

Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises, Inc.
 City of Ashland The Grove 2015-2016

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.
 Do not include any vehicle or transportation costs in this schedule.
Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS		
Description	Cost per Time	Times per Year
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	Windsor Vacuum	\$ 401.00	36	12	33%	\$ 133.67	100%	\$ 133.67	1	\$ 133.67
2				12						
3				12						
4	Mopbuckets and presses	\$ 65.00	24	12	50%	\$ 32.50	100%	\$ 32.50	1	\$ 32.50
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
									Total	\$ 166.17

Areas in green are formula driven.

- Useful Life of Assets =** What is the estimated useful life of the equipment in months
- Depreciation Percentage =** Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year =** Computed by multiplying the total unit cost by the depreciation.
- Projected % Use =** Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost =** Calculated by multiplying the unit cost per year times the project use.
- # of Units =** Multiply by units needed to complete the contract/service.
- Annual Cost =** Computed by project unit cost times the number of units.

	Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1	Janitor	4.00	\$ 14.42	100%	\$ 57.68	0.0765	\$ 4.41	6.00%	\$ 3.46	3.00%	\$ 1.73	6.00%	\$ 3.46	\$ 70.74	104	\$ 7,357.43	416.00	
2	Supervisor	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69	52	\$ 919.68	52.00	
3					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
4					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
5					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
6					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
7					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
8					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
9					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
10					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
11					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
12					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
13					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
14					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
15					\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
														Total	\$ 88.43	Total	\$ 8,277.11	468.00

Areas in green are formula driven.

- Work Hours** = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.
- Subtotal 1** = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.
- Subtotal 2** = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).
- Subtotal 3** = Computed by multiplying subtotal 1 by your organization's Workers Comp %.
- Subtotal 4** = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.
- Other Benefits %** = Input in this column if you calculate Other Benefits by a percentage.
- Other Benefits Mo. \$** = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)
- Subtotal 5** = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.
- Daily Per Item Labor** = The sum of subtotals 1,2,3, 4, and 5
- Times Per Year** = This is the days or shifts worked per year
- Annual Total Labor** = Times per year multiplied by daily/per item labor
- Annual Labor Hours** = Work hours multiplied by times per year

List "Other Benefits" Provided	
PTO	

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

- Matching FICA
- Workers' Comp at your cost
- Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs

OR

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Cost Method:

For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

Dollar-Figure Sum Method:

You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

Percent of Total Direct Labor Method:

To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	<input type="text"/>
Input Total from Worksheet on Below	<input type="text"/>
Overhead per labor hour	\$ <input type="text" value="-"/>
Time required to complete contract	<input type="text" value="468"/>
Total Assigned Overhead	\$ <input type="text" value="-"/>

Worksheet		
INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ <input type="text" value="-"/>	\$ <input type="text" value="-"/>
CPI Factor from BLS (see link below)	1.65%	1.65%
http://www.bls.gov/ro9/mostreque.htm		
Total	\$ <input type="text" value="-"/>	

WORK AREA:

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises, Inc.

City of Ashland The Grove 2015-2016

Oregon Department of Administrative Services

Project Costing Worksheet

This category covers any costs associated with delivering your product or service to the buyer. A service contract, for example, will likely include the costs associated with getting the individuals who will perform the service to the place where the service will be performed. Gas, oil, vehicle maintenance and repair are all part of Delivery costs. Most often these costs can be recovered by charging a certain amount per mile. The State of Oregon reimburses 36 cents per mile for its employees who use their own vehicles on State business. That's not to say your costs may be less or more. The labor required (the driver and the workers if they are on the clock), should be captured in Direct Labor. If your costs are greater than the state allowed cost, please provide a detailed schedule on how you arrived at your cost per mile.

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1	caravan			\$ -		\$ -
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ -		\$ -

Margin

The law allows a "margin held in reserve" This is usually added as a percentage after all other costs have been calculated. The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of "Total Before Margin"

6.0%

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
Qualified Rehabilitation Facilities Program**



Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
Salem, Oregon 97301
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SUMMARY OF ANNUAL COSTS

**Oregon Department of Administrative Services
Project Costing Worksheet**

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name Pathway Enterprises, Inc.
Project City of Ashland Police Sub Station 15-16

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$ 37.39
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ -
	Subtotal 1	\$ 37.39

Labor

Direct Labor	(from labor daily worksheet)	\$ 1,025.80
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Overhead

See Overhead Worksheet		\$ 234.73
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Delivery

Transportation	(from Trans & Reserve worksheet)	\$ -
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Total Before Margin \$ 1,297.91

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 82.85
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Total Bid Yearly \$ 1,380.75

Monthly \$ 115.06

RAW MATERIALS

Supplies
Pathway Enterprises, Inc.
City of Ashland Police Sub Station 15-16

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1 Pine Q Disinfectant	\$ 4.80	0.1666	\$ 0.80	\$ 9.60
2 Cream Cleanser	\$ 2.91	0.1666	\$ 0.48	\$ 5.82
3 Glass Cleaner	\$ 6.29	0.1666	\$ 1.05	\$ 12.57
4 Heavy Duty Cleanser	\$ 4.80	-	\$ -	\$ -
8 24 oz Bottle & trigger	\$ 2.27	-	\$ -	\$ -
9 Acrylic Bowl Mops	\$ 1.71	-	\$ -	\$ -
10 Scrapper W/blades	\$ 6.51	-	\$ -	\$ -
11 ! OZ Pumps	\$ 2.31	-	\$ -	\$ -
12 Paper Filter	\$ 21.10	-	\$ -	\$ -
13 Std Loop end Mop	\$ 5.65	-	\$ -	\$ -
14 24" Dust mop	\$ 4.26	-	\$ -	\$ -
15 Doodlebug BN Pads	\$ 1.18	-	\$ -	\$ -
16 Duster - expandable	\$ 5.75	-	\$ -	\$ -
17 Spot Away	\$ 2.74	-	\$ -	\$ -
18 Cleaning Pads	\$ 4.70	0.1666	\$ 0.78	\$ 9.40
19 Wax Mop	\$ 6.80	-	\$ -	\$ -
20			\$ -	\$ -
21			\$ -	\$ -
22			\$ -	\$ -
23			\$ -	\$ -
24			\$ -	\$ -
25			\$ -	\$ -
26			\$ -	\$ -
27			\$ -	\$ -
28			\$ -	\$ -
29			\$ -	\$ -
30			\$ -	\$ -
31			\$ -	\$ -
32			\$ -	\$ -
33			\$ -	\$ -
34			\$ -	\$ -
35			\$ -	\$ -
36			\$ -	\$ -
37			\$ -	\$ -
38			\$ -	\$ -
39			\$ -	\$ -
40			\$ -	\$ -
Total			\$ 3.12	\$ 37.39

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.

Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises, Inc.
 City of Ashland Police Sub Station 15-16

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.

Do not include any vehicle or transportation costs in this schedule.

Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1				12						
2				12						
3				12						
4				12						
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
									Total	\$ -

Areas in green are formula driven.

- Useful Life of Assets =** What is the estimated useful life of the equipment **in months**
- Depreciation Percentage =** Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year =** Computed by multiplying the total unit cost by the depreciation.
- Projected % Use =** Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost =** Calculated by multiplying the unit cost per year times the project use.
- # of Units =** Multiply by units needed to complete the contract/service.
- Annual Cost =** Computed by project unit cost times the number of units.

LABOR

Direct Labor
 Pathway Enterprises, Inc.
 City of Ashland Police Sub Station 15-16

	Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1	Janitor	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%		\$ 0.87	\$ 17.69	52	\$ 919.68	52.00
2	Supervisor	0.50	\$ 14.42	100%	\$ 7.21	0.0765	\$ 0.55	6.00%	\$ 0.43	3.00%	\$ 0.22	6.00%		\$ 0.43	\$ 8.84	12	\$ 106.12	6.00
3					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
4					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
5					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
6					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
7					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
8					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
9					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
10					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
11					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
12					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
13					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
14					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
15					\$ -		\$ -		\$ -		\$ -			\$ -	\$ -		\$ -	0.00
														Total	\$ 26.53	Total	\$ 1,025.80	58.00

Areas in green are formula driven.

- Work Hours** = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.
- Subtotal 1** = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.
- Subtotal 2** = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).
- Subtotal 3** = Computed by multiplying subtotal 1 by your organization's Workers Comp %.
- Subtotal 4** = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.
- Other Benefits %** = Input in this column if you calculate Other Benefits by a percentage.
- Other Benefits Mo. \$** = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)
- Subtotal 5** = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.
- Daily Per Item Labor** = The sum of subtotals 1,2,3, 4, and 5
- Times Per Year** = This is the days or shifts worked per year
- Annual Total Labor** = Times per year multiplied by daily/per item labor
- Annual Labor Hours** = Work hours multiplied by times per year

List "Other Benefits" Provided	
PTO	6%

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

Matching FICA
 Workers' Comp at your cost
 Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs

OR

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Cost Method:

For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

Dollar-Figure Sum Method:

You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

Percent of Total Direct Labor Method:

To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	<input type="text"/>
Input Total from Worksheet on Below	<input type="text"/>
Overhead per labor hour	\$ <input type="text" value="-"/>
Time required to complete contract	<input type="text" value="58"/>
Total Assigned Overhead	\$ <input type="text" value="-"/>

Worksheet		
INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ <input type="text" value="-"/>	\$ <input type="text" value="-"/>
CPI Factor from BLS (see link below)	1.65%	1.65%
http://www.bls.gov/ro9/mostreq.htm		
Total	\$ <input type="text" value="-"/>	

WORK AREA:

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises, Inc.

City of Ashland Police Sub Station 15-16

Oregon Department of Administrative Services

Project Costing Worksheet

This category covers any costs associated with delivering your product or service to the buyer. A service contract, for example, will likely include the costs associated with getting the individuals who will perform the service to the place where the service will be performed. Gas, oil, vehicle maintenance and repair are all part of Delivery costs. Most often these costs can be recovered by charging a certain amount per mile. The State of Oregon reimburses 36 cents per mile for its employees who use their own vehicles on State business. That's not to say your costs may be less or more. The labor required (the driver and the workers if they are on the clock), should be captured in Direct Labor. If your costs are greater than the state allowed cost, please provide a detailed schedule on how you arrived at your cost per mile.

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1	caravan			\$ -		\$ -
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ -		\$ -

Margin

The law allows a "margin held in reserve" This is usually added as a percentage after all other costs have been calculated. The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of "Total Before Margin"

6.0%



Rebecca Simpson; CEO

July 13, 2015

Rachel Dials
Recreation Superintendent
City of Ashland
340 S. Pioneer Street
Ashland, OR 97520

Ms. Dials,

I have prepared our janitorial service pricing proposal for the City of Ashland Parks based on the unchanged living wage of \$14.42 per hour. I propose that our annual price remain at \$55,392.24.

The updated changes for 2015-2016 services are as follows –

Monthly	2014 - 2015	2015 - 2016	
Pioneer Hall & Community Ctr	1662.13	1662.13	
Parks Office	428.58	428.58	
Nature Center	381.57	381.57	
Senior Center	1373.8	1373.8	
Oak Knoll Pro Shop	270.22	270.22	
Carpet and Hard Floors	499.72	499.72	Difference
Total	4,616.02	4,616.02	-

Annual	2013-2014	2013-2014	
Pioneer Hall & Community Ctr	19945.56	19945.56	
Parks Office	5142.96	5142.96	
Nature Center	4578.84	4578.84	
Senior Center	16485.6	16485.6	
Oak Knoll Pro Shop	3242.64	3242.64	
Carpet and Hard Floors	5996.64	5996.64	Difference
Total	55,392.24	55,392.24	-



Rebecca Simpson; CEO

Pathway Enterprises, Inc. truly appreciates the partnership we have with you and we hope to continue providing an expanding variety of services to you and the people of the City of Ashland.

Sincerely,

A handwritten signature in blue ink that reads "Richard Simpson".

Richard Simpson
Contract Services Director
Pathway Enterprises, Inc.
1600 Skypark Drive, Suite 101
Medford, OR 97504
Office (541) 973-2728
Cell (541) 601-4550
Fax (541) 973-2729

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
Qualified Rehabilitation Facilities Program**



**Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
Salem, Oregon 97301
(503) 378-4642**

SUMMARY OF ANNUAL COSTS

07302007

Oregon Department of Administrative Services

Project Costing Worksheet

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name **Pathway Enterprises Inc.**
 Project **City of Ashland Parks Facility Floors 15-16**

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$ 739.40
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 213.41
	Subtotal 1	\$ 952.81

Labor

Direct Labor	(from labor daily worksheet)	\$ 3,664.57
--------------	------------------------------	-------------

Overhead

See Overhead Worksheet		\$ 1,019.42
------------------------	--	-------------

Delivery

Transportation	(from Trans & Reserve worksheet)	\$ -
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Total Before Margin \$ 5,636.80

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 359.80
------------------------	----------------------------------	-----------

Total Bid Yearly \$ 5,996.60

Monthly \$ 499.72

RAW MATERIALS

Supplies
Pathway Enterprises Inc.
City of Ashland Parks Facility Floors 15-16

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1 Pro Strip	74.22	0.08333	\$ 6.18	\$ 74.22
2 Optimum Finish	10.2	0.3333	\$ 3.40	\$ 40.80
3 Grease Lightning	8.64	0.08333	\$ 0.72	\$ 8.64
4 Via Fresh Lemon Drop	15.81	0.08333	\$ 1.32	\$ 15.81
5 Defoamer	16	0.08333	\$ 1.33	\$ 16.00
6 Black Pads 20"	4.45	0.3333	\$ 1.48	\$ 17.80
7 Green Pads 20"	4.45	0.3333	\$ 1.48	\$ 17.80
8 Doodle Bug Pads	1.8	0.5	\$ 0.90	\$ 10.80
9 Nuetral Cleaner SE#64	22.81	0.08333	\$ 1.90	\$ 22.81
10 Blue Tape	8.26	0.5	\$ 4.13	\$ 49.56
11 Rags	19.99	0.0833	\$ 1.67	\$ 19.98
12 Carpet Cleaning Solution SE#62	19.05	0.0833	\$ 1.59	\$ 19.04
13 Nitrile Gloves Large	7.85	0.08333	\$ 0.65	\$ 7.85
14 Finish Mop Heads	7.21	0.25	\$ 1.80	\$ 21.63
15 Mop Heads	13.11	0.3333	\$ 4.37	\$ 52.43
16 Mop Handles	7.59	0.1667	\$ 1.27	\$ 15.18
17 Broom	11.67	0.0833	\$ 0.97	\$ 11.67
18 Dust Pan	6.29	0.0833	\$ 0.52	\$ 6.29
19 Finish	12.25	1	\$ 12.25	\$ 147.00
20 White Pads 20	4.45	1	\$ 4.45	\$ 53.40
21 One Step	18.45	0.5	\$ 9.23	\$ 110.70
22			\$ -	\$ -
23			\$ -	\$ -
24			\$ -	\$ -
25			\$ -	\$ -
26			\$ -	\$ -
27			\$ -	\$ -
28			\$ -	\$ -
29			\$ -	\$ -
30			\$ -	\$ -
31			\$ -	\$ -
32			\$ -	\$ -
33			\$ -	\$ -
34			\$ -	\$ -
35			\$ -	\$ -
36			\$ -	\$ -
37			\$ -	\$ -
38			\$ -	\$ -
39			\$ -	\$ -
40			\$ -	\$ -
41			\$ -	\$ -
42			\$ -	\$ -
43			\$ -	\$ -
44			\$ -	\$ -
45			\$ -	\$ -
46			\$ -	\$ -
47			\$ -	\$ -
48			\$ -	\$ -
49			\$ -	\$ -
50			\$ -	\$ -
Total			\$ 61.62	\$ 739.40

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.

Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises Inc.
 City of Ashland Parks Facility Floors 15-16

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.
 Do not include any vehicle or transportation costs in this schedule.
Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	MOP BUCKET WITH WRINGER	\$ 85.79	36	12	33%	\$ 28.60	10%	\$ 2.86	3	\$ 8.58
2	VACUUM CLEANER	\$ 520.00	24	12	50%	\$ 260.00	10%	\$ 26.00	1	\$ 26.00
3	WET DRY VACUUM	\$ 780.00	24	12	50%	\$ 390.00	10%	\$ 39.00	1	\$ 39.00
4	PACESETTER BUFFER	\$ 850.00	36	12	33%	\$ 283.33	10%	\$ 28.33	1	\$ 28.33
5	CARPET BRUSH	\$ 230.00	24	12	50%	\$ 115.00	10%	\$ 11.50	1	\$ 11.50
6	EXTRACTOR	\$ 2,550.00	36	12	33%	\$ 850.00	10%	\$ 85.00	1	\$ 85.00
7	HIGH PERFORMANCE FAN	\$ 225.00	36	12	33%	\$ 75.00	10%	\$ 7.50	2	\$ 15.00
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
16				12						
17				12						
18				12						
19				12						
20				12						
	Total									\$ 213.41

Areas in green are formula driven.

- Useful Life of Assets =** What is the estimated useful life of the equipment in months
- Depreciation Percentage =** Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year =** Computed by multiplying the total unit cost by the depreciation.
- Projected % Use =** Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost =** Calculated by multiplying the unit cost per year times the project use.
- # of Units =** Multiply by units needed to complete the contract/service.
- Annual Cost =** Computed by project unit cost times the number of units.

LABOR

Direct Labor
 Pathway Enterprises Inc.
 City of Ashland Parks Facility Floors 15-16

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Pioneer Carpet	0.00	\$ 14.42	100%	\$ -	0.0765	\$ -	6.00%	\$ -	3.00%	\$ -	6.00%		\$ -	\$ -	2	\$ -	0.00
2 Pioneer Hard FL	17.60	\$ 14.42	100%	\$ 253.79	0.0765	\$ 19.42	6.00%	\$ 15.23	3.00%	\$ 7.61	6.00%	\$ 15.23	\$ 311.28	2	\$ 622.55	35.20	
3 CC Carpet	0.00	\$ 14.42	100%	\$ -	0.0765	\$ -	6.00%	\$ -	3.00%	\$ -	6.00%		\$ -	\$ -	2	\$ -	0.00
4 CC Hard FL	26.40	\$ 14.42	100%	\$ 380.69	0.0765	\$ 29.12	6.00%	\$ 22.84	3.00%	\$ 11.42	6.00%	\$ 22.84	\$ 466.91	2	\$ 933.83	52.80	
5 Parks Off Carpet	5.50	\$ 14.42	100%	\$ 79.31	0.0765	\$ 6.07	6.00%	\$ 4.76	3.00%	\$ 2.38	6.00%	\$ 4.76	\$ 97.27	2	\$ 194.55	11.00	
6 Parks Off Hard FL	6.60	\$ 14.42	100%	\$ 95.17	0.0765	\$ 7.28	6.00%	\$ 5.71	3.00%	\$ 2.86	6.00%	\$ 5.71	\$ 116.73	2	\$ 233.46	13.20	
7 Nature Carpet	5.50	\$ 14.42	100%	\$ 79.31	0.0765	\$ 6.07	6.00%	\$ 4.76	3.00%	\$ 2.38	6.00%	\$ 4.76	\$ 97.27	2	\$ 194.55	11.00	
8 Nature Hard FL	4.00	\$ 14.42	100%	\$ 57.68	0.0765	\$ 4.41	6.00%	\$ 3.46	3.00%	\$ 1.73	6.00%	\$ 3.46	\$ 70.74	2	\$ 141.49	8.00	
9 Pioneer Hard FL	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69	24	\$ 424.47	24.00	
10 CC Hard FL	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69	52	\$ 919.68	52.00	
11				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
12				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
13				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
14				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
15				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
16				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
17				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
18				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
19				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
20				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
Total													\$ 1,195.58	Total	\$ 3,664.57	207.20	

Areas in green are formula driven.

Work Hours = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.

Subtotal 1 = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.

Subtotal 2 = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).

Subtotal 3 = Computed by multiplying subtotal 1 by your organization's Workers Comp %.

Subtotal 4 = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.

Other Benefits % = Input in this column if you calculate Other Benefits by a percentage.

Other Benefits Mo. \$ = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)

Subtotal 5 = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.

Daily Per Item Labor = The sum of subtotals 1,2,3, 4, and 5

Times Per Year = This is the days or shifts worked per year

Annual Total Labor = Times per year multiplied by daily/per item labor

Annual Labor Hours = Work hours multiplied by times per year

List "Other Benefits" Provided	
Leave	6%

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

Matching FICA

Workers' Comp at your cost

Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs 17.00%

OR

Percent of Total Cost Method:
For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

Dollar-Figure Sum Method:
You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Direct Labor Method:
To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	
Input Total from Worksheet on Below	
Overhead per labor hour	\$ -
Time required to complete contract	207
Total Assigned Overhead	\$ -

Worksheet

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ -	\$ -

CPI Factor from BLS (see link below) 3.15% 3.15%
<http://www.bls.gov/ro9/mostreque.htm>
Total \$ -

WORK AREA:

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises Inc.

City of Ashland Parks Facility Floors 15-16

Oregon Department of Administrative Services

Project Costing Worksheet

The State of Oregon reimburses employee use of their own vehicles on State business by the mile . The amount reimbursed per mile is based on a federal guideline which can be retrieved by following the link below to the GSA web site. This standard reimbursement is the standard for QRF cost calculation. Gas, oil, vehicle maintenance and repair are considered part of Delivery costs. The labor required (the driver and the workers if they are on the clock), should be captured in the Direct Labor worksheet. Vehicle costs may only be captured in the "Equipment, Tools & Subcontracts" spreadsheet or "Trans & Reserve" spreadsheet within this workbook. It is not permissible to capture costs in both spreadsheets.

It is permissible to use this spreadsheet to capture vehicle costs for the following situations:

- (a) Transporting the individuals who will perform the service to the location where the service will be provided.
- (b) Services dependent on vehicle in the provision of that service.

[GSA - Privately Owned Vehicle \(POV\) Mileage Reimbursement Rates](#)

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1				\$ -		\$ -
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ -		\$ -

Margin

The law allows a "margin held in reserve". The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of total cost of contract

6.0%

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
Qualified Rehabilitation Facilities Program**



**Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
Salem, Oregon 97301
(503) 378-4642**

SUMMARY OF ANNUAL COSTS

07302007

Oregon Department of Administrative Services

Project Costing Worksheet

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name **Pathway Enterprises Inc.**
 Project **City of Ashland Parks and Recreation Senior Center 15-16**

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$ 870.96
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 44.03
	Subtotal 1	\$ 914.99

Labor

Direct Labor	(from labor daily worksheet)	\$ 11,778.96
--------------	------------------------------	--------------

Overhead

See Overhead Worksheet		\$ 2,802.56
------------------------	--	-------------

Delivery

Transportation	(from Trans & Reserve worksheet)	\$ -
----------------	----------------------------------	------

Total Before Margin \$ 15,496.51

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 989.14
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Total Bid Yearly \$ 16,485.65

Monthly \$ 1,373.80

RAW MATERIALS

Supplies
Pathway Enterprises Inc.
City of Ashland Parks and Recreation Senior Center 15-16

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1	SCRUBBING SPONGES	\$ 1.36	1.0000	\$ 1.36	\$ 16.32
2	CREAM CLEANSER	\$ 3.06	1.0000	\$ 3.06	\$ 36.72
3	#66 DISINFECTANT CLEANER	\$ 42.40	0.1000	\$ 4.24	\$ 50.88
4	#64 NUTRAL CLEANER	\$ 88.00	0.1000	\$ 8.80	\$ 105.60
5	#70 WASHROOM CLEANER	\$ 97.44	0.0250	\$ 2.44	\$ 29.23
6	#61 GLASS CLEANER	\$ 85.20	0.0250	\$ 2.13	\$ 25.56
7	UTILITY BRUSH	\$ 2.74	0.0840	\$ 0.23	\$ 2.76
8	ANGLER BROOM	\$ 6.27	0.0840	\$ 0.53	\$ 6.32
9	TOILET SCRUB BRUSH	\$ 4.35	0.0840	\$ 0.37	\$ 4.38
10	VINYL GLOVES LARGE	\$ 9.89	0.5000	\$ 4.95	\$ 59.34
11	LAMBSWOOL DUSTER	\$ 4.90	0.0840	\$ 0.41	\$ 4.94
12	DUST PAN	\$ 2.52	0.0840	\$ 0.21	\$ 2.54
13	PRO STRIP	\$ 48.26	0.2000	\$ 9.65	\$ 115.82
14	OPTIMUM FINISH	\$ 52.16	0.3000	\$ 15.65	\$ 187.78
15	BLACK PADS 20"	\$ 19.24	0.1500	\$ 2.89	\$ 34.63
16	FOLEX CARPET CLEANING SOLUTION	\$ 16.21	0.1200	\$ 1.95	\$ 23.34
17	SPRAY BOTTLES	\$ 1.90	0.2500	\$ 0.48	\$ 5.70
18	MOP HANDLE	\$ 6.29	0.0840	\$ 0.53	\$ 6.34
19	LARGE MOP HEADS	\$ 5.20	0.5000	\$ 2.60	\$ 31.20
20	ORANGE GEL EXTREME	\$ 8.27	0.2000	\$ 1.65	\$ 19.85
21	14" WINDOW SQUEEJIE	\$ 8.95	0.0840	\$ 0.75	\$ 9.02
22	14" STRIP WASHER	\$ 4.37	0.0840	\$ 0.37	\$ 4.40
23	PRO BUCKET	\$ 21.98	0.0840	\$ 1.85	\$ 22.16
24	MR CLEAN MAGIC ERASER	\$ 5.51	1.0000	\$ 5.51	\$ 66.12
25				\$ -	\$ -
26				\$ -	\$ -
27				\$ -	\$ -
28				\$ -	\$ -
29				\$ -	\$ -
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
41				\$ -	\$ -
42				\$ -	\$ -
43				\$ -	\$ -
44				\$ -	\$ -
45				\$ -	\$ -
46				\$ -	\$ -
47				\$ -	\$ -
48				\$ -	\$ -
49				\$ -	\$ -
50				\$ -	\$ -
	Total			\$ 72.58	\$ 870.96

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.
Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises Inc.
 City of Ashland Parks and Recreation Senior Center 15-16

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.
 Do not include any vehicle or transportation costs in this schedule.
Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	MOP BUCKET WITH WRINGER	\$ 54.08	36	12	33%	\$ 18.03	100%	\$ 18.03	1	\$ 18.03
2	VACUUM CLEANER	\$ 260.00	24	12	50%	\$ 260.00	10%	\$ 26.00	1	\$ 26.00
3				12						
4				12						
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
16				12						
17				12						
18				12						
19				12						
20				12						
									Total	\$ 44.03

Areas in green are formula driven.

- Useful Life of Assets =** What is the estimated useful life of the equipment in months
- Depreciation Percentage =** Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year =** Computed by multiplying the total unit cost by the depreciation.
- Projected % Use =** Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost =** Calculated by multiplying the unit cost per year times the project use.
- # of Units =** Multiply by units needed to complete the contract/service.
- Annual Cost =** Computed by project unit cost times the number of units.

LABOR

Direct Labor
 Pathway Enterprises Inc.
 City of Ashland Parks and Recreation Senior Center 15-16

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Janitor Daily	1.75	\$ 14.42	100%	\$ 25.24	0.0765	\$ 1.93	6.00%	\$ 1.51	3.00%	\$ 0.76	6.00%	\$ 1.51	\$ 30.95		312	\$ 9,656.63	546.00
2 Supervisor	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69		24	\$ 424.47	24.00
3 Janitor Quarterly	16.00	\$ 14.42	100%	\$ 230.72	0.0765	\$ 17.65	6.00%	\$ 13.84	3.00%	\$ 6.92	6.00%	\$ 13.84	\$ 282.98		4	\$ 1,131.91	64.00
4 Janitor Semi Annual	4.00	\$ 14.42	100%	\$ 57.68	0.0765	\$ 4.41	6.00%	\$ 3.46	3.00%	\$ 1.73	6.00%	\$ 3.46	\$ 70.74		2	\$ 141.49	8.00
5 Janitor Burnish	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69		24	\$ 424.47	24.00
6				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
7				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
8				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
9				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
10				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
11				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
12				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
13				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
14				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
15				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
16				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
17				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
18				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
19				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
20				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
Total													\$ 420.05	Total	\$ 11,778.96	666.00	

Areas in green are formula driven.

Work Hours = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.

Subtotal 1 = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.

Subtotal 2 = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).

Subtotal 3 = Computed by multiplying subtotal 1 by your organization's Workers Comp %.

Subtotal 4 = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.

Other Benefits % = Input in this column if you calculate Other Benefits by a percentage.

Other Benefits Mo. \$ = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)

Subtotal 5 = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.

Daily Per Item Labor = The sum of subtotals 1,2,3, 4, and 5

Times Per Year = This is the days or shifts worked per year

Annual Total Labor = Times per year multiplied by daily/per item labor

Annual Labor Hours = Work hours multiplied by times per year

List "Other Benefits" Provided	
Leave	6%

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

- Matching FICA
- Workers' Comp at your cost
- Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs 17.00%

OR

Percent of Total Cost Method:
For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

Dollar-Figure Sum Method:
You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Direct Labor Method:
To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	
Input Total from Worksheet on Below	
Overhead per labor hour	\$ -
Time required to complete contract	666
Total Assigned Overhead	\$ -

Worksheet		
INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ -	\$ -
CPI Factor from BLS (see link below)	3.15%	3.15%
http://www.bls.gov/ro9/mostreq.htm		
Total	\$ -	\$ -

WORK AREA:
Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises Inc.

City of Ashland Parks and Recreation Senior Center 15-16

Oregon Department of Administrative Services

Project Costing Worksheet

The State of Oregon reimburses employee use of their own vehicles on State business by the mile . The amount reimbursed per mile is based on a federal guideline which can be retrieved by following the link below to the GSA web site. This standard reimbursement is the standard for QRF cost calculation. Gas, oil, vehicle maintenance and repair are considered part of Delivery costs. The labor required (the driver and the workers if they are on the clock), should be captured in the Direct Labor worksheet. Vehicle costs may only be captured in the "Equipment, Tools & Subcontracts" spreadsheet or "Trans & Reserve" spreadsheet within this workbook. It is not permissible to capture costs in both spreadsheets.

It is permissible to use this spreadsheet to capture vehicle costs for the following situations:

- (a) Transporting the individuals who will perform the service to the location where the service will be provided.
- (b) Services dependent on vehicle in the provision of that service.

[GSA - Privately Owned Vehicle \(POV\) Mileage Reimbursement Rates](#)

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1				\$ -		\$ -
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ -		\$ -

Margin

The law allows a "margin held in reserve". The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of total cost of contract

6.0%

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
Qualified Rehabilitation Facilities Program**



**Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
Salem, Oregon 97301
(503) 378-4642**

SUMMARY OF ANNUAL COSTS

07302007

Oregon Department of Administrative Services

Project Costing Worksheet

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name **Pathway Enterprises Inc.**
 Project **Parks and Recreation Pioneer Hall & Community Center 15-16**

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$ 1,129.76
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 44.03
	Subtotal 1	\$ 1,173.79

Labor

Direct Labor	(from labor daily worksheet)	\$ 14,184.28
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Overhead

See Overhead Worksheet		\$ 3,390.74
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Delivery

Transportation	(from Trans & Reserve worksheet)	\$ -
----------------	----------------------------------	------

Total Before Margin \$ 18,748.80

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 1,196.73
------------------------	----------------------------------	-------------

Total Bid Yearly \$ 19,945.53
Monthly \$ 1,662.13

RAW MATERIALS

Supplies
Pathway Enterprises Inc.
Parks and Recreation Pioneer Hall & Community Center 15-16

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1	SCRUBBING SPONGES	\$ 1.36	3.0000	\$ 4.08	\$ 48.96
2	CREAM CLEANSER	\$ 3.06	1.0000	\$ 3.06	\$ 36.72
3	#66 DISINFECTANT CLEANER	\$ 42.40	0.2500	\$ 10.60	\$ 127.20
4	#64 NUTRAL CLEANER	\$ 88.00	0.5000	\$ 44.00	\$ 528.00
5	#70 WASHROOM CLEANER	\$ 97.44	0.0250	\$ 2.44	\$ 29.23
6	#61 GLASS CLEANER	\$ 85.20	0.0250	\$ 2.13	\$ 25.56
7	UTILITY BRUSH	\$ 2.74	0.0840	\$ 0.23	\$ 2.76
8	ANGLER BROOM	\$ 6.27	0.0840	\$ 0.53	\$ 6.32
9	TOILET SCRUB BRUSH	\$ 4.35	0.0840	\$ 0.37	\$ 4.38
10	VINYL GLOVES LARGE	\$ 9.89	1.2500	\$ 12.36	\$ 148.35
11	LAMBSWOOL DUSTER	\$ 4.90	0.0840	\$ 0.41	\$ 4.94
12	DUST PAN	\$ 2.52	0.0840	\$ 0.21	\$ 2.54
13				\$ -	\$ -
14				\$ -	\$ -
15				\$ -	\$ -
16				\$ -	\$ -
17	SPRAY BOTTLES	\$ 1.90	0.2500	\$ 0.48	\$ 5.70
18	MOP HANDLE	\$ 6.29	0.0840	\$ 0.53	\$ 6.34
19	LARGE MOP HEADS	\$ 5.20	0.5000	\$ 2.60	\$ 31.20
20	ORANGE GEL EXTREME	\$ 8.27	0.2000	\$ 1.65	\$ 19.85
21	14" WINDOW SQUEEJIE	\$ 8.95	0.0840	\$ 0.75	\$ 9.02
22	14" STRIP WASHER	\$ 4.37	0.0840	\$ 0.37	\$ 4.40
23	PRO BUCKET	\$ 21.98	0.0840	\$ 1.85	\$ 22.16
24	MR CLEAN MAGIC ERASER	\$ 5.51	1.0000	\$ 5.51	\$ 66.12
25				\$ -	\$ -
26				\$ -	\$ -
27				\$ -	\$ -
28				\$ -	\$ -
29				\$ -	\$ -
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
41				\$ -	\$ -
42				\$ -	\$ -
43				\$ -	\$ -
44				\$ -	\$ -
45				\$ -	\$ -
46				\$ -	\$ -
47				\$ -	\$ -
48				\$ -	\$ -
49				\$ -	\$ -
50				\$ -	\$ -
	Total			\$ 94.15	\$ 1,129.76

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.
Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises Inc.
 Parks and Recreation Pioneer Hall & Community Center 15-16

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.
 Do not include any vehicle or transportation costs in this schedule.
Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	MOP BUCKET WITH WRINGER	\$ 54.08	36	12	33%	\$ 18.03	100%	\$ 18.03	1	\$ 18.03
2	VACUUM CLEANER	\$ 520.00	24	12	50%	\$ 260.00	10%	\$ 26.00	1	\$ 26.00
3				12						
4				12						
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
16				12						
17				12						
18				12						
19				12						
20				12						
	Total									\$ 44.03

Areas in green are formula driven.

- Useful Life of Assets =** What is the estimated useful life of the equipment in months
- Depreciation Percentage =** Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year =** Computed by multiplying the total unit cost by the depreciation.
- Projected % Use =** Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost =** Calculated by multiplying the unit cost per year times the project use.
- # of Units =** Multiply by units needed to complete the contract/service.
- Annual Cost =** Computed by project unit cost times the number of units.

LABOR

Direct Labor
 Pathway Enterprises Inc.
 Parks and Recreation Pioneer Hall & Community Center 15-16

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Janitor 1 Daily	2.00	\$ 14.42	100%	\$ 28.84	0.0765	\$ 2.21	6.00%	\$ 1.73	3.00%	\$ 0.87	6.00%	\$ 1.73	\$ 35.37		365	\$ 12,910.87	730.00
2 Supervisor	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69		24	\$ 424.47	24.00
3 Janitor 1 Monthly	4.00	\$ 14.42	100%	\$ 57.68	0.0765	\$ 4.41	6.00%	\$ 3.46	3.00%	\$ 1.73	6.00%	\$ 3.46	\$ 70.74		12	\$ 848.93	48.00
4				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
5				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
6				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
7				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
8				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
9				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
10				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
11				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
12				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
13				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
14				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
15				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
16				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
17				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
18				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
19				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
20				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
Total														\$ 123.80	Total	\$ 14,184.28	802.00

Areas in green are formula driven.

Work Hours = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.

Subtotal 1 = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.

Subtotal 2 = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).

Subtotal 3 = Computed by multiplying subtotal 1 by your organization's Workers Comp %.

Subtotal 4 = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.

Other Benefits % = Input in this column if you calculate Other Benefits by a percentage.

Other Benefits Mo. \$ = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)

Subtotal 5 = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.

Daily Per Item Labor = The sum of subtotals 1,2,3, 4, and 5

Times Per Year = This is the days or shifts worked per year

Annual Total Labor = Times per year multiplied by daily/per item labor

Annual Labor Hours = Work hours multiplied by times per year

List "Other Benefits" Provided	
Leave	6%

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

- Matching FICA
- Workers' Comp at your cost
- Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs

OR

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Cost Method:

For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

Dollar-Figure Sum Method:

You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

Percent of Total Direct Labor Method:

To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	<input type="text"/>
Input Total from Worksheet on Below	<input type="text"/>
Overhead per labor hour	\$ <input type="text" value="-"/>
Time required to complete contract	<input type="text" value="802"/>
Total Assigned Overhead	\$ <input type="text" value="-"/>

Worksheet		
INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ <input type="text" value="-"/>	\$ <input type="text" value="-"/>
CPI Factor from BLS (see link below)	3.15%	3.15%
http://www.bls.gov/ro9/mostreque.htm		
Total	\$ <input type="text" value="-"/>	\$ <input type="text" value="-"/>

WORK AREA:

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises Inc.

Parks and Recreation Pioneer Hall & Community Center 15-16

Oregon Department of Administrative Services

Project Costing Worksheet

The State of Oregon reimburses employee use of their own vehicles on State business by the mile . The amount reimbursed per mile is based on a federal guideline which can be retrieved by following the link below to the GSA web site. This standard reimbursement is the standard for QRF cost calculation. Gas, oil, vehicle maintenance and repair are considered part of Delivery costs. The labor required (the driver and the workers if they are on the clock), should be captured in the Direct Labor worksheet. Vehicle costs may only be captured in the "Equipment, Tools & Subcontracts" spreadsheet or "Trans & Reserve" spreadsheet within this workbook. It is not permissible to capture costs in both spreadsheets.

It is permissible to use this spreadsheet to capture vehicle costs for the following situations:

- (a) Transporting the individuals who will perform the service to the location where the service will be provided.
- (b) Services dependent on vehicle in the provision of that service.

[GSA - Privately Owned Vehicle \(POV\) Mileage Reimbursement Rates](#)

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1				\$ -		\$ -
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ -		\$ -

Margin

The law allows a "margin held in reserve". The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of total cost of contract

6.0%

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
Qualified Rehabilitation Facilities Program**



**Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
Salem, Oregon 97301
(503) 378-4642**

SUMMARY OF ANNUAL COSTS

07302007

Oregon Department of Administrative Services

Project Costing Worksheet

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name
 Project

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$ 332.16
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 44.03
	Subtotal 1	\$ 376.19

Labor

Direct Labor	(from labor daily worksheet)	\$ 3,583.92
--------------	------------------------------	-------------

Overhead

See Overhead Worksheet		\$ 874.31
------------------------	--	-----------

Delivery

Transportation	(from Trans & Reserve worksheet)	\$ -
----------------	----------------------------------	------

Total Before Margin \$ 4,834.41

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 308.58
------------------------	----------------------------------	-----------

Total Bid Yearly \$ 5,142.99
Monthly \$ 428.58

RAW MATERIALS

Supplies
Pathway Enterprises Inc.
City of Ashland Parks and Recreation Office 15-16

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1	SCRUBBING SPONGES	\$ 1.36	1.0000	\$ 1.36	\$ 16.32
2	CREAM CLEANSER	\$ 3.06	0.5000	\$ 1.53	\$ 18.36
3	#66 DISINFECTANT CLEANER	\$ 42.40	0.0500	\$ 2.12	\$ 25.44
4	#64 NUTRAL CLEANER	\$ 88.00	0.0500	\$ 4.40	\$ 52.80
5	#70 WASHROOM CLEANER	\$ 97.44	0.0250	\$ 2.44	\$ 29.23
6	#61 GLASS CLEANER	\$ 85.20	0.0250	\$ 2.13	\$ 25.56
7	UTILITY BRUSH	\$ 2.74	0.0840	\$ 0.23	\$ 2.76
8	ANGLER BROOM	\$ 6.27	0.0840	\$ 0.53	\$ 6.32
9	TOILET SCRUB BRUSH	\$ 4.35	0.0840	\$ 0.37	\$ 4.38
10	VINYL GLOVES LARGE	\$ 9.89	0.3000	\$ 2.97	\$ 35.60
11	LAMBSWOOL DUSTER	\$ 4.90	0.0840	\$ 0.41	\$ 4.94
12	DUST PAN	\$ 2.52	0.0840	\$ 0.21	\$ 2.54
13				\$ -	\$ -
14				\$ -	\$ -
15				\$ -	\$ -
16				\$ -	\$ -
17	SPRAY BOTTLES	\$ 1.90	0.2500	\$ 0.48	\$ 5.70
18	MOP HANDLE	\$ 6.29	0.0840	\$ 0.53	\$ 6.34
19	LARGE MOP HEADS	\$ 5.20	0.3300	\$ 1.72	\$ 20.59
20	ORANGE GEL EXTREME	\$ 8.27	0.2000	\$ 1.65	\$ 19.85
21	14" WINDOW SQUEEJIE	\$ 8.95	0.0840	\$ 0.75	\$ 9.02
22	14" STRIP WASHER	\$ 4.37	0.0840	\$ 0.37	\$ 4.40
23	PRO BUCKET	\$ 21.98	0.0840	\$ 1.85	\$ 22.16
24	MR CLEAN MAGIC ERASER	\$ 5.51	0.3000	\$ 1.65	\$ 19.84
25				\$ -	\$ -
26				\$ -	\$ -
27				\$ -	\$ -
28				\$ -	\$ -
29				\$ -	\$ -
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
41				\$ -	\$ -
42				\$ -	\$ -
43				\$ -	\$ -
44				\$ -	\$ -
45				\$ -	\$ -
46				\$ -	\$ -
47				\$ -	\$ -
48				\$ -	\$ -
49				\$ -	\$ -
50				\$ -	\$ -
	Total			\$ 27.68	\$ 332.16

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.
Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises Inc.
 City of Ashland Parks and Recreation Office 15-16

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.
 Do not include any vehicle or transportation costs in this schedule.
Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	MOP BUCKET WITH WRINGER	\$ 54.08	36	12	33%	\$ 18.03	100%	\$ 18.03	1	\$ 18.03
2	VACUUM CLEANER	\$ 520.00	24	12	50%	\$ 260.00	10%	\$ 26.00	1	\$ 26.00
3				12						
4				12						
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
16				12						
17				12						
18				12						
19				12						
20				12						
	Total									\$ 44.03

Areas in green are formula driven.

- Useful Life of Assets =** What is the estimated useful life of the equipment in months
- Depreciation Percentage =** Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year =** Computed by multiplying the total unit cost by the depreciation.
- Projected % Use =** Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost =** Calculated by multiplying the unit cost per year times the project use.
- # of Units =** Multiply by units needed to complete the contract/service.
- Annual Cost =** Computed by project unit cost times the number of units.

LABOR

Direct Labor
 Pathway Enterprises Inc.
 City of Ashland Parks and Recreation Office 15-16

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Janitor 1 Daily	1.75	\$ 14.42	100%	\$ 25.24	0.0765	\$ 1.93	6.00%	\$ 1.51	3.00%	\$ 0.76	6.00%	\$ 1.51	\$ 30.95		104	\$ 3,218.88	182.00
2 Supervisor	0.36	\$ 14.42	100%	\$ 5.19	0.0765	\$ 0.40	6.00%	\$ 0.31	3.00%	\$ 0.16	6.00%	\$ 0.31	\$ 6.37		24	\$ 152.81	8.64
3 Janitor 1 Monthly	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69		12	\$ 212.23	12.00
4				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
5				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
6				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
7				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
8				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
9				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
10				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
11				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
12				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
13				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
14				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
15				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
16				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
17				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
18				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
19				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
20				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
Total													\$ 55.00	Total	\$ 3,583.92	202.64	

Areas in green are formula driven.

Work Hours = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.

Subtotal 1 = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.

Subtotal 2 = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).

Subtotal 3 = Computed by multiplying subtotal 1 by your organization's Workers Comp %.

Subtotal 4 = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.

Other Benefits % = Input in this column if you calculate Other Benefits by a percentage.

Other Benefits Mo. \$ = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)

Subtotal 5 = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.

Daily Per Item Labor = The sum of subtotals 1,2,3, 4, and 5

Times Per Year = This is the days or shifts worked per year

Annual Total Labor = Times per year multiplied by daily/per item labor

Annual Labor Hours = Work hours multiplied by times per year

List "Other Benefits" Provided	
Leave	6%

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

- Matching FICA
- Workers' Comp at your cost
- Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs

OR

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Cost Method:

For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

Dollar-Figure Sum Method:

You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

Percent of Total Direct Labor Method:

To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	<input type="text"/>
Input Total from Worksheet on Below	<input type="text"/>
Overhead per labor hour	\$ <input type="text" value="-"/>
Time required to complete contract	<input type="text" value="203"/>
Total Assigned Overhead	\$ <input type="text" value="-"/>

Worksheet		
INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ <input type="text" value="-"/>	\$ <input type="text" value="-"/>
CPI Factor from BLS (see link below)	3.15%	3.15%
http://www.bls.gov/ro9/mostreque.htm		
Total	\$ <input type="text" value="-"/>	<input type="text" value="-"/>

WORK AREA:

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises Inc.

City of Ashland Parks and Recreation Office 15-16

Oregon Department of Administrative Services

Project Costing Worksheet

The State of Oregon reimburses employee use of their own vehicles on State business by the mile . The amount reimbursed per mile is based on a federal guideline which can be retrieved by following the link below to the GSA web site. This standard reimbursement is the standard for QRF cost calculation. Gas, oil, vehicle maintenance and repair are considered part of Delivery costs. The labor required (the driver and the workers if they are on the clock), should be captured in the Direct Labor worksheet. Vehicle costs may only be captured in the "Equipment, Tools & Subcontracts" spreadsheet or "Trans & Reserve" spreadsheet within this workbook. It is not permissible to capture costs in both spreadsheets.

It is permissible to use this spreadsheet to capture vehicle costs for the following situations:

- (a) Transporting the individuals who will perform the service to the location where the service will be provided.
- (b) Services dependent on vehicle in the provision of that service.

[GSA - Privately Owned Vehicle \(POV\) Mileage Reimbursement Rates](#)

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1				\$ -		\$ -
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ -		\$ -

Margin

The law allows a "margin held in reserve". The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of total cost of contract

6.0%

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
Qualified Rehabilitation Facilities Program**



**Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
Salem, Oregon 97301
(503) 378-4642**

SUMMARY OF ANNUAL COSTS

07302007

Oregon Department of Administrative Services

Project Costing Worksheet

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name Pathway Enterprises Inc.
 Project City of Ashland Parks and Rec Oak Knoll Restrooms 15-16

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$ 182.55
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 24.00
	Subtotal 1	\$ 206.55

Labor

Direct Labor	(from labor daily worksheet)	\$ 1,998.53
--------------	------------------------------	-------------

Overhead

See Overhead Worksheet		\$ 551.24
------------------------	--	-----------

Delivery

Transportation	(from Trans & Reserve worksheet)	\$ 291.72
----------------	----------------------------------	-----------

Total Before Margin \$ 3,048.04

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 194.56
------------------------	----------------------------------	-----------

Total Bid Yearly \$ 3,242.60
Monthly \$ 270.22

RAW MATERIALS

Supplies
Pathway Enterprises Inc.
City of Ashland Parks and Rec Oak Knoll Restrooms 15-16

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1	SCRUBBING SPONGES	\$ 1.36	0.5000	\$ 0.68	\$ 8.16
2	CREAM CLEANSER	\$ 3.06	0.2500	\$ 0.77	\$ 9.18
3	#66 DISINFECTANT CLEANER	\$ 42.40	0.0250	\$ 1.06	\$ 12.72
4	#64 NUTRAL CLEANER	\$ 88.00	0.0250	\$ 2.20	\$ 26.40
5	#70 WASHROOM CLEANER	\$ 97.44	0.0250	\$ 2.44	\$ 29.23
6	#61 GLASS CLEANER	\$ 85.20	0.0250	\$ 2.13	\$ 25.56
7	UTILITY BRUSH	\$ 2.74	0.0835	\$ 0.23	\$ 2.75
8	ANGLER BROOM	\$ 6.27	0.0840	\$ 0.53	\$ 6.32
9	TOILET SCRUB BRUSH	\$ 4.35	0.0840	\$ 0.37	\$ 4.38
10	VINYL GLOVES LARGE	\$ 9.89	0.1500	\$ 1.48	\$ 17.80
11	LAMBSWOOL DUSTER	\$ 4.90	0.0840	\$ 0.41	\$ 4.94
12	DUST PAN	\$ 2.52	0.0840	\$ 0.21	\$ 2.54
13				\$ -	\$ -
14				\$ -	\$ -
15				\$ -	\$ -
16				\$ -	\$ -
17	SPRAY BOTTLES	\$ 1.90	0.2500	\$ 0.48	\$ 5.70
18	MOP HANDLE	\$ 6.29	0.0840	\$ 0.53	\$ 6.34
19	LARGE MOP HEADS	\$ 5.20	0.1700	\$ 0.88	\$ 10.61
20				\$ -	\$ -
21				\$ -	\$ -
22				\$ -	\$ -
23				\$ -	\$ -
24	MR CLEAN MAGIC ERASER	\$ 5.51	0.1500	\$ 0.83	\$ 9.92
25				\$ -	\$ -
26				\$ -	\$ -
27				\$ -	\$ -
28				\$ -	\$ -
29				\$ -	\$ -
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
41				\$ -	\$ -
42				\$ -	\$ -
43				\$ -	\$ -
44				\$ -	\$ -
45				\$ -	\$ -
46				\$ -	\$ -
47				\$ -	\$ -
48				\$ -	\$ -
49				\$ -	\$ -
50				\$ -	\$ -
	Total			\$ 15.21	\$ 182.55

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.
Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises Inc.
 City of Ashland Parks and Rec Oak Knoll Restrooms 15-16

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.
 Do not include any vehicle or transportation costs in this schedule.
Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	MOP BUCKET WITH WRINGER	\$ 72.00	36	12	33%	\$ 24.00	100%	\$ 24.00	1	\$ 24.00
2				12						
3				12						
4				12						
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
16				12						
17				12						
18				12						
19				12						
20				12						
									Total	\$ 24.00

Areas in green are formula driven.

- Useful Life of Assets =** What is the estimated useful life of the equipment in months
- Depreciation Percentage =** Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year =** Computed by multiplying the total unit cost by the depreciation.
- Projected % Use =** Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost =** Calculated by multiplying the unit cost per year times the project use.
- # of Units =** Multiply by units needed to complete the contract/service.
- Annual Cost =** Computed by project unit cost times the number of units.

LABOR

Direct Labor
 Pathway Enterprises Inc.
 City of Ashland Parks and Rec Oak Knoll Restrooms 15-16

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Janitor Daily	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69	104	\$ 1,839.36	104.00	
2 Supervisor	0.75	\$ 14.42	100%	\$ 10.82	0.0765	\$ 0.83	6.00%	\$ 0.65	3.00%	\$ 0.32	6.00%	\$ 0.65	\$ 13.26	12	\$ 159.18	9.00	
3				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
4				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
5				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
6				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
7				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
8				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
9				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
10				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
11				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
12				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
13				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
14				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
15				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
16				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
17				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
18				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
19				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
20				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		\$ -	0.00	
Total														\$ 30.95	Total	\$ 1,998.53	113.00

Areas in green are formula driven.

Work Hours = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.

Subtotal 1 = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.

Subtotal 2 = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).

Subtotal 3 = Computed by multiplying subtotal 1 by your organization's Workers Comp %.

Subtotal 4 = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.

Other Benefits % = Input in this column if you calculate Other Benefits by a percentage.

Other Benefits Mo. \$ = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)

Subtotal 5 = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.

Daily Per Item Labor = The sum of subtotals 1,2,3, 4, and 5

Times Per Year = This is the days or shifts worked per year

Annual Total Labor = Times per year multiplied by daily/per item labor

Annual Labor Hours = Work hours multiplied by times per year

List "Other Benefits" Provided	
Leave	6%

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

- Matching FICA
- Workers' Comp at your cost
- Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs 17.00%

OR

Percent of Total Cost Method:
For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

Dollar-Figure Sum Method:
You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Direct Labor Method:
To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	
Input Total from Worksheet on Below	
Overhead per labor hour	\$ -
Time required to complete contract	113
Total Assigned Overhead	\$ -

Worksheet

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ -	\$ -

CPI Factor from BLS (see link below) 3.15% 3.15%
<http://www.bls.gov/ro9/mostreque.htm>
Total \$ -

WORK AREA:

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises Inc.

City of Ashland Parks and Rec Oak Knoll Restrooms 15-16

Oregon Department of Administrative Services

Project Costing Worksheet

The State of Oregon reimburses employee use of their own vehicles on State business by the mile . The amount reimbursed per mile is based on a federal guideline which can be retrieved by following the link below to the GSA web site. This standard reimbursement is the standard for QRF cost calculation. Gas, oil, vehicle maintenance and repair are considered part of Delivery costs. The labor required (the driver and the workers if they are on the clock), should be captured in the Direct Labor worksheet. Vehicle costs may only be captured in the "Equipment, Tools & Subcontracts" spreadsheet or "Trans & Reserve" spreadsheet within this workbook. It is not permissible to capture costs in both spreadsheets.

It is permissible to use this spreadsheet to capture vehicle costs for the following situations:

- (a) Transporting the individuals who will perform the service to the location where the service will be provided.
- (b) Services dependent on vehicle in the provision of that service.

[GSA - Privately Owned Vehicle \(POV\) Mileage Reimbursement Rates](#)

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1	Service Vehicle from SOU	5.5	0.51	\$ 2.81	104	\$ 291.72
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ 2.81		\$ 291.72

Margin

The law allows a "margin held in reserve". The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of total cost of contract

6.0%

**Costing Workbook
For Janitorial & Grounds Maintenance
Contracts Under the
Qualified Rehabilitation Facilities Program**



**Oregon State Department of Administrative Services
Procurement, Fleet, and Surplus Services
1225 Ferry Street SE, U140
Salem, Oregon 97301
(503) 378-4642**

SUMMARY OF ANNUAL COSTS

07302007

Oregon Department of Administrative Services

Project Costing Worksheet

The summary sheet is linked to the other sheets in this workbook. Any area shaded in light green is either a formula or linked to another work sheet. The only manual input to this sheet will be to input the QRF name. The costs are to be divided into five categories: Raw Materials, Labor, Overhead, Delivery and Reserve Costs. Raw materials consist of supplies, small equipment & tools, and large or special equipment. Each category is detailed on the following sheets. Labor costs is direct labor used to produce or service the contract. Overhead costs is a line item charge which is computed on the overhead sheet. Transportation or delivery and reserve computations are also completed on the following sheets. All these costs will vary depending upon your organization and the specifications for the project. Each sheet will have an example calculation and further instructions for completion.

QRF Name **Pathway Enterprises Inc.**
 Project **City of Ashland Parks and Recreation Nature Center 15-16**

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$ 332.16
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 44.03
	Subtotal 1	\$ 376.19

Labor

Direct Labor	(from labor daily worksheet)	\$ 3,149.55
--------------	------------------------------	-------------

Overhead

See Overhead Worksheet		\$ 778.41
------------------------	--	-----------

Delivery

Transportation	(from Trans & Reserve worksheet)	\$ -
----------------	----------------------------------	------

Total Before Margin \$ 4,304.14

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 274.73
------------------------	----------------------------------	-----------

Total Bid Yearly \$ 4,578.87

Monthly \$ 381.57

RAW MATERIALS

Supplies
Pathway Enterprises Inc.
City of Ashland Parks and Recreation Nature Center 15-16

Raw Materials:
This category is often spelled out in the Request for Offer (RFO). Language such as "Items to be provided by Contractor" will usually reflect Supplies or Raw Materials. In the case of a Service Contract this will likely include not only supplies required to perform the service each month, but also Equipment & Tools. In the case of a commodity contract the Raw Materials will be figured on a Per Item Manufactured basis.

A custodial contract, for example, may require the following for month - Supplies:

Paper products and soap	Broom and dustpan
Cleaning chemicals or products	Floor Wax
Spray bottles	Scrub brushes or scouring pads

Per Use/Per Item Manufactured - Supplies

	Item	Unit Price	Units Needed Per Month	Monthly Cost	Annual Cost
1	SCRUBBING SPONGES	\$ 1.36	1.0000	\$ 1.36	\$ 16.32
2	CREAM CLEANSER	\$ 3.06	0.5000	\$ 1.53	\$ 18.36
3	#66 DISINFECTANT CLEANER	\$ 42.40	0.0500	\$ 2.12	\$ 25.44
4	#64 NUTRAL CLEANER	\$ 88.00	0.0500	\$ 4.40	\$ 52.80
5	#70 WASHROOM CLEANER	\$ 97.44	0.0250	\$ 2.44	\$ 29.23
6	#61 GLASS CLEANER	\$ 85.20	0.0250	\$ 2.13	\$ 25.56
7	UTILITY BRUSH	\$ 2.74	0.0840	\$ 0.23	\$ 2.76
8	ANGLER BROOM	\$ 6.27	0.0840	\$ 0.53	\$ 6.32
9	TOILET SCRUB BRUSH	\$ 4.35	0.0840	\$ 0.37	\$ 4.38
10	VINYL GLOVES LARGE	\$ 9.89	0.3000	\$ 2.97	\$ 35.60
11	LAMBSWOOL DUSTER	\$ 4.90	0.0840	\$ 0.41	\$ 4.94
12	DUST PAN	\$ 2.52	0.0840	\$ 0.21	\$ 2.54
13				\$ -	\$ -
14				\$ -	\$ -
15				\$ -	\$ -
16				\$ -	\$ -
17	SPRAY BOTTLES	\$ 1.90	0.2500	\$ 0.48	\$ 5.70
18	MOP HANDLE	\$ 6.29	0.0840	\$ 0.53	\$ 6.34
19	LARGE MOP HEADS	\$ 5.20	0.3300	\$ 1.72	\$ 20.59
20	ORANGE GEL EXTREME	\$ 8.27	0.2000	\$ 1.65	\$ 19.85
21	14" WINDOW SQUEEJIE	\$ 8.95	0.0840	\$ 0.75	\$ 9.02
22	14" STRIP WASHER	\$ 4.37	0.0840	\$ 0.37	\$ 4.40
23	PRO BUCKET	\$ 21.98	0.0840	\$ 1.85	\$ 22.16
24	MR CLEAN MAGIC ERASER	\$ 5.51	0.3000	\$ 1.65	\$ 19.84
25				\$ -	\$ -
26				\$ -	\$ -
27				\$ -	\$ -
28				\$ -	\$ -
29				\$ -	\$ -
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
41				\$ -	\$ -
42				\$ -	\$ -
43				\$ -	\$ -
44				\$ -	\$ -
45				\$ -	\$ -
46				\$ -	\$ -
47				\$ -	\$ -
48				\$ -	\$ -
49				\$ -	\$ -
50				\$ -	\$ -
	Total			\$ 27.68	\$ 332.16

Areas in green are formula driven.

Monthly Cost = Monthly cost is computed by multiplying the total unit cost by the units needed per month.
Annual Cost = Annual cost is computed by monthly cost times 12 months.

RAW MATERIALS

Equipment, Tools & Subcontractors
 Pathway Enterprises Inc.
 City of Ashland Parks and Recreation Nature Center 15-16

The following Equipment & Tools are examples which may be required to do the job:

Burnishing/Floor machines	Carpet extractors
Blind cleaning machines	Auto scrubbers
Sweepers	Mop buckets and presses

If any of this equipment is used on more than one project, be sure to include only that portion of the cost associated with this project.
 Do not include any vehicle or transportation costs in this schedule.
Note: Any asset purchased with grant money is not eligible for depreciation, however, the cost to maintain the asset is an allowable expense and should be listed.

SUBCONTRACTORS			
Description	Cost per Time	Times per Year	
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

	Equipment Description	Unit Price	Useful life of Asset	Contract life	Depreciation Percentage	Units Cost Per Year	Project % Use	Project Unit Cost	# of Units	Annual Cost
1	MOP BUCKET WITH WRINGER	\$ 54.08	36	12	33%	\$ 18.03	100%	\$ 18.03	1	\$ 18.03
2	VACUUM CLEANER	\$ 520.00	24	12	50%	\$ 260.00	10%	\$ 26.00	1	\$ 26.00
3				12						
4				12						
5				12						
6				12						
7				12						
8				12						
9				12						
10				12						
11				12						
12				12						
13				12						
14				12						
15				12						
16				12						
17				12						
18				12						
19				12						
20				12						
									Total	\$ 44.03

Areas in green are formula driven.

- Useful Life of Assets =** What is the estimated useful life of the equipment in months
- Depreciation Percentage =** Depreciation is calculated by dividing the contract life by the useful life.
- Unit Cost Per Year =** Computed by multiplying the total unit cost by the depreciation.
- Projected % Use =** Enter project use percentage. If any of the equipment is used on more than one project, be sure to include only that portion of the costs associated with this project. (note: 100% would be an item used only for this contract.)
- Projected Unit Cost =** Calculated by multiplying the unit cost per year times the project use.
- # of Units =** Multiply by units needed to complete the contract/service.
- Annual Cost =** Computed by project unit cost times the number of units.

LABOR

Direct Labor
 Pathway Enterprises Inc.
 City of Ashland Parks and Recreation Nature Center 15-16

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemployment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits SubTotal 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Janitor 1 Daily	1.50	\$ 14.42	100%	\$ 21.63	0.0765	\$ 1.65	6.00%	\$ 1.30	3.00%	\$ 0.65	6.00%	\$ 1.30	\$ 26.53		104	\$ 2,759.04	156.00
2 Supervisor	0.42	\$ 14.42	100%	\$ 6.06	0.0765	\$ 0.46	6.00%	\$ 0.36	3.00%	\$ 0.18	6.00%	\$ 0.36	\$ 7.43		24	\$ 178.28	10.08
3 Janitor 1 Monthly	1.00	\$ 14.42	100%	\$ 14.42	0.0765	\$ 1.10	6.00%	\$ 0.87	3.00%	\$ 0.43	6.00%	\$ 0.87	\$ 17.69		12	\$ 212.23	12.00
4				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
5				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
6				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
7				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
8				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
9				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
10				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
11				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
12				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
13				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
14				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
15				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
16				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
17				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
18				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
19				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
20				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
Total														\$ 51.64	Total	\$ 3,149.55	178.08

Areas in green are formula driven.

Work Hours = Breakdown total "work hours" (see Overview) into hours or partial hours required per time or per item.

Subtotal 1 = Computed by multiplying hours in work hours by hourly rate (prevailing wage if required) and then multiply by % productivity.

Subtotal 2 = Computed by multiplying subtotal 1 by FICA % (as of July 2002 7.65%).

Subtotal 3 = Computed by multiplying subtotal 1 by your organization's Workers Comp %.

Subtotal 4 = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.

Other Benefits % = Input in this column if you calculate Other Benefits by a percentage.

Other Benefits Mo. \$ = Input in this column if you calculate Other Benefits as a flat dollar amount per month. Adjust amount to reflect this employees' allocated time to this contract. (e.g. Employee works 50% of their time on this contract, and 50% of their time on a different contract. If their monthly benefit is \$100, then only \$50 would be allocated to this column.)

Subtotal 5 = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.

Daily Per Item Labor = The sum of subtotals 1,2,3, 4, and 5

Times Per Year = This is the days or shifts worked per year

Annual Total Labor = Times per year multiplied by daily/per item labor

Annual Labor Hours = Work hours multiplied by times per year

List "Other Benefits" Provided	
Leave	0.06

For purposes of costing a project, it's important to distinguish between direct and indirect labor. Indirect labor (supervision, administration, inspection etc.) may be captured as Overhead, and will be discussed later. Direct labor is that which is specifically identifiable as a part of the contract requirements. It should be noted that working supervisors could spend a percentage of their time in direct labor functions. The percentage may vary depending on the project or organization. For example, a supervisor may spend 50% of his/her time in direct labor functions and the other 50% supervising. In that case you would include 50% of that person's time as direct labor and capture the other 50%, as well as any other supervisory costs, in the indirect labor portion of Overhead.

Direct labor is best expressed as "work hours". That is, the total number of hours that will be required to complete a task or project. The first and perhaps most critical step is to identify the work and break it down into its component tasks. The description of work or specifications in the contract is the place to start. Once the component tasks are identified, the next step is to estimate the time that will be required to accomplish each task. Since this estimated time may be in minutes or even seconds, the times must be compiled into a Per-Time or Per-Item direct labor cost estimate. For example, in a custodial contract, first breakdown the work requirements into component tasks such as, loading and unloading equipment, emptying trash and recycle containers, vacuuming, sweeping, cleaning sinks, waxing floors, etc. (be sure to account for time between jobs also). Next, estimate the time required for each component task. Then, compile those estimates into a figure that represents the total number of hours per service. That figure is the required "work hours." This number will stay the same regardless of how many people are working. For example, 8 "work hours" can be accomplished by 1 person working at 100% productivity for 8 hrs. (1x8=8), or 2 people working at 100% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 50% productivity for 2 hrs. each. (8x.50=4, 4x2=8)

Once you know the total work hours per service or per item, it's simply a matter of assigning the appropriate wage to the hours. Some contracts, including those on which you pay workers sub-minimum wages based on productivity, require you to pay a "prevailing wage." Check the contract! Also, be sure to add the appropriate "Other Payroll Expense" (OPE) for your organization onto the wage.

- Matching FICA
- Workers' Comp at your cost
- Cost of other benefits paid by your organization (e.g. medical, dental, retirement, etc.)

After you've established the direct labor cost per time or per item, you can extend the time frame to come up with the annual requirement. On a service contract multiply the daily cost by the number of days per year that you will provide the service. For example, a service with direct labor cost of \$80.00 per time, required 5 days per week and 52 weeks per year, would give you an annual direct labor cost of \$20,800.00 per year. (80 x 5 = 400, 400 x 52 = 20,800). For monthly cost divide the annual cost by 12 (in this case you get \$1733.33/month).

There are many different ways organizations allocate overhead internally (e.g., Percent of total costs, dollar figure sum, as a percent of direct labor, etc). In the space provided below, indicate how your organization allocates overhead to this particular contract, what items go into your overhead, and what that overhead amount is (whether as a percent or exact amount)

FILL IN ONLY ONE OF THE THREE METHODS DETAILED BELOW!

1. Enter Overhead as a Percent of Total Costs

OR

2. Enter Allocated Overhead as a Dollar-Figure Sum

OR

3. Overhead as a Percent of Total Direct Labor Hours

Percent of Total Cost Method:

For every dollar spent producing a final product, or providing a service, a certain percentage of that dollar is required for overhead. To calculate the overhead percentage, it is best to have financial records for your organization that go back a year or more. Add together the expenditures that make up the overhead cost (see worksheet below). Now add this figure to the Raw materials, Direct labor and Delivery for a total cost. Divide the figure for overhead by the figure for total costs. The result is a percent that represents overhead as a percentage of the total cost. If financial records are not available estimate the overhead expenses as best you can, estimate other costs as best you can, and use the same formula to get a percentage.

Dollar-Figure Sum Method:

You can enter the dollar amount you are allocating to overhead in the box if you are confident that you can allocate overhead items to this particular project. You can use the Worksheet as a tool (if needed) to identify your costs.

Percent of Total Direct Labor Method:

To identify overhead costs, you need the financial records for your organization or division for the past year. Input all the costs of the entire entity as detailed below. Line items which are not detailed below should be input into the cells marked "other"; please include a description. What you are trying to determine is a percentage, therefore, do not gross up the expenses for inflation or to conform to the current year budget. Next, input into the cell below the total direct labor hours paid out by your entire organization for the same period. These figures should be found on the year end payroll report. Do not include hours which can be classified as management or administrative costs. (Including these costs into the direct labor hour total will deflate the actual costs.) The worksheet will compute the overhead as a line item cost by dividing the total projected labor hours for the contract into the total projected labor hours for the current year.

Total Annual Direct Labor Hours	<input type="text"/>
Input Total from Worksheet on Below	<input type="text"/>
Overhead per labor hour	\$ <input type="text" value="-"/>
Time required to complete contract	<input type="text" value="178"/>
Total Assigned Overhead	\$ <input type="text" value="-"/>

Worksheet		
INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		
Management Payroll Tax Expense		
Management Medical Insurance		
Management Pension Plan Expense		
Sales & Administrative Salaries		
Sales & Administrative Payroll Tax Expense		
Sales & Administrative Medical Insurance		
Sales & Administrative Pension Plan Expense		
Office Rent		
Advertising and Public Education		
Background Checks & Urinalysis		
Professional & Accounting / Audit Fees		
Training & Worker Safety		
Insurance		
Telephone		
Utilities		
Property Taxes/Licenses/Fees		
Dues & Subscriptions		
Depreciation-office building		
Depreciation-office equipment		
Repairs & Maintenance-office		
Cleaning and Maintenance		
Office Equipment Rental		
Office Supplies		
Postage & Freight		
Rehab		
Miscellaneous Expense		
Bad Debts		
Other: *		
Other: *		
Other: *		
Other: *		
TOTAL INDIRECT COSTS	\$ <input type="text" value="-"/>	\$ <input type="text" value="-"/>
CPI Factor from BLS (see link below)	3.15%	3.15%
http://www.bls.gov/ro9/mostreque.htm		
Total	\$ <input type="text" value="-"/>	\$ <input type="text" value="-"/>

WORK AREA:

Use the area below to show how you arrived at the final figure that you show as your total Overhead

Delivery & Reserve

Pathway Enterprises Inc.

City of Ashland Parks and Recreation Nature Center 15-16

Oregon Department of Administrative Services

Project Costing Worksheet

The State of Oregon reimburses employee use of their own vehicles on State business by the mile . The amount reimbursed per mile is based on a federal guideline which can be retrieved by following the link below to the GSA web site. This standard reimbursement is the standard for QRF cost calculation. Gas, oil, vehicle maintenance and repair are considered part of Delivery costs. The labor required (the driver and the workers if they are on the clock), should be captured in the Direct Labor worksheet. Vehicle costs may only be captured in the "Equipment, Tools & Subcontracts" spreadsheet or "Trans & Reserve" spreadsheet within this workbook. It is not permissible to capture costs in both spreadsheets.

It is permissible to use this spreadsheet to capture vehicle costs for the following situations:

- (a) Transporting the individuals who will perform the service to the location where the service will be provided.
- (b) Services dependent on vehicle in the provision of that service.

[GSA - Privately Owned Vehicle \(POV\) Mileage Reimbursement Rates](#)

Services Contract

	Delivery Description	Miles Per Service	Rate Per Mile	Daily Cost	Services per Year	Annual Trans Cost
1				\$ -		\$ -
2				\$ -		\$ -
3				\$ -		\$ -
4				\$ -		\$ -
				\$ -		\$ -

Margin

The law allows a "margin held in reserve". The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be required to come up with a percentage that not only allows for inventory and equipment replacement, but is in alignment with industry standards and fair market value. Any percentage higher than six percent (6%) will have to be justified to DAS.

Enter as a % of total cost of contract

6.0%