

# Council Business Meeting

June 16, 2020

<b>Agenda Item</b>	Award of Contract to Pathway Enterprises, Inc. for Janitorial Services	
<b>From</b>	Michael Morrison Michael Black Rachel Dials David Shepherd	Public Works Superintendent Parks Director Recreation Superintendent Fire Chief
<b>Contact</b>	<a href="mailto:michael.morrison@ashland.or.us">michael.morrison@ashland.or.us</a> ; (541) 552-2325 <a href="mailto:michael.black@ashland.or.us">michael.black@ashland.or.us</a> ; (541) 552-2251 <a href="mailto:rachel.dials@ashland.or.us">rachel.dials@ashland.or.us</a> ; (541) 552-2260 <a href="mailto:david.shepherd@ashland.or.us">david.shepherd@ashland.or.us</a> ; (541) 552-2219	

## **SUMMARY**

This request is for approval to award a public contract to Pathway Enterprises, Inc. to provide janitorial services for the City, Parks, and Fire facilities. Pathway Enterprises, Inc. is a local Qualified Rehabilitation Facility (QRF) that provides janitorial services. The term for the janitorial service contract will begin on July 1, 2020 and end on June 30, 2021.

## **POLICIES, PLANS & GOALS SUPPORTED**

City Council Goals

- C. Utilize City resources as leverage to develop and/or enhance prioritized Value Services.
- D. Develop current and long-term budgetary resiliency.
- E. During the 2019-2021 Biennium analyze various departments/programs with the goal efficiencies, reducing costs, and improving City services.

## **PREVIOUS COUNCIL ACTION**

The public contracts previously awarded to Pathway Enterprises, Inc. were approved by the City Council on July 16, 2019 for a term beginning on July 1, 2019 and ending on June 30, 2020.

## **BACKGROUND AND ADDITIONAL INFORMATION**

In accordance with ORS 279.850, public agencies are required by law to contract with a QRF, if the QRF can provide the product or service as specified and required by the public agency. Additional information: How to do business with a QRF: <https://www.oregon.gov/das/Procurement/Pages/QRFhow.aspx>

Costing workbooks are prepared by Pathway Enterprises, Inc. after the COA Living Wage is reviewed and updated in June every year. Request for Price Approval forms have been submitted with costing workbooks to State of Oregon, Department of Administrative Services (DAS) for pricing approval.

## **FISCAL IMPACTS**

City, Parks and Fire budget each fiscal year for janitorial services. The proposed fiscal year 2021 costs for janitorial services are as follows:

<b>Janitorial Services</b>	<b>Total Amount</b>
City Facilities	\$139,649.52
Parks Recreation Facilities	\$53,761.47
Parks Restrooms and Trash	167,503.54
Fire Station #1	\$6,594.83

**STAFF RECOMMENDATION**

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

**ACTIONS, OPTIONS & POTENTIAL MOTIONS**

I move to approve the award of the public contract for janitorial services to Pathway Enterprises, Inc.

**ATTACHMENTS**

Attachment 1: Goods & Services Agreement for Janitorial Services

Attachment 2: City Facilities – Costing Workbooks

Attachment 3: Parks Recreation Facilities – Costing Workbooks

Attachment 4: Parks Trash and Restrooms – Costing Workbook

Attachment 5: Fire Station #1 – Costing Workbook



## GOODS & SERVICES AGREEMENT

### CITY OF ASHLAND

20 East Main Street  
Ashland, Oregon 97520  
Telephone: 541/488-5587  
Fax: 541/488-6006

PROVIDER: Pathway Enterprises, Inc.

PROVIDER'S CONTACT: Richard Simpson

ADDRESS: 1600 Sky Park Drive, Suite No. 101  
Medford, Oregon 97504

PHONE: 541-973-2728

EMAIL: rpspei@gmail.com

This Goods and Services Agreement (hereinafter "Agreement") is entered into by and between the City of Ashland, an Oregon municipal corporation (hereinafter "City") and **Pathway Enterprises, Inc.**, a domestic business corporation ("hereinafter "Provider"), for **Janitorial Services**.

### 1. PROVIDER'S OBLIGATIONS

- 1.1 Provide janitorial services for City facilities, including facilities for the Parks Department and the Fire Department, as set forth in the "SUPPORTING DOCUMENTS" which are attached hereto and, by this reference, incorporated herein. Provider expressly acknowledges that time is of the essence of any completion date set forth in the SUPPORTING DOCUMENTS, and that no waiver or extension of such deadline may be authorized except in the same manner as herein provided for authority to exceed the maximum compensation. The goods and services defined and described in the "SUPPORTING DOCUMENTS" shall hereinafter be collectively referred to as "Work."
- 1.2 Provider shall obtain and maintain during the term of this Agreement and until City's final acceptance of all Work received hereunder, a policy or policies of liability insurance including commercial general liability insurance with a combined single limit, or the equivalent, of not less than \$2,000,000 (two million dollars) per occurrence for Bodily Injury and Property Damage.
  - 1.2.1 The insurance required in this Article shall include the following coverages:
    - Comprehensive General or Commercial General Liability, including personal injury, contractual liability, and products/completed operations coverage; and
    - Automobile Liability.
    - Workers' Compensation
  - 1.2.2 Each policy of such insurance shall be on an "occurrence" and not a "claims made" form, and shall:
    - Name as additional insured "the City of Ashland, Oregon, its officers, agents and employees" with respect to claims arising out of the provision of Work under this Agreement;
    - Apply to each named and additional named insured as though a separate policy had been issued to each, provided that the policy limits shall not be increased thereby;
    - Apply as primary coverage for each additional named insured except to the extent that two or more such policies are intended to "layer" coverage and, taken together, they provide total coverage from the first dollar of liability;
    - Provider shall immediately notify the City of any change in insurance coverage;

- Provider shall supply an endorsement naming the City, its officers, employees and agents as additional insureds by the Effective Date of this Agreement; and
- Be evidenced by a certificate or certificates of such insurance approved by the City.

1.3 All subject employers working under this Agreement are either employers that will comply with ORS 656.017 or employers that are exempt under ORS 656.126. As evidence of the insurance required by this Agreement, the Provider shall furnish an acceptable insurance certificate prior to commencing any Work under this Agreement.

1.4 Provider agrees that no person shall, on the grounds of race, color, religion, creed, sex, marital status, familial status or domestic partnership, national origin, age, mental or physical disability, sexual orientation, gender identity or source of income, suffer discrimination in the performance of this Agreement when employed by Provider. Provider agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. Further, Provider agrees not to discriminate against a disadvantaged business enterprise, minority-owned business, woman-owned business, a business that a service-disabled veteran owns or an emerging small business enterprise certified under ORS 200.055, in awarding subcontracts as required by ORS 279A.110.

1.5 In all solicitations either by competitive bidding or negotiation made by Provider for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Providers of the Provider's obligations under this Agreement and Title VI of the Civil Rights Act of 1964 and other federal nondiscrimination laws.

1.6 **Living Wage Requirements:** If the amount of this Agreement is \$21,507.75 or more, Provider is required to comply with Chapter 3.12 of the Ashland Municipal Code by paying a living wage, as defined in that chapter, to all employees performing Work under this Agreement and to any Subcontractor who performs 50% or more of the Work under this Agreement. Provider is also required to post the notice attached hereto as "Exhibit A" predominantly in areas where it will be seen by all employees.

## 2. CITY'S OBLIGATIONS

2.1 City shall pay Provider the sums as specified in the SUPPORTING DOCUMENTS (Costing Workbooks) as full compensation for the Work to be performed pursuant to this Agreement.

2.2 In no event shall Provider's total of all compensation and reimbursement under this Agreement exceed the sums of: **\$139,649.52 (one hundred and thirty-nine thousand six hundred and forty-nine dollars and fifty-two cents) for City facilities; \$53,761.47 (fifty-three thousand seven hundred and sixty-one dollars and forty-seven cents ) for Parks facilities; \$167,503.54 (one hundred and sixty-seven thousand five hundred and three dollars and fifty-four cents) for Parks trash and restrooms; and \$6,594.83 (six thousand five hundred and ninety-four dollars and eighty-three cents) for Fire facilities** without the express, written approval from the City official whose signature appears below, or such official's successor in office. Provider expressly acknowledges that no other person has authority to order or authorize additional Work which would cause this maximum sum to be exceeded and that any authorization from the responsible official must be in writing. Provider further acknowledges that any Work delivered or expenses incurred without authorization as provided herein is done at Provider's own risk and as a volunteer without expectation of compensation or reimbursement.

### 3. GENERAL PROVISIONS

- 3.1 This is a non-exclusive Agreement. City is not obligated to procure any specific amount of Work from Provider and is free to procure similar types of goods and services from other providers in its sole discretion.
- 3.2 Provider is an independent contractor and not an employee or agent of the City for any purpose.
- 3.3 Provider is not entitled to, and expressly waives all claims to City benefits such as health and disability insurance, paid leave, and retirement.
- 3.4 This Agreement embodies the full and complete understanding of the parties respecting the subject matter hereof. It supersedes all prior agreements, negotiations, and representations between the parties, whether written or oral.
- 3.5 This Agreement may be amended only by written instrument executed with the same formalities as this Agreement.
- 3.6 The following laws of the State of Oregon are hereby incorporated by reference into this Agreement: ORS 279B.220, 279B.230 and 279B.235.
- 3.7 This Agreement shall be governed by the laws of the State of Oregon without regard to conflict of laws principles. Exclusive venue for litigation of any action arising under this Agreement shall be in the Circuit Court of the State of Oregon for Jackson County unless exclusive jurisdiction is in federal court, in which case exclusive venue shall be in the federal district court for the district of Oregon. Each party expressly waives any and all rights to maintain an action under this Agreement in any other venue, and expressly consents that, upon motion of the other party, any case may be dismissed or its venue transferred, as appropriate, so as to effectuate this choice of venue.
- 3.8 Provider shall defend, save, hold harmless and indemnify the City and its officers, employees and agents from and against any and all claims, suits, actions, losses, damages, liabilities, costs, and expenses of any nature resulting from, arising out of, or relating to the activities of Provider or its officers, employees, contractors, or agents under this Agreement.
- 3.9 Neither party to this Agreement shall hold the other responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the other or the other's officers, employees or agents.
- 3.10 If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permitted the intent of Provider and the City set forth in this Agreement.
- 3.11 Deliveries will be F.O.B destination. Provider shall pay all transportation and handling charges for the Goods. Provider is responsible and liable for loss or damage until final inspection and acceptance of the Goods by the City. Provider remains liable for latent defects, fraud, and warranties.
- 3.12 The City may inspect and test the Goods. The City may reject non-conforming Goods and require Provider to correct them without charge or deliver them at a reduced price, as negotiated. If Provider does not cure any defects within a reasonable time, the City may reject the Goods and cancel this

Agreement in whole or in part. This paragraph does not affect or limit the City's rights, including its rights under the Uniform Commercial Code, ORS Chapter 72 (UCC).

3.13 Provider represents and warrants that the Goods are new, current, and fully warranted by the manufacturer. Delivered Goods will comply with SUPPORTING DOCUMENTS and be free from defects in labor, material and manufacture. Provider shall transfer all warranties to the City.

#### 4. SUPPORTING DOCUMENTS

The following documents are, by this reference, expressly incorporated in this Agreement, and are collectively referred to in this Agreement as the "SUPPORTING DOCUMENTS:"

- **Costing Workbook for Janitorial Services/QRF Program - CITY facilities: \$139,649.52**
- **Costing Workbook for Janitorial Services/QRF Program - PARKS facilities: \$53,761.47**
- **Costing Workbook for Janitorial Services/QRF Program – PARKS trash/restrooms: \$167,503.54**
- **Costing Workbook for Janitorial Services/QRF Program - FIRE facilities: \$6,594.83**

#### 5. REMEDIES

5.1 In the event Provider is in default of this Agreement, City may, at its option, pursue any or all of the remedies available to it under this Agreement and at law or in equity, including, but not limited to:

5.1.1 Termination of this Agreement;

5.1.2 Withholding all monies due for the Work that Provider has failed to deliver within any scheduled completion dates or any Work that have been delivered inadequately or defectively;

5.1.3 Initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief;

5.1.4 These remedies are cumulative to the extent the remedies are not inconsistent, and City may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever.

5.2 In no event shall City be liable to Provider for any expenses related to termination of this Agreement or for anticipated profits. If previous amounts paid to Provider exceed the amount due, Provider shall pay immediately any excess to City upon written demand provided.

#### 6. TERM AND TERMINATION

6.1 Term

This Agreement shall be effective **July 1, 2020** (the "Effective Date") and shall continue in full force and effect until **June 30, 2021**, unless sooner terminated as provided in Subsection 6.2.

6.2 Termination

6.2.1 The City and Provider may terminate this Agreement by mutual agreement at any time.

6.2.2 The City may, upon not less than thirty (30) days' prior written notice, terminate this Agreement for any reason deemed appropriate in its sole discretion.

6.2.3 Either party may terminate this Agreement, with cause, by not less than fourteen (14) days' prior written notice if the cause is not cured within that fourteen (14) day period after written notice. Such termination is in addition to and not in lieu of any other remedy at law or equity.

## 7. NOTICE

Whenever notice is required or permitted to be given under this Agreement, such notice shall be given in writing to the other party by personal delivery, by sending via a reputable commercial overnight courier, or by mailing using registered or certified United States mail, return receipt requested, postage prepaid, to the address set forth below:

### **If to the City:**

City of Ashland

Attention: Wes Hoadley, Facilities Maintenance Supervisor (City)

Attention: Rachel Dials, Recreation Superintendent (Parks)

Attention: David Shepherd, Fire Chief (Fire)

20 E. Main Street

Ashland, Oregon 97520

Phone: (541) 488-5354

### **With a copy to:**

City of Ashland – Legal Department

20 E. Main Street

Ashland, Oregon 97520

Phone: (541) 488-5350

### **If to Provider:**

Pathway Enterprises, Inc.

Attn: Richard Simpson

1600 Sky Park Drive, Suite No. 101

Medford, Oregon 97504

Phone: (541) 973-2827

## 8. WAIVER OF BREACH

One or more waivers or failures to object by either party to the other's breach of any provision, term, condition, or covenant contained in this Agreement shall not be construed as a waiver of any subsequent breach, whether or not of the same nature.

## 9. PROVIDER'S COMPLIANCE WITH TAX LAWS

9.1 Provider represents and warrants to the City that:

9.1.1 Provider shall, throughout the term of this Agreement, including any extensions hereof, comply with:

- (i) All tax laws of the State of Oregon, including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318;
- (ii) Any tax provisions imposed by a political subdivision of the State of Oregon applicable to Provider; and
- (iii) Any rules, regulations, charter provisions, or ordinances that implement or enforce any of the foregoing tax laws or provisions.

9.1.2 Provider, for a period of no fewer than six (6) calendar years preceding the Effective Date of this Agreement, has faithfully complied with:

- (i) All tax laws of the State of Oregon, including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318;
- (ii) Any tax provisions imposed by a political subdivision of the State of Oregon applicable to Provider; and

- (iii) Any rules, regulations, charter provisions, or ordinances that implement or enforce any of the foregoing tax laws or provisions.

9.2 Provider's failure to comply with the tax laws of the State of Oregon and all applicable tax laws of any political subdivision of the State of Oregon shall constitute a material breach of this Agreement. Further, any violation of Provider's warranty, as set forth in this Article 9, shall constitute a material breach of this Agreement. Any material breach of this Agreement shall entitle the City to terminate this Agreement and to seek damages and any other relief available under this Agreement, at law, or in equity.

**IN WITNESS WHEREOF** the parties have caused this Agreement to be signed in their respective names by their duly authorized representatives as of the dates set forth below.

**CITY OF ASHLAND:**

**PATHWAY ENTERPRISES, INC. (PROVIDER):**

By: \_\_\_\_\_  
City Administrator

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title


\_\_\_\_\_  
Date

Purchase Order No. \_\_\_\_\_

(**W-9** is to be submitted with this signed agreement.)

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Assistant City Attorney

  
\_\_\_\_\_  
Date

CITY OF ASHLAND, OREGON

# City of Ashland LIVING WAGE

ALL employers described below must comply with City of Ashland laws regulating payment of a living wage.



**\$15.74** per hour, effective June 30, 2020.

The Living Wage is adjusted annually every June 30 by the Consumer Price Index.

## Employees must be paid a living wage:

- For all hours worked under a service contract between their employer and the City of Ashland if the contract exceeds \$22,002.43 or more.
- For all hours worked in a month if the employee spends 50% or more of the employee's time in that month working on a project or

portion of business of their employer, if the employer has ten or more employees, and has received financial assistance for the project or business from the City of Ashland in excess of \$22,002.43.

- If their employer is the City of Ashland, including the Parks and Recreation Department.
- In calculating the living wage, employers may add the value of health care, retirement,

401K and IRS eligible cafeteria plans (including childcare) benefits to the amount of wages received by the employee.

- **Note:** For temporary and part-time employees, the Living Wage does not apply to the first 1040 hours worked in any calendar year. For more details, please see Ashland Municipal Code Section 3.12.020.

## For additional information:

Call the Ashland City Administrator's office at 541-488-6002 or write to the City Administrator, City Hall, 20 East Main Street, Ashland, OR 97520, or visit the City's website at [www.ashland.or.us](http://www.ashland.or.us).

**Notice to Employers:** This notice must be posted predominantly in areas where it can be seen by all employees.

CITY OF  
ASHLAND



May 26, 2020

Wes Hoadley  
 Maintenance and Safety Supervisor  
 City of Ashland  
 90 N. Mountain Ave.  
 Ashland, OR 97520

*City Facilities*

Dear Mr. Hoadley,

Pathway Enterprises is requesting a pricing adjustment for services for the City of Ashland. The reason for the changes are as follows:

- We have incorporated the Living Wage for the City of Ashland at \$15.74 per hour.

In total we are requesting an increase from \$137,665.84 to \$139,649.52 annually. This equates to an additional \$1,993.68 for a 1.45% increase. I have attached the minimum cleaning standards that are in effect for this contract.

The breakdown of this increase is as follows:

Annual	2019 - 2020	2020 - 2021
City Hall	18,517.92	18,841.56
Community Development	28,686.60	29,181.72
Municipal Court	17,918.04	17,730.36
Police Department	26,695.44	27,205.08
Police Sub Station	2,078.28	2,110.44
Service Center	21,982.80	22,415.16
Street and Shop	8,137.80	8,250.12
Carpet and Hard Floors	13,638.96	13,915.08
<b>Total</b>	<b>137,655.84</b>	<b>139,649.52</b>
<b>Increase Amount</b>		<b>1,993.68</b>
<b>Increase %</b>		<b>1.45%</b>



I appreciate your consideration and look forward to another year serving the City of Ashland.

Sincerely,

*Richard Simpson*

Richard Simpson  
Commercial Contracts Director  
Pathway Enterprises, Inc.  
Cell 541-601-4550  
Office 541-973-2728

*City Hall*

**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

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 2020-2021 City Hall

Executive Director Signature: \_\_\_\_\_

<b>Raw Materials</b>		
Per Time Use - Supplies	(from supplies worksheet)	\$ 1,008.28
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 235.75
	<b>Subtotal 1</b>	\$ 1,244.03
<b>Labor</b>		
Direct Labor	(from labor daily worksheet)	\$ 12,887.17
<b>Overhead</b>		
See Overhead Worksheet		\$ 3,579.90
<b>Delivery</b>		
Transportation	(from Trans & Reserve worksheet)	\$ -
	<b>Total Before Margin</b>	\$ 17,711.10
<b>Reserve</b>		
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 1,130.50
	<b>Total Bid Yearly</b>	\$ 18,841.60
	<b>Monthly</b>	\$ 1,570.13



LABOR

Direct Labor  
Pathway Enterprises, Inc.  
City of Ashland 2020-2021 City Hall

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 Sub-Total 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Janitor	2.50	\$ 15.74	100%	\$ 39.35	0.0765	\$ 3.01	2.60%	\$ 1.02	1.42%	\$ 0.56	27.67%	\$ 10.89	\$ 54.83	208	\$ 11,404.70	\$ 520.00	
2 Supervisor	1.00	\$ 20.46	100%	\$ 20.46	0.0765	\$ 1.57	2.60%	\$ 0.53	1.42%	\$ 0.29	27.67%	\$ 5.66	\$ 28.51	52	\$ 1,482.47	\$ 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	\$ 83.34	Total	\$ 12,887.17	\$ 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 + HOLIDAY	9.60%
HEALTH+LIFE	16.43%
401 K	1.64%
	27.67%

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 6 people working at 50% productivity for 2 hrs. each. (6x.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.

Workers' Comp at your cost  
Matching FICA  
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 2020-2021 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	SCRAPER W/5 RAZOR BLADES 10/BX	3.24	0.0833	\$ 0.27	\$ 3.24
2	#10 QM HEPASTAT 256 4 GL/CS	21.72	0.2500	\$ 5.43	\$ 65.16
3	VIAFRESH ODOR ELIM LEMON 4 GL/CS	20.50	0.1250	\$ 2.56	\$ 30.75
4	#63 LT DUTY SCRUB SPONGE 20/CS	0.88	1.0000	\$ 0.88	\$ 10.56
5	#98 LT DUTY SCOURING PAD 20/CS	0.72	1.0000	\$ 0.72	\$ 8.64
6	SUSTAINABLE EARTH #66 DISINFECTANT	42.40	0.1250	\$ 5.30	\$ 63.60
7	SUSTAINABLE EARTH #64 NUETRAL CLEANER	88.00	0.1250	\$ 11.00	\$ 132.00
8	SUSTAINABLE EARTH #70 WASHROOM CLEANER	97.44	0.1250	\$ 12.18	\$ 146.16
9	SS CLEANER POLISH 12-15 OZ/CS	6.01	0.0833	\$ 0.50	\$ 6.01
10	GLEME GLASS CLEANER 12-19 OZ/CS	2.01	1.0000	\$ 2.01	\$ 24.12
11	A-BEN-A-QUI VANDALISM PASTE 12-20 O	8.88	0.1250	\$ 1.11	\$ 13.32
12	7" TOOTHBRUSH W/NYL BRST 12/CS	1.42	1.0000	\$ 1.42	\$ 17.04
13	ANGLE BROOM FLAGGED END W/ HDL	5.99	0.1670	\$ 1.00	\$ 12.00
14	TRIGGER SPRAYER HEAD HD FOR 32 OZ B	2.70	1.0000	\$ 2.70	\$ 32.40
15	GLOVE DISP NITRILE PWDRLS GP XLR GL	7.99	1.0000	\$ 7.99	\$ 95.88
16	LAMBSWOOL DUSTER 28" 312FH	4.93	0.2500	\$ 1.23	\$ 14.79
17	LAMBSWOOL DUSTER FLEXIBLE 33-58" OV	10.36	0.2500	\$ 2.59	\$ 31.08
18	MR CLEAN MAGIC ERASER ALL PURPOSE 6	8.42	0.2500	\$ 2.11	\$ 25.26
19	TURKS HEAD BOWL BRUSH POLY 12/CS BN	5.47	0.2500	\$ 1.37	\$ 16.41
20	"CLOSED FOR CLEANING" HANGING SIGN	25.10	0.0833	\$ 2.09	\$ 25.09
21	36" STD LAUNDERABLE DUST MOP GN 12/	11.45	0.1250	\$ 1.43	\$ 17.18
22	36" JUMBO DUST MOP FRAME	7.69	0.1250	\$ 0.96	\$ 11.54
23	60" FBRGLS INVADER MOP HDL SIDE GAT	16.44	0.1250	\$ 2.06	\$ 24.66
24	PREMIUM LOOP END MOP LGR GN 12/CS	17.66	0.2500	\$ 4.42	\$ 52.98
25	PAPER FILTER (10) SENSOR VAC FITS S	17.91	0.2500	\$ 4.48	\$ 53.73
26	BARKEEPERS FRIEND 20OZ BTL	2.65	1.0000	\$ 2.65	\$ 31.80
27	24 OZ BTL	1.25	1.0000	\$ 1.25	\$ 15.00
28	CLEANING TOWELS (60)	19.95	0.0833	\$ 1.66	\$ 19.94
29	DUSTPAN	2.65	0.2500	\$ 0.66	\$ 7.95
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
			<b>Total</b>	\$ 84.02	\$ 1,008.28

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 2020-2021 City Hall

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

- Burnishing/Floor machines
- Blind cleaning machines
- Sweepers
- Carpet extractors
- Auto scrubbers
- 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.

<b>SUBCONTRACTORS</b>		Times per Year
Description	Cost per Time	
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -

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 Sensor Vacuum	\$ 551.46	36	12	33%	\$ 183.82	100%	\$ 183.82	1	\$ 183.82
2 Wave Break Basket & Press	\$ 76.72	36	12	33%	\$ 25.57	100%	\$ 25.57	1	\$ 25.57
3 Brute 44 Gal w Apron	\$ 79.07	36	12	33%	\$ 26.36	100%	\$ 26.36	1	\$ 26.36
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									\$ 235.75

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

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="0"/>
Time required to complete contract	<input type="text" value="572"/>
Total Assigned Overhead	\$ <input type="text" value="0"/>

**Worksheet**

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries	\$	44,500.00
Management Payroll Tax Expense	\$	11,440.95
Management Medical Insurance	\$	10,920.00
Management Pension Plan Expense	\$	4,150.00
Sales & Administrative Salaries	\$ 415,594.00	
Sales & Administrative Payroll Tax Expense	\$ 64,354.00	
Sales & Administrative Medical Insurance	\$ 40,055.00	
Sales & Administrative Pension Plan Expense	\$ 10,200.00	
Office Rent		
Advertising and Public Education	\$ 14,855.00	
Background Checks & Urinalysis	\$ 3,189.00	
Professional & Accounting / Audit Fees	\$ 81,708.00	
Training & Worker Safety		
Insurance	\$ 38,192.00	
Telephone	\$ 7,185.00	
Utilities	\$ 20,452.00	
Property Taxes/Licenses/Fees	\$ 8,270.00	
Dues & Subscriptions		
Depreciation-office building	\$ 15,061.00	
Depreciation-office equipment	\$ 14,893.00	
Repairs & Maintenance-office	\$ 22,744.00	
Cleaning and Maintenance	\$ 21,346.00	
Office Equipment Rental	\$ 7,886.00	
Office Supplies	\$ 19,033.00	
Postage & Freight	\$	
Rehab	\$ 25,023.00	
Miscellaneous Expense	\$ 12,999.00	
Bad Debts	\$	
INTEREST EXPENSE	\$ 18,981.00	
EMPLOYEE ACTIVITIES	\$ 20,021.00	
AUTO REPAIRS	\$ 15,807.00	
MANAGEMENT CONTRACT		\$ 136,457.00
TOTAL INDIRECT COSTS	\$ 897,848.00	\$ 207,467.95

CPI Factor from BLS (see link below) 1.65% 1.65%  
<http://www.bls.gov/ro9/mostreq.htm>  
**Total** **\$ 1,123,553.66**

**WORK AREA:**

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

AGENCY REVENUES = 5,675,312  
 AGENCY INDIRECT EXPENSES = 1,105,315.95  
 OVERHEAD % = 19%

**Delivery & Reserve**

Pathway Enterprises, Inc.

City of Ashland 2020-2021 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%



*Community  
Development  
(PW & Eng)*

**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 2020-2021 Community Development

Executive Director Signature: \_\_\_\_\_

<b>Raw Materials</b>		
Per Time Use - Supplies	(from supplies worksheet)	\$ 1,008.28
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 235.75
	<b>Subtotal 1</b>	\$ 1,244.03
<b>Labor</b>		
Direct Labor	(from labor daily worksheet)	\$ 20,642.22
<b>Overhead</b>		
See Overhead Worksheet		\$ 5,544.52
<b>Delivery</b>		
Transportation	(from Trans & Reserve worksheet)	\$ -
	<b>Total Before Margin</b>	\$ 27,430.77
<b>Reserve</b>		
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 1,750.90
	<b>Total Bid Yearly</b>	\$ 29,181.67
	<b>Monthly</b>	\$ 2,431.81

**RAW MATERIALS**

Supplies  
Pathway Enterprises, Inc.  
City of Ashland 2020-2021 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	SCRAPER W/5 RAZOR BLADES 10/BX	3.24	0.0833	\$ 0.27	\$ 3.24
2	#10 QM HEPASTAT 256 4 GL/CS	21.72	0.2500	\$ 5.43	\$ 65.16
3	VIAFRESH ODOR ELIM LEMON 4 GL/CS	20.50	0.1250	\$ 2.56	\$ 30.75
4	#63 LT DUTY SCRUB SPONGE 20/CS	0.88	1.0000	\$ 0.88	\$ 10.56
8	SUSTAINABLE EARTH #70 WASHROOM CLEANER	97.44	0.1250	\$ 12.18	\$ 146.16
9	SS CLEANER POLISH 12-15 OZ/CS	6.01	0.0833	\$ 0.50	\$ 6.01
10	GLEME GLASS CLEANER 12-19 OZ/CS	2.01	1.0000	\$ 2.01	\$ 24.12
11	A-BEN-A-QUI VANDALISM PASTE 12-20 O	8.88	0.1250	\$ 1.11	\$ 13.32
12	7" TOOTHBRUSH W/NYL BRST 12/CS	1.42	1.0000	\$ 1.42	\$ 17.04
13	ANGLE BROOM FLAGGED END W/ HDL	5.99	0.1670	\$ 1.00	\$ 12.00
14	TRIGGER SPRAYER HEAD HD FOR 32 OZ B	2.70	1.0000	\$ 2.70	\$ 32.40
15	GLOVE DISP NITRILE PWDRLS GP XLR GL	7.99	1.0000	\$ 7.99	\$ 95.88
16	LAMBSWOOL DUSTER 28" 312FH	4.93	0.2500	\$ 1.23	\$ 14.79
17	LAMBSWOOL DUSTER FLEXIBLE 33-58" OV	10.36	0.2500	\$ 2.59	\$ 31.08
18	MR CLEAN MAGIC ERASER ALL PURPOSE 6	8.42	0.2500	\$ 2.11	\$ 25.26
19	TURKS HEAD BOWL BRUSH POLY 12/CS BN	5.47	0.2500	\$ 1.37	\$ 16.41
20	"CLOSED FOR CLEANING" HANGING SIGN	25.10	0.0833	\$ 2.09	\$ 25.09
21	36" STD LAUNDERABLE DUST MOP GN 12/	11.45	0.1250	\$ 1.43	\$ 17.18
22	36" JUMBO DUST MOP FRAME	7.69	0.1250	\$ 0.96	\$ 11.54
23	60" FBRGLS INVADER MOP HDL SIDE GAT	16.44	0.1250	\$ 2.06	\$ 24.66
24	PREMIUM LOOP END MOP LGR GN 12/CS	17.66	0.2500	\$ 4.42	\$ 52.98
25	PAPER FILTER (10) SENSOR VAC FITS S	17.91	0.2500	\$ 4.48	\$ 53.73
26	BARKEEPERS FRIEND 20OZ BTL	2.65	1.0000	\$ 2.65	\$ 31.80
27	24 OZ BTL	1.25	1.0000	\$ 1.25	\$ 15.00
28	CLEANING TOWELS (60)	19.95	0.0833	\$ 1.66	\$ 19.94
29	DUSTPAN	2.65	0.2500	\$ 0.66	\$ 7.95
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
	<b>Total</b>			<b>\$ 84.02</b>	<b>\$ 1,008.28</b>

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 2020-2021 Community Development

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

Burnishing/Floor machines  
Blind cleaning machines  
Sweepers

Carpet extractors  
Auto scrubbers  
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.

<b>SUBCONTRACTORS</b>		
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 Sensor Vacuum	\$ 551.46	36	12	33%	\$ 183.82	100%	\$ 183.82	1	\$ 183.82
2 Wave Break Bucket & Press	\$ 76.72	36	12	33%	\$ 25.57	100%	\$ 25.57	1	\$ 25.57
3 Brute 44 Gal w/ Apron	\$ 79.07	36	12	33%	\$ 26.36	100%	\$ 26.36	1	\$ 26.36
4			12						
5			12						
6			12						
7			12						
8			12						
9			12						
10			12						
11			12						
12			12						
13			12						
14			12						
15			12						
<b>Total</b>									<b>\$ 235.75</b>

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 2020-2021 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	\$ 15.74	100%	\$ 51.16	0.0765	\$ 3.91	2.60%	\$ 1.33	1.42%	\$ 0.73	27.67%	\$ 14.15	\$ 71.28	104	\$ 7,413.06	338.00	
2 Janitor 3x	3.00	\$ 15.74	100%	\$ 47.22	0.0765	\$ 3.61	2.60%	\$ 1.23	1.42%	\$ 0.67	27.67%	\$ 13.07	\$ 65.80	156	\$ 10,284.23	468.00	
3 Supervisor	2.00	\$ 20.46	100%	\$ 40.92	0.0765	\$ 3.13	2.60%	\$ 1.06	1.42%	\$ 0.58	27.67%	\$ 11.32	\$ 57.02	52	\$ 2,964.93	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
<b>Total</b>													<b>Total</b>		<b>Total</b>	<b>\$ 20,642.22</b>	<b>910.00</b>

List "Other Benefits" Provided	
PTO + HOLIDAY	9.60%
LIFE + HEALTH INSURANCE	16.43%
401 K	1.64
	27.67%

- 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 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.
- Other Benefits Mo. \$** = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.
- Subtotal 5** = The sum of subtotals 1, 2, 3, 4, and 5
- Daily Per Item Labor** = This is the days or shifts worked per year
- Times Per Year** = Times per year multiplied by daily/per item labor
- Annual Total Labor** = Work hours multiplied by times per year
- Annual Labor Hours** = Work hours multiplied by times per year

Areas in green are formula driven.

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

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

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

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

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

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.

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

The sum of subtotals 1, 2, 3, 4, and 5

This is the days or shifts worked per year

Times per year multiplied by daily/per item labor

Work hours multiplied by times per year

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 converted 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 the 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 6 people working at 50% productivity for 2 hrs. each. (6x.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.

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

19.00%

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 Total from Worksheet on Below	
Overhead per labor hour	\$ -
Time required to complete contract	910
Total Assigned Overhead	\$ -

**Worksheet**

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries	\$	44,500.00
Management Payroll Tax Expense	\$	11,440.95
Management Medical Insurance	\$	10,920.00
Management Pension Plan Expense	\$	4,150.00
Sales & Administrative Salaries	\$	415,594.00
Sales & Administrative Payroll Tax Expense	\$	64,354.00
Sales & Administrative Medical Insurance	\$	40,055.00
Sales & Administrative Pension Plan Expense	\$	10,200.00
Office Rent		
Advertising and Public Education	\$	14,855.00
Background Checks & Urinalysis	\$	3,189.00
Professional & Accounting / Audit Fees	\$	81,708.00
Training & Worker Safety		
Insurance	\$	38,192.00
Telephone	\$	7,185.00
Utilities	\$	20,452.00
Property Taxes/Licenses/Fees	\$	8,270.00
Dues & Subscriptions		
Depreciation-office building	\$	15,081.00
Depreciation-office equipment	\$	14,893.00
Repairs & Maintenance-office	\$	22,744.00
Cleaning and Maintenance	\$	21,346.00
Office Equipment Rental	\$	7,886.00
Office Supplies	\$	19,033.00
Postage & Freight	\$	-
Rehab	\$	25,023.00
Miscellaneous Expense	\$	12,999.00
Bad Debts	\$	-
INTEREST EXPENSE	\$	18,981.00
EMPLOYEE ACTIVITIES	\$	20,021.00
AUTO REPAIRS	\$	15,807.00
MANAGEMENT CONTRACT		\$ 136,457.00
TOTAL INDIRECT COSTS	\$ 897,848.00	\$ 207,467.95

CPI Factor from BLS (see link below)  
<http://www.bls.gov/rc9/mostrequ.htm>

1.65% 1.65%

Total

\$ 1,123,553.66

**WORK AREA:**

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

AGENCY REVENUES = 5,675,312  
AGENCY INDIRECT EXPENSES = 1,105,315.95  
OVERHEAD % = 19%

**Delivery & Reserve**

Pathway Enterprises, Inc.  
 City of Ashland 2020-2021 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%

*Municipal  
Court*

**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 2020-2021 Municipal Court

**Executive Director Signature:** \_\_\_\_\_

<b>Raw Materials</b>			
Per Time Use - Supplies	(from supplies worksheet)	\$	1,008.28
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$	235.75
	<b>Subtotal 1</b>	\$	1,244.03
<b>Labor</b>			
Direct Labor	(from labor daily worksheet)	\$	12,053.75
<b>Overhead</b>			
See Overhead Worksheet		\$	3,368.77
<b>Delivery</b>			
Transportation	(from Trans & Reserve worksheet)	\$	-
	<b>Total Before Margin</b>	\$	16,666.55
<b>Reserve</b>			
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$	1,063.82
	<b>Total Bid Yearly</b>	\$	17,730.37
	<b>Monthly</b>	\$	1,477.53

**RAW MATERIALS**

Supplies  
Pathway Enterprises, Inc.  
City of Ashland 2020-2021 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 SCRAPER W/5 RAZOR BLADES 10/BX	3.24	0.0833	\$ 0.27	\$ 3.24
2 #10 QM HEPASTAT 256 4 GL/CS	21.72	0.2500	\$ 5.43	\$ 65.16
3 VIAFRESH ODOR ELIM LEMON 4 GL/CS	20.50	0.1250	\$ 2.56	\$ 30.75
4 #63 LT DUTY SCRUB SPONGE 20/CS	0.88	1.0000	\$ 0.88	\$ 10.56
5 #98 LT DUTY SCOURING PAD 20/CS	0.72	1.0000	\$ 0.72	\$ 8.64
6 SUSTAINABLE EARTH #66 DISINFECTANT	42.40	0.1250	\$ 5.30	\$ 63.60
7 SUSTAINABLE EARTH #64 NUETRAL CLEANER	88.00	0.1250	\$ 11.00	\$ 132.00
8 SUSTAINABLE EARTH #70 WASHROOM CLEANER	97.44	0.1250	\$ 12.18	\$ 146.16
9 SS CLEANER POLISH 12-15 OZ/CS	6.01	0.0833	\$ 0.50	\$ 6.01
10 GLEME GLASS CLEANER 12-19 OZ/CS	2.01	1.0000	\$ 2.01	\$ 24.12
11 A-BEN-A-QUI VANDALISM PASTE 12-20 O	8.88	0.1250	\$ 1.11	\$ 13.32
12 7" TOOTHBRUSH W/NYL BRST 12/CS	1.42	1.0000	\$ 1.42	\$ 17.04
13 ANGLE BROOM FLAGGED END W/ HDL	5.99	0.1670	\$ 1.00	\$ 12.00
14 TRIGGER SPRAYER HEAD HD FOR 32 OZ B	2.70	1.0000	\$ 2.70	\$ 32.40
15 GLOVE DISP NITRILE PWDRLS GP XLR GL	7.99	1.0000	\$ 7.99	\$ 95.88
16 LAMBSWOOL DUSTER 28" 312FH	4.93	0.2500	\$ 1.23	\$ 14.79
17 LAMBSWOOL DUSTER FLEXIBLE 33-58" OV	10.36	0.2500	\$ 2.59	\$ 31.08
18 MR CLEAN MAGIC ERASER ALL PURPOSE 6	8.42	0.2500	\$ 2.11	\$ 25.26
19 TURKS HEAD BOWL BRUSH POLY 12/CS BN	5.47	0.2500	\$ 1.37	\$ 16.41
20 "CLOSED FOR CLEANING" HANGING SIGN	25.10	0.0833	\$ 2.09	\$ 25.09
21 36" STD LAUNDERABLE DUST MOP GN 12/	11.45	0.1250	\$ 1.43	\$ 17.18
22 36" JUMBO DUST MOP FRAME	7.69	0.1250	\$ 0.96	\$ 11.54
23 60" FBRGLS INVADER MOP HDL SIDE GAT	16.44	0.1250	\$ 2.06	\$ 24.66
24 PREMIUM LOOP END MOP LGR GN 12/CS	17.66	0.2500	\$ 4.42	\$ 52.98
25 PAPER FILTER (10) SENSOR VAC FITS S	17.91	0.2500	\$ 4.48	\$ 53.73
26 BARKEEPERS FRIEND 20OZ BTL	2.65	1.0000	\$ 2.65	\$ 31.80
27 24 OZ BTL	1.25	1.0000	\$ 1.25	\$ 15.00
28 CLEANING TOWELS (60)	19.95	0.0833	\$ 1.66	\$ 19.94
29 DUSTPAN	2.65	0.2500	\$ 0.66	\$ 7.95
30			\$ -	\$ -
31			\$ -	\$ -
32			\$ -	\$ -
33			\$ -	\$ -
34			\$ -	\$ -
35			\$ -	\$ -
36			\$ -	\$ -
37			\$ -	\$ -
38			\$ -	\$ -
39			\$ -	\$ -
40			\$ -	\$ -
<b>Total</b>			<b>\$ 84.02</b>	<b>\$ 1,008.28</b>

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 2020-2021 Municipal Court

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

- Burnishing/Floor machines
- Blind cleaning machines
- Sweepers
- Carpet extractors
- Auto scrubbers
- 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.

<b>SUBCONTRACTORS</b>		
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   Sensor Vacuum	\$ 551.46	36	12	33%	\$ 183.82	100%	\$ 183.82	1	\$ 183.82
2   Wave Break Basket & Press	\$ 76.72	36	12	33%	\$ 25.57	100%	\$ 25.57	1	\$ 25.57
3   Brute 44 Gal w/ Apron	\$ 79.07	36	12	33%	\$ 26.36	100%	\$ 26.36	1	\$ 26.36
4			12						
5			12						
6			12						
7			12						
8			12						
9			12						
10			12						
11			12						
12			12						
13			12						
14			12						
15			12						
<b>Total</b>									<b>\$ 235.75</b>

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 2020-2021 Municipal Court

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemploy-ment %	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	2.00	\$ 15.74	100%	\$ 31.48	0.0765	\$ 2.41	2.60%	\$ 0.82	1.42%	\$ 0.45	27.67%	\$ 8.71	\$ 43.86	104	\$ 4,561.88	208.00	
2 Janitor 3x	1.00	\$ 15.74	100%	\$ 15.74	0.0765	\$ 1.20	2.60%	\$ 0.41	1.42%	\$ 0.22	27.67%	\$ 4.36	\$ 21.93	156	\$ 3,421.41	156.00	
3 Supervisor	1.00	\$ 20.46	100%	\$ 20.46	0.0765	\$ 1.57	2.60%	\$ 0.53	1.42%	\$ 0.29	27.67%	\$ 5.66	\$ 28.51	52	\$ 1,482.47	52.00	
4 Add Carpet	7.00	\$ 15.74	100%	\$ 110.18	0.0765	\$ 8.43	2.60%	\$ 2.86	1.42%	\$ 1.56	27.67%	\$ 30.49	\$ 153.52	2	\$ 307.05	14.00	
5 Office Additions	0.50	\$ 15.74	100%	\$ 7.87	0.0765	\$ 0.60	2.60%	\$ 0.20	1.42%	\$ 0.11	27.67%	\$ 2.18	\$ 10.97	208	\$ 2,280.94	104.00	
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	
<b>Total</b>													\$ 259.80	<b>Total</b>	\$ 12,053.75	534.00	

List "Other Benefits" Provided	
PTO + HOLIDAY	9.60%
LIFE + HEALTH INSURANCE	16.43%
401 K	1.64%
	27.67%

- 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 as 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

Areas in green are formula driven.

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

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

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

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

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

Input in this column if you calculate Other Benefits as a percentage.

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.)

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

The sum of subtotals 1, 2, 3, 4, and 5

This is the days or shifts worked per year

Times per year multiplied by daily/per item labor

Work hours multiplied by times per year

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.

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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.

Workers' Comp at your cost  
Matching FICA  
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

19.00%

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 Total from Worksheet on Below	
Overhead per labor hour	\$ -
Time required to complete contract	534
Total Assigned Overhead	\$ -

**Worksheet**

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		\$ 44,500.00
Management Payroll Tax Expense		\$ 11,440.95
Management Medical Insurance		\$ 10,920.00
Management Pension Plan Expense		\$ 4,150.00
Sales & Administrative Salaries	\$ 415,594.00	
Sales & Administrative Payroll Tax Expense	\$ 64,354.00	
Sales & Administrative Medical Insurance	\$ 40,055.00	
Sales & Administrative Pension Plan Expense	\$ 10,200.00	
Office Rent		
Advertising and Public Education	\$ 14,855.00	
Background Checks & Urinalysis	\$ 3,189.00	
Professional & Accounting / Audit Fees	\$ 81,708.00	
Training & Worker Safety		
Insurance	\$ 38,192.00	
Telephone	\$ 7,185.00	
Utilities	\$ 20,452.00	
Property Taxes/Licenses/Fees	\$ 8,270.00	
Dues & Subscriptions		
Depreciation-office building	\$ 15,061.00	
Depreciation-office equipment	\$ 14,893.00	
Repairs & Maintenance-office	\$ 22,744.00	
Cleaning and Maintenance	\$ 21,346.00	
Office Equipment Rental	\$ 7,886.00	
Office Supplies	\$ 19,033.00	
Postage & Freight	\$ -	
Rehab	\$ 25,023.00	
Miscellaneous Expense	\$ 12,999.00	
Bad Debts	\$ -	
INTEREST EXPENSE	\$ 18,981.00	
EMPLOYEE ACTIVITIES	\$ 20,021.00	
AUTO REPAIRS	\$ 15,807.00	
MANAGEMENT CONTRACT		\$ 136,457.00
TOTAL INDIRECT COSTS	\$ 897,848.00	\$ 207,467.95

CPI Factor from BLS (see link below) 1.65% 1.65%  
<http://www.bls.gov/i9/mostreque.htm>  
**Total** \$ 1,123,553.66

**WORK AREA:**

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

AGENCY REVENUES = 5,675,312  
 AGENCY INDIRECT EXPENSES = 1,105,315.95  
 OVERHEAD % = 19%



**Delivery & Reserve**

Pathway Enterprises, Inc.

City of Ashland 2020-2021 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**

	<b>Delivery Description</b>	<b>Miles Per Service</b>	<b>Rate Per Mile</b>	<b>Daily Cost</b>	<b>Services per Year</b>	<b>Annual Trans Cost</b>
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%

*Joan*

**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 2020-2021 Ashland Police Department

Executive Director Signature:

<b>Raw Materials</b>		
Per Time Use - Supplies	(from supplies worksheet)	\$ 1,008.28
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 235.75
	<b>Subtotal 1</b>	\$ 1,244.03
<b>Labor</b>		
Direct Labor	(from labor daily worksheet)	\$ 19,159.75
<b>Overhead</b>		
See Overhead Worksheet		\$ 5,168.96
<b>Delivery</b>		
Transportation	(from Trans & Reserve worksheet)	\$ -
	<b>Total Before Margin</b>	\$ 25,572.74
<b>Reserve</b>		
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 1,632.30
	<b>Total Bid Yearly</b>	\$ 27,205.05
	<b>Monthly</b>	\$ 2,267.09



**RAW MATERIALS**

Supplies  
Pathway Enterprises, Inc.  
City of Ashland 2020-2021 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 SCRAPER W/5 RAZOR BLADES 10/BX	3.24	0.0833	\$ 0.27	\$ 3.24
2 #10 QM HEPASTAT 256 4 GL/CS	21.72	0.2500	\$ 5.43	\$ 65.16
3 VIAFRESH ODOR ELIM LEMON 4 GL/CS	20.50	0.1250	\$ 2.56	\$ 30.75
4 #63 LT DUTY SCRUB SPONGE 20/CS	0.88	1.0000	\$ 0.88	\$ 10.56
5 #98 LT DUTY SCOURING PAD 20/CS	0.72	1.0000	\$ 0.72	\$ 8.64
6 SUSTAINABLE EARTH #66 DISINFECTANT	42.40	0.1250	\$ 5.30	\$ 63.60
7 SUSTAINABLE EARTH #64 NUETRAL CLEANER	88.00	0.1250	\$ 11.00	\$ 132.00
8 SUSTAINABLE EARTH #70 WASHROOM CLEANER	97.44	0.1250	\$ 12.18	\$ 146.16
9 SS CLEANER POLISH 12-15 OZ/CS	6.01	0.0833	\$ 0.50	\$ 6.01
10 GLEME GLASS CLEANER 12-19 OZ/CS	2.01	1.0000	\$ 2.01	\$ 24.12
11 A-BEN-A-QUI VANDALISM PASTE 12-20 O	8.88	0.1250	\$ 1.11	\$ 13.32
12 7" TOOTHBRUSH W/NYL BRST 12/CS	1.42	1.0000	\$ 1.42	\$ 17.04
13 ANGLE BROOM FLAGGED END W/ HDL	5.99	0.1670	\$ 1.00	\$ 12.00
14 TRIGGER SPRAYER HEAD HD FOR 32 OZ B	2.70	1.0000	\$ 2.70	\$ 32.40
15 GLOVE DISP NITRILE PWDRLS GP XLR GL	7.99	1.0000	\$ 7.99	\$ 95.88
16 LAMBSWOOL DUSTER 28" 312FH	4.93	0.2500	\$ 1.23	\$ 14.79
17 LAMBSWOOL DUSTER FLEXIBLE 33-58" OV	10.36	0.2500	\$ 2.59	\$ 31.08
18 MR CLEAN MAGIC ERASER ALL PURPOSE 6	8.42	0.2500	\$ 2.11	\$ 25.26
19 TURKS HEAD BOWL BRUSH POLY 12/CS BN	5.47	0.2500	\$ 1.37	\$ 16.41
20 "CLOSED FOR CLEANING" HANGING SIGN	25.10	0.0833	\$ 2.09	\$ 25.09
21 36" STD LAUNDERABLE DUST MOP GN 12/	11.45	0.1250	\$ 1.43	\$ 17.18
22 36" JUMBO DUST MOP FRAME	7.69	0.1250	\$ 0.96	\$ 11.54
23 60" FBRGLS INVADER MOP HDL SIDE GAT	16.44	0.1250	\$ 2.06	\$ 24.66
24 PREMIUM LOOP END MOP LGR GN 12/CS	17.66	0.2500	\$ 4.42	\$ 52.98
25 PAPER FILTER (10) SENSOR VAC FITS S	17.91	0.2500	\$ 4.48	\$ 53.73
26 BARKEEPERS FRIEND 20OZ BTL	2.65	1.0000	\$ 2.65	\$ 31.80
27 24 OZ BTL	1.25	1.0000	\$ 1.25	\$ 15.00
28 CLEANING TOWELS (60)	19.95	0.0833	\$ 1.66	\$ 19.94
29 DUSTPAN	2.65	0.2500	\$ 0.66	\$ 7.95
30			\$ -	\$ -
31			\$ -	\$ -
32			\$ -	\$ -
33			\$ -	\$ -
34			\$ -	\$ -
35			\$ -	\$ -
36			\$ -	\$ -
37			\$ -	\$ -
38			\$ -	\$ -
39			\$ -	\$ -
40			\$ -	\$ -
<b>Total</b>			<b>\$ 84.02</b>	<b>\$ 1,008.28</b>

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 2020-2021 Ashland Police Department

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

- Burnishing/Floor machines
- Blind cleaning machines
- Sweepers
- Carpet extractors
- Auto scrubbers
- 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.

<b>SUBCONTRACTORS</b>		
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 Sensor Vacuum	\$ 551.46	36	12	33%	\$ 183.82	100%	\$ 183.82	1	\$ 183.82
2 Wave Break Bucket & Press	\$ 76.72	36	12	33%	\$ 25.57	100%	\$ 25.57	1	\$ 25.57
3 Brute 44 Gal w Apron	\$ 79.07	36	12	33%	\$ 26.36	100%	\$ 26.36	1	\$ 26.36
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									\$ 235.75

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	Unemploy-ment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits Sub Total \$	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Janitor 4x	3.50	\$ 15.74	100%	\$ 55.09	0.0765	\$ 4.21	2.60%	\$ 1.43	1.42%	\$ 0.78	27.67%	\$ 15.24	\$ 15,965.58	\$ 76.76	208	\$ 15,965.58	728.00
2 Supervisor	1.00	\$ 20.46	100%	\$ 20.46	0.0765	\$ 1.57	2.60%	\$ 0.63	1.42%	\$ 0.29	27.67%	\$ 5.66	\$ 1,482.47	\$ 28.51	52	\$ 1,482.47	52.00
3 Janitor Wed	1.50	\$ 15.74	100%	\$ 23.61	0.0765	\$ 1.81	2.60%	\$ 0.61	1.42%	\$ 0.34	27.67%	\$ 6.53	\$ 1,710.71	\$ 32.90	52	\$ 1,710.71	78.00
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													\$ 138.17	Total	\$ 19,159.75	858.00	

List "Other Benefits" Provided	
PTO + HOLIDAY	9.60%
HEALTH + LIFE INSURANCE	16.43%
401 K	1.64%
	27.67%

- 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 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.
- Other Benefits Mo. \$** = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.
- Subtotal 5** = The sum of subtotals 1, 2, 3, 4, and 5
- Daily Per Item Labor** = This is the days or shifts worked per year
- Times Per Year** = Times per year multiplied by daily/per item labor
- Annual Total Labor** = Work hours multiplied by times per year
- Annual Labor Hours** = Work hours multiplied by times per year

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.

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).





**Delivery & Reserve**

Pathway Enterprises, Inc.

City of Ashland 2020-2021 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				\$ -		\$ -
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%

*Police  
Sub-Station*

**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 Police Sub Station 20-21

Executive Director Signature: \_\_\_\_\_

<b>Raw Materials</b>		
Per Time Use - Supplies	(from supplies worksheet)	\$ 271.29
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ -
	<b>Subtotal 1</b>	\$ 271.29
<b>Labor</b>		
Direct Labor	(from labor daily worksheet)	\$ 1,311.52
<b>Overhead</b>		
See Overhead Worksheet		\$ 400.98
<b>Delivery</b>		
Transportation	(from Trans & Reserve worksheet)	\$ -
	<b>Total Before Margin</b>	\$ 1,983.80
<b>Reserve</b>		
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 126.63
	<b>Total Bid Yearly</b>	\$ 2,110.42
	<b>Monthly</b>	\$ 175.87

**RAW MATERIALS**

Supplies  
Pathway Enterprises, Inc.  
City of Ashland Police Sub Station 20-21

**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	SCRAPER W/5 RAZOR BLADES 10/BX	3.24	0.0833	\$ 0.27	\$ 3.24
2	#10 QM HEPASTAT 256 4 GL/CS	21.72	0.0833	\$ 1.81	\$ 21.71
3	VIAFRESH ODOR ELIM LEMON 4 GL/CS	20.50	0.0833	\$ 1.71	\$ 20.49
4	#63 LT DUTY SCRUB SPONGE 20/CS	0.88	0.0833	\$ 0.07	\$ 0.88
8	SUSTAINABLE EARTH #70 WASHROOM CLEANER	97.44	-	\$ -	\$ -
9	SS CLEANER POLISH 12-15 OZ/CS	6.01	0.0833	\$ 0.50	\$ 6.01
10	GLEME GLASS CLEANER 12-19 OZ/CS	2.01	0.0833	\$ 0.17	\$ 2.01
11	A-BEN-A-QUI VANDALISM PASTE 12-20 O	8.88	0.0833	\$ 0.74	\$ 8.88
12	7" TOOTHBRUSH W/NYL BRST 12/CS	1.42	0.0833	\$ 0.12	\$ 1.42
13	ANGLE BROOM FLAGGED END W/ HDL	5.99	0.0833	\$ 0.50	\$ 5.99
14	TRIGGER SPRAYER HEAD HD FOR 32 OZ B	2.70	0.0833	\$ 0.22	\$ 2.70
15	GLOVE DISP NITRILE PWDRLS GP XLR GL	7.99	0.0833	\$ 0.67	\$ 7.99
16	LAMBSWOOL DUSTER 28" 312FH	4.93	0.0833	\$ 0.41	\$ 4.93
17	LAMBSWOOL DUSTER FLEXIBLE 33-58" OV	10.36	0.0833	\$ 0.86	\$ 10.36
18	MR CLEAN MAGIC ERASER ALL PURPOSE 6	8.42	0.0833	\$ 0.70	\$ 8.42
19	TURKS HEAD BOWL BRUSH POLY 12/CS BN	5.47	0.0833	\$ 0.46	\$ 5.47
20	CLOSED FOR CLEANING HANGING SIGN	25.10	-	\$ -	\$ -
21	36" STD LAUNDERABLE DUST MOP GN 12/	11.45	-	\$ -	\$ -
22	36" JUMBO DUST MOP FRAME	7.69	-	\$ -	\$ -
23	60" FBRGLS INVADER MOP HDL SIDE GAT	16.44	-	\$ -	\$ -
24	PREMIUM LOOP END MOP LGR GN 12/CS	17.66	-	\$ -	\$ -
25	PAPER FILTER (10) SENSOR VAC FITS S	17.91	0.0833	\$ 1.49	\$ 17.90
26	BARKEEPERS FRIEND 20OZ BTL	2.65	0.2500	\$ 0.66	\$ 7.95
27	24 OZ BTL	1.25	0.0833	\$ 0.10	\$ 1.25
28	CLEANING TOWELS (60)	19.95	-	\$ -	\$ -
29	DUSTPAN	2.65	0.0833	\$ 0.22	\$ 2.65
30				\$ -	\$ -
31				\$ -	\$ -
32				\$ -	\$ -
33				\$ -	\$ -
34				\$ -	\$ -
35				\$ -	\$ -
36				\$ -	\$ -
37				\$ -	\$ -
38				\$ -	\$ -
39				\$ -	\$ -
40				\$ -	\$ -
	<b>Total</b>			\$ 22.61	\$ 271.29

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 Police Sub Station 20-21

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

- Burnishing/Floor machines
- Blind cleaning machines
- Sweepers
- Carpet extractors
- Auto scrubbers
- 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.**

<b>SUBCONTRACTORS</b>		
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	12						
2		12	12						
3		12	12						
4		12	12						
5		12	12						
6		12	12						
7		12	12						
8		12	12						
9		12	12						
10		12	12						
11		12	12						
12		12	12						
13		12	12						
14		12	12						
15		12	12						
<b>Total</b>									\$ -

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 20-21

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 Sub Total \$	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor	
1 Janitor	1.00	\$ 15.74	100%	\$ 15.74	0.0765	\$ 1.20	2.60%	\$ 0.41	1.42%	\$ 0.22	27.67%	\$ 4.36	\$ 21.93	\$ 52	52	\$ 1,140.47	52.00	
2 Supervisor	0.50	\$ 20.46	100%	\$ 10.23	0.0765	\$ 0.78	2.60%	\$ 0.27	1.42%	\$ 0.15	27.67%	\$ 2.83	\$ 14.25	\$ 12	12	\$ 171.05	6.00	
3																		
4																		
5																		
6																		
7																		
8																		
9																		
10																		
11																		
12																		
13																		
14																		
15																		
													Total		Total		\$ 1,311.52	95.00

List "Other Benefits" Provided	
PTO + HOLIDAY	9.60%
HEALTH + LIFE INSURANCE	16.43%
401 K	1.64%
	27.67%

- Areas in green are formula driven.
- 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

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 6 people working at 50% productivity for 2 hrs. each. (6x.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 wages 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.

Workers' Comp at your cost  
Matching FICA  
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

19.00%

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 Total from Worksheet on Below	
Overhead per labor hour	\$ -
Time required to complete contract	58
Total Assigned Overhead	\$ -

**Worksheet**

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries	\$	44,500.00
Management Payroll Tax Expense	\$	11,440.95
Management Medical Insurance	\$	10,920.00
Management Pension Plan Expense	\$	4,150.00
Sales & Administrative Salaries	\$	415,594.00
Sales & Administrative Payroll Tax Expense	\$	64,354.00
Sales & Administrative Medical Insurance	\$	40,055.00
Sales & Administrative Pension Plan Expense	\$	10,200.00
Office Rent		
Advertising and Public Education	\$	14,855.00
Background Checks & Urinalysis	\$	3,189.00
Professional & Accounting / Audit Fees	\$	81,708.00
Training & Worker Safety		
Insurance	\$	38,192.00
Telephone	\$	7,185.00
Utilities	\$	20,452.00
Property Taxes/Licenses/Fees	\$	8,270.00
Dues & Subscriptions		
Depreciation-office building	\$	15,061.00
Depreciation-office equipment	\$	14,893.00
Repairs & Maintenance-office	\$	22,744.00
Cleaning and Maintenance	\$	21,346.00
Office Equipment Rental	\$	7,886.00
Office Supplies	\$	19,033.00
Postage & Freight	\$	-
Rehab	\$	25,023.00
Miscellaneous Expense	\$	12,999.00
Bad Debts	\$	-
INTEREST EXPENSE	\$	18,981.00
EMPLOYEE ACTIVITIES	\$	20,021.00
AUTO REPAIRS	\$	15,807.00
MANAGEMENT CONTRACT		\$ 136,457.00
TOTAL INDIRECT COSTS	\$ 897,848.00	\$ 207,467.95

CPI Factor from BLS (see link below)  
<http://www.bls.gov/rc9/mostrequ.htm>

1.65% 1.65%

Total

\$ 1,123,553.66

**WORK AREA:**

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

AGENCY REVENUES = 5,675,312  
AGENCY INDIRECT EXPENSES = 1,105,315.95  
OVERHEAD % = 19%



**Delivery & Reserve**

Pathway Enterprises, Inc.  
 City of Ashland Police Sub Station 20-21

**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%



*Service  
Center*

**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 Ashland Service Center 2020-2021

Executive Director Signature: \_\_\_\_\_

<b>Raw Materials</b>			
Per Time Use - Supplies	(from supplies worksheet)	\$	1,008.28
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$	235.75
	<b>Subtotal 1</b>	\$	1,244.03
<b>Labor</b>			
Direct Labor	(from labor daily worksheet)	\$	15,567.34
<b>Overhead</b>			
See Overhead Worksheet		\$	4,258.88
<b>Delivery</b>			
Transportation	(from Trans & Reserve worksheet)	\$	-
	<b>Total Before Margin</b>	\$	21,070.26
<b>Reserve</b>			
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$	1,344.91
	<b>Total Bid Yearly</b>	\$	22,415.17
	<b>Monthly</b>	\$	1,867.93

**RAW MATERIALS**

Supplies  
Pathway Enterprises, Inc.  
Ashland Service Center 2020-2021

**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 SCRAPER W/5 RAZOR BLADES 10/BX	3.24	0.0833	\$ 0.27	\$ 3.24
2 #10 QM HEPASTAT 256 4 GL/CS	21.72	0.2500	\$ 5.43	\$ 65.16
3 VIAFRESH ODOR ELIM LEMON 4 GL/CS	20.50	0.1250	\$ 2.56	\$ 30.75
4 #63 LT DUTY SCRUB SPONGE 20/CS	0.88	1.0000	\$ 0.88	\$ 10.56
8 SUSTAINABLE EARTH #70 WASHROOM CLEANER	97.44	0.1250	\$ 12.18	\$ 146.16
9 SS CLEANER POLISH 12-15 OZ/CS	6.01	0.0833	\$ 0.50	\$ 6.01
10 GLEME GLASS CLEANER 12-19 OZ/CS	2.01	1.0000	\$ 2.01	\$ 24.12
11 A-BEN-A-QUI VANDALISM PASTE 12-20 O	8.88	0.1250	\$ 1.11	\$ 13.32
12 7" TOOTHBRUSH W/NYL BRST 12/CS	1.42	1.0000	\$ 1.42	\$ 17.04
13 ANGLE BROOM FLAGGED END W/ HDL	5.99	0.1670	\$ 1.00	\$ 12.00
14 TRIGGER SPRAYER HEAD HD FOR 32 OZ B	2.70	1.0000	\$ 2.70	\$ 32.40
15 GLOVE DISP NITRILE PWDRLS GP XLR GL	7.99	1.0000	\$ 7.99	\$ 95.88
16 LAMBSWOOL DUSTER 28" 312FH	4.93	0.2500	\$ 1.23	\$ 14.79
17 LAMBSWOOL DUSTER FLEXIBLE 33-58" OV	10.36	0.2500	\$ 2.59	\$ 31.08
18 MR CLEAN MAGIC ERASER ALL PURPOSE 6	8.42	0.2500	\$ 2.11	\$ 25.26
19 TURKS HEAD BOWL BRUSH POLY 12/CS BN	5.47	0.2500	\$ 1.37	\$ 16.41
20 "CLOSED FOR CLEANING" HANGING SIGN	25.10	0.0833	\$ 2.09	\$ 25.09
21 36" STD LAUNDERABLE DUST MOP GN 12/	11.45	0.1250	\$ 1.43	\$ 17.18
22 36" JUMBO DUST MOP FRAME	7.69	0.1250	\$ 0.96	\$ 11.54
23 60" FBRGLS INVADER MOP HDL SIDE GAT	16.44	0.1250	\$ 2.06	\$ 24.66
24 PREMIUM LOOP END MOP LGR GN 12/CS	17.66	0.2500	\$ 4.42	\$ 52.98
25 PAPER FILTER (10) SENSOR VAC FITS S	17.91	0.2500	\$ 4.48	\$ 53.73
26 BARKEEPERS FRIEND 20OZ BTL	2.65	1.0000	\$ 2.65	\$ 31.80
27 24 OZ BTL	1.25	1.0000	\$ 1.25	\$ 15.00
28 CLEANING TOWELS (60)	19.95	0.0833	\$ 1.66	\$ 19.94
29 DUSTPAN	2.65	0.2500	\$ 0.66	\$ 7.95
30			\$ -	\$ -
31			\$ -	\$ -
32			\$ -	\$ -
33			\$ -	\$ -
34			\$ -	\$ -
35			\$ -	\$ -
36			\$ -	\$ -
37			\$ -	\$ -
38			\$ -	\$ -
39			\$ -	\$ -
40			\$ -	\$ -
<b>Total</b>			<b>\$ 84.02</b>	<b>\$ 1,008.28</b>

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 2020-2021

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

- Burnishing/Floor machines
- Blind cleaning machines
- Sweepers
- Carpet extractors
- Auto scrubbers
- 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.

<b>SUBCONTRACTORS</b>		
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 Sensor Vacuum	\$ 551.46	36	12	33%	\$ 183.82	100%	\$ 183.82	1	\$ 183.82
2 Wave Break Basket & Press	\$ 76.72	36	12	33%	\$ 25.57	100%	\$ 25.57	1	\$ 25.57
3 Brute 44 Gal w Apron	\$ 79.07	36	12	33%	\$ 26.36	100%	\$ 26.36	1	\$ 26.36
4			12						
5			12						
6			12						
7			12						
8			12						
9			12						
10			12						
11			12						
12			12						
13			12						
14			12						
15			12						
<b>Total</b>									<b>\$ 235.75</b>

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.  
Ashland Service Center 2020-2021

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	\$ 15.74	100%	\$ 51.16	0.0765	\$ 3.91	2.60%	\$ 1.33	1.42%	\$ 0.73	27.67%	\$ 14.15	\$ 71.28	208	\$ 14,826.11	676.00	
2 Supervisor	0.50	\$ 20.46	100%	\$ 10.23	0.0765	\$ 0.78	2.80%	\$ 0.27	1.42%	\$ 0.15	27.67%	\$ 2.83	\$ 14.25	52	\$ 741.23	26.00	
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
<b>Total</b>													<b>85.53</b>	<b>Total</b>	<b>15,567.34</b>	<b>702.00</b>	

List "Other Benefits" Provided	
PTO + HOLIDAY	9.80%
HEALTH + LIFE INSURANCE	16.43%
401 K	1.64%
	27.67%

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 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.)  
**Other Benefits Mo. \$** = Input in this column if you calculate Other Benefits % and Other Benefits Monthly \$.  
**Subtotal 5** = The sum of subtotals 1, 2, 3, 4, and 5  
**Daily Per Item Labor** = This is the days or shifts worked per year  
**Times Per Year** = Times per year multiplied by daily/per item labor  
**Annual Total Labor** = Work hours multiplied by times per year

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 6 people working at 50% productivity for 2 hrs. each. (6x30=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.

Workers' Comp at your cost  
 Matching FICA  
 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="702"/>
Total Assigned Overhead	\$ <input type="text" value="-"/>

**Worksheet**

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries	\$	44,500.00
Management Payroll Tax Expense	\$	11,440.95
Management Medical Insurance	\$	10,920.00
Management Pension Plan Expense	\$	4,150.00
Sales & Administrative Salaries	\$	415,594.00
Sales & Administrative Payroll Tax Expense	\$	64,354.00
Sales & Administrative Medical Insurance	\$	40,055.00
Sales & Administrative Pension Plan Expense	\$	10,200.00
Office Rent		
Advertising and Public Education	\$	14,855.00
Background Checks & Urinalysis	\$	3,189.00
Professional & Accounting / Audit Fees	\$	81,708.00
Training & Worker Safety		
Insurance	\$	38,192.00
Telephone	\$	7,185.00
Utilities	\$	20,452.00
Property Taxes/Licenses/Fees	\$	8,270.00
Dues & Subscriptions		
Depreciation-office building	\$	15,061.00
Depreciation-office equipment	\$	14,893.00
Repairs & Maintenance-office	\$	22,744.00
Cleaning and Maintenance	\$	21,346.00
Office Equipment Rental	\$	7,886.00
Office Supplies	\$	19,033.00
Postage & Freight	\$	-
Rehab	\$	25,023.00
Miscellaneous Expense	\$	12,999.00
Bad Debts	\$	-
INTEREST EXPENSE	\$	18,981.00
EMPLOYEE ACTIVITIES	\$	20,021.00
AUTO REPAIRS	\$	15,807.00
MANAGEMENT CONTRACT		\$ 136,457.00
TOTAL INDIRECT COSTS	\$ 897,848.00	\$ 207,467.95
CPI Factor from BLS (see link below)	1.65%	1.65%
<a href="http://www.bls.gov/ro9/mostrsequ.htm">http://www.bls.gov/ro9/mostrsequ.htm</a>		
<b>Total</b>	<b>\$ 1,123,553.66</b>	

**WORK AREA:**

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

AGENCY REVENUES = 5,675,312  
AGENCY INDIRECT EXPENSES = 1,105,315.95  
OVERHEAD % = 19%



**Delivery & Reserve**

Pathway Enterprises, Inc.  
Ashland Service Center 2020-2021

**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**

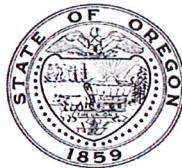
The law allows a "margin held in reserve" This is usually added as a percentage after all other costs have been calculated. The margin % can vary depending on the product or service being offered and organizational, contractual and market variables specific to the project. Some research will likely be 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%

*Street  
& Shop*

**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 2020-2021 Street and Shop

**Executive Director Signature:** \_\_\_\_\_

<b>Raw Materials</b>			
Per Time Use - Supplies	(from supplies worksheet)	\$	402.78
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$	25.57
	<b>Subtotal 1</b>	\$	428.36
<b>Labor</b>			
Direct Labor	(from labor daily worksheet)	\$	5,759.23
<b>Overhead</b>			
See Overhead Worksheet		\$	1,567.52
<b>Delivery</b>			
Transportation	(from Trans & Reserve worksheet)	\$	-
	<b>Total Before Margin</b>	\$	7,755.11
<b>Reserve</b>			
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$	495.01
	<b>Total Bid Yearly</b>	\$	8,250.11
	<b>Monthly</b>	\$	687.51



**RAW MATERIALS**

Supplies  
Pathway Enterprises, Inc.  
City of Ashland 2020-2021 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 SCRAPER W/5 RAZOR BLADES 10/BX	3.24	0.0833	\$ 0.27	\$ 3.24
2 #10 QM HEPASTAT 256 4 GL/CS	21.72	0.0833	\$ 1.81	\$ 21.71
3 VIAFRESH ODOR ELIM LEMON 4 GL/CS	20.50	0.0833	\$ 1.71	\$ 20.49
4 #63 LT DUTY SCRUB SPONGE 20/CS	0.88	0.0833	\$ 0.07	\$ 0.88
5 #98 LT DUTY SCOURING PAD 20/CS	0.72	0.0833	\$ 0.06	\$ 0.72
6 SUSTAINABLE EARTH #66 DISINFECTANT	42.40	0.0833	\$ 3.53	\$ 42.38
7 SUSTAINABLE EARTH #64 NUETRAL CLEANER	88.00	0.0833	\$ 7.33	\$ 87.96
8 SUSTAINABLE EARTH #70 WASHROOM CLEANER	97.44	0.0833	\$ 8.12	\$ 97.40
9 SS CLEANER POLISH 12-15 OZ/CS	6.01	0.0833	\$ 0.50	\$ 6.01
10 GLEME GLASS CLEANER 12-19 OZ/CS	2.01	0.0833	\$ 0.17	\$ 2.01
11 A-BEN-A-QUI VANDALISM PASTE 12-20 O	8.88	0.0833	\$ 0.74	\$ 8.88
12 7" TOOTHBRUSH W/NYL BRST 12/CS	1.42	0.0833	\$ 0.12	\$ 1.42
13 ANGLE BROOM FLAGGED END W/ HDL	5.99	0.0833	\$ 0.50	\$ 5.99
14 TRIGGER SPRAYER HEAD HD FOR 32 OZ B	2.70	0.0833	\$ 0.22	\$ 2.70
15 GLOVE DISP NITRILE PWDRLS GP XLR GL	7.99	0.0833	\$ 0.67	\$ 7.99
16 LAMBSWOOL DUSTER 28" 312FH	4.93	0.0833	\$ 0.41	\$ 4.93
17 LAMBSWOOL DUSTER FLEXIBLE 33-58" OV	10.36	0.0833	\$ 0.86	\$ 10.36
18 MR CLEAN MAGIC ERASER ALL PURPOSE 6	8.42	0.0833	\$ 0.70	\$ 8.42
19 TURKS HEAD BOWL BRUSH POLY 12/CS BN	5.47	0.0833	\$ 0.46	\$ 5.47
20 CLOSED FOR CLEANING HANGING SIGN	25.10	-	\$ -	\$ -
21 36" STD LAUNDERABLE DUST MOP GN 12/	11.45	-	\$ -	\$ -
22 36" JUMBO DUST MOP FRAME	7.69	-	\$ -	\$ -
23 60" FBRGLS INVADER MOP HDL SIDE GAT	16.44	0.0833	\$ 1.37	\$ 16.43
24 PREMIUM LOOP END MOP LGR GN 12/CS	17.66	0.0833	\$ 1.47	\$ 17.65
25 PAPER FILTER (10) SENSOR VAC FITS S	17.91	0.0833	\$ 1.49	\$ 17.90
26 BARKEEPERS FRIEND 200Z BTL	2.65	0.2500	\$ 0.66	\$ 7.95
27 24 OZ BTL	1.25	0.0833	\$ 0.10	\$ 1.25
28 CLEANING TOWELS (60)	19.95	-	\$ -	\$ -
29 DUSTPAN	2.65	0.0833	\$ 0.22	\$ 2.65
30			\$ -	\$ -
31			\$ -	\$ -
32			\$ -	\$ -
33			\$ -	\$ -
34			\$ -	\$ -
35			\$ -	\$ -
36			\$ -	\$ -
37			\$ -	\$ -
38			\$ -	\$ -
39			\$ -	\$ -
40			\$ -	\$ -
<b>Total</b>			<b>\$ 33.57</b>	<b>\$ 402.78</b>

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 2020-2021 Street and Shop

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

- Burnishing/Floor machines
- Blind cleaning machines
- Sweepers
- Carpet extractors
- Auto scrubbers
- 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.**

<b>SUBCONTRACTORS</b>		
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 Sensor Vacuum	\$ 551.46	36	12	33%	\$ 183.82	100%	\$ 183.82	0	\$ -
2 Wave Break Basket & Press	\$ 76.72	36	12	33%	\$ 25.57	100%	\$ 25.57	1	\$ 25.57
3 Brute 44 Gal w Apron	\$ 79.07	36	12	33%	\$ 26.36	100%	\$ 26.36	0	\$ -
4			12						
5			12						
6			12						
7			12						
8			12						
9			12						
10			12						
11			12						
12			12						
13			12						
14			12						
15			12						
<b>Total</b>									\$ 25.57

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 2020-2021 Street and Shop

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemploy-ment %	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	1.25	\$ 15.74	100%	\$ 19.68	0.0765	\$ 1.51	2.60%	\$ 0.51	1.42%	\$ 0.28	27.67%	\$ 5.44	\$ 5.44	\$ 27.42	156	\$ 4,276.76	195.00
2 Supervisor	1.00	\$ 20.46	100%	\$ 20.46	0.0765	\$ 1.57	2.60%	\$ 0.53	1.42%	\$ 0.29	27.67%	\$ 5.66	\$ 5.66	\$ 28.51	52	\$ 1,482.47	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
<b>Total</b>				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ 55.92	<b>Total</b>	\$ 5,759.23	<b>247.00</b>

List "Other Benefits" Provided	
PTO + HOLIDAY	9.60%
HEALTH + LIFE INSURANCE	16.43%
401 K	1.64%
	29.60%

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

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.

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="247"/>
Total Assigned Overhead	\$ <input type="text" value="-"/>

Worksheet		
INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries		\$ 44,500.00
Management Payroll Tax Expense		\$ 11,440.95
Management Medical Insurance		\$ 10,920.00
Management Pension Plan Expense		\$ 4,150.00
Sales & Administrative Salaries	\$ 415,594.00	
Sales & Administrative Payroll Tax Expense	\$ 64,354.00	
Sales & Administrative Medical Insurance	\$ 40,055.00	
Sales & Administrative Pension Plan Expense	\$ 10,200.00	
Office Rent		
Advertising and Public Education	\$ 14,855.00	
Background Checks & Urinalysis	\$ 3,189.00	
Professional & Accounting / Audit Fees	\$ 81,708.00	
Training & Worker Safety		
Insurance	\$ 38,192.00	
Telephone	\$ 7,185.00	
Utilities	\$ 20,452.00	
Property Taxes/Licenses/Fees	\$ 8,270.00	
Dues & Subscriptions		
Depreciation-office building	\$ 15,061.00	
Depreciation-office equipment	\$ 14,893.00	
Repairs & Maintenance-office	\$ 22,744.00	
Cleaning and Maintenance	\$ 21,346.00	
Office Equipment Rental	\$ 7,886.00	
Office Supplies	\$ 19,033.00	
Postage & Freight	\$ -	
Rehab	\$ 25,023.00	
Miscellaneous Expense	\$ 12,999.00	
Bad Debts	\$ -	
INTEREST EXPENSE	\$ 18,981.00	
EMPLOYEE ACTIVITIES	\$ 20,021.00	
AUTO REPAIRS	\$ 15,807.00	
MANAGEMENT CONTRACT		\$ 136,457.00
TOTAL INDIRECT COSTS	\$ 897,848.00	\$ 207,467.95
CPI Factor from BLS (see link below) 1.65% 1.65%		
<a href="http://www.bls.gov/ro9/mostrreq.htm">http://www.bls.gov/ro9/mostrreq.htm</a>		
Total	\$ 1,123,553.66	

**WORK AREA:**

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

AGENCY REVENUES = 5,675,312  
AGENCY INDIRECT EXPENSES = 1,105,315.95  
OVERHEAD % = 19%

**Delivery & Reserve**

Pathway Enterprises, Inc.  
City of Ashland 2020-2021 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%

*City  
Facility  
Floors*

**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:** \_\_\_\_\_

<b>Raw Materials</b>			
Per Time Use - Supplies	(from supplies worksheet)	\$	1,409.47
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$	1,416.51
	<b>Subtotal 1</b>	\$	2,825.98
<b>Labor</b>			
Direct Labor	(from labor daily worksheet)	\$	7,610.36
<b>Overhead</b>			
See Overhead Worksheet		\$	2,643.87
<b>Delivery</b>			
Transportation	(from Trans & Reserve worksheet)	\$	-
	<b>Total Before Margin</b>	\$	13,080.21
<b>Reserve</b>			
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$	834.91
	<b>Total Bid Yearly</b>	\$	13,915.12
	<b>Monthly</b>	\$	1,159.59

**RAW MATERIALS**

Supplies  
Pathway Enterprises Inc.  
City of Ashland Facility Floors 20-21

**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	20" BL 5300 FLOOR PAD 5/CS	4.64	1	\$ 4.64	\$ 55.68
2	20" BN 7100 FLOOR PAD 5/CS	6.36	1	\$ 6.36	\$ 76.32
3	20" RE 5100 FLOOR PAD 5/CS	4.64	0	\$ -	\$ -
4	20" WH 4100 FLOOR PAD 5/CS	4.64	0.5	\$ 2.32	\$ 27.84
5	DOODLEBUG PAD BN 20/CS	1.31	1	\$ 1.31	\$ 15.72
6	SCOTCH BRITE SURF PREP PAD 14X20 10	12.36	0	\$ -	\$ -
7	SCOTCH BRITE SURF PREP PAD 20" 10/C	8.69	0	\$ -	\$ -
8	SCOTCH BRITE SPP 4-5/8"X10" 20/CS	2.12	0	\$ -	\$ -
9	SCRAPER W/5 RAZOR BLADES 10/BX	3.24	0.5	\$ 1.62	\$ 19.44
10	DEFOAM IT PREM DEFOAMER 4 GL/CS	16.02	0.25	\$ 4.01	\$ 48.06
11	DIAMOND FLOOR FINISH 5 GL	52.10	0.5	\$ 26.05	\$ 312.60
12	VIAFRESH ODOR ELIM LEMON 4 GL/CS	20.50	0.125	\$ 2.56	\$ 30.75
13	GLOVE DISP NITRILE PWDRLS GP XLR GL	7.99	0.125	\$ 1.00	\$ 11.99
14	TANNIN STAIN REMOVER 6 QTS/CS	16.49	0.25	\$ 4.12	\$ 49.47
15	DIBS NEUTRALIZER ODOR COUNTER 2-90T	51.73	0.0625	\$ 3.23	\$ 38.80
16	BRAVO POWER FOAM STRIPPER 12-23 OZ/	7.71	0	\$ -	\$ -
17	PRO STRIP HVY DTY STRIPPER 5 GL	81.04	0.25	\$ 20.26	\$ 243.12
18	60" FBRGLS INVADER MOP HDL SIDE GAT	16.44	0.33	\$ 5.43	\$ 65.10
19	PREMIUM LOOP END MOP LGR GN 12/CS	17.66	1	\$ 17.66	\$ 211.92
20	DOODLE SCRUB TILE & GROUT PAD (BLUE	7.17	1	\$ 7.17	\$ 86.04
21	PAPER FILTER (10) SENSOR VAC FITS S	17.91	0.0834	\$ 1.49	\$ 17.92
22	FOLEX GALLON	16.45	0.5	\$ 8.23	\$ 98.70
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				\$ -	\$ -
	<b>Total</b>			\$ 117.46	\$ 1,409.47

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 20-21

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

- Burnishing/Floor machines
- Blind cleaning machines
- Sweepers
- Carpet extractors
- Auto scrubbers
- 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 WAVE BREAK PRESS	\$ 76.72	36	12	33%	\$ 25.57	20%	\$ 5.11	3	\$ 15.34
2 WINDSOR SENSOR VAC	\$ 561.88	36	12	33%	\$ 187.29	20%	\$ 37.46	1	\$ 37.46
3 WET DRY VACUUM	\$ 1,250.00	24	12	50%	\$ 625.00	20%	\$ 125.00	1	\$ 125.00
4 120" BUFFER W/TANK	\$ 1,850.00	36	12	33%	\$ 616.67	20%	\$ 123.33	1	\$ 123.33
5 SC351 SCRUBBER	\$2,812.00	48	12	25%	\$ 703.00	20%	\$ 140.60	1	\$ 140.60
6 NAUTILUS EXTRACTOR	\$3,928.00	48	12	25%	\$ 982.00	20%	\$ 196.40	1	\$ 196.40
7 HOSS 700	\$2,590.00	48	12	25%	\$ 647.50	20%	\$ 129.50	1	\$ 129.50
8 CRB PRO 45	\$2,738.00	48	12	25%	\$ 664.50	20%	\$ 136.90	1	\$ 136.90
9 HIGH PERFORMANCE FAN	\$ 225.00	36	12	33%	\$ 75.00	20%	\$ 15.00	2	\$ 30.00
10 CLIPPER DUO	\$ 4,116.31	48	12	25%	\$ 1,029.08	20%	\$ 205.82	1	\$ 205.82
11 DOODLE SCRUB	\$ 674.10	24	12	50%	\$ 337.05	20%	\$ 67.41	1	\$ 67.41
12 SQUARE SCRUB	\$4,175.00	48	12	25%	\$ 1,043.75	20%	\$ 208.75	1	\$ 208.75
13			12						
14			12						
15			12						
16			12						
17			12						
18			12						
19			12						
20			12						
Total									\$ 1,416.51

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 20-21

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemploy-ment %	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	\$ 15.74	100%	\$ 173.14	0.0765	\$ 13.25	2.60%	\$ 4.50	1.42%	\$ 2.46	27.67%	\$ 47.91	\$ 241.25	2	2	\$ 482.51	22.00
2 City Hall Hard FL	2.00	\$ 15.74	100%	\$ 31.48	0.0765	\$ 2.41	2.60%	\$ 0.82	1.42%	\$ 0.45	27.67%	\$ 8.71	\$ 43.86	2	2	\$ 87.73	4.00
3 Comm Dev Carpet	22.00	\$ 15.74	100%	\$ 346.28	0.0765	\$ 26.49	2.60%	\$ 9.00	1.42%	\$ 4.92	27.67%	\$ 95.82	\$ 482.51	2	2	\$ 965.01	44.00
4 Comm Dev Hard FL	4.00	\$ 15.74	100%	\$ 62.96	0.0765	\$ 4.82	2.60%	\$ 1.64	1.42%	\$ 0.89	27.67%	\$ 17.42	\$ 87.73	2	2	\$ 175.46	8.00
5 Courts Carpet	8.00	\$ 15.74	100%	\$ 125.92	0.0765	\$ 9.63	2.60%	\$ 3.27	1.42%	\$ 1.79	27.67%	\$ 34.84	\$ 175.46	2	2	\$ 350.91	16.00
6 Courts Hard FL	2.00	\$ 15.74	100%	\$ 31.48	0.0765	\$ 2.41	2.60%	\$ 0.82	1.42%	\$ 0.45	27.67%	\$ 8.71	\$ 43.86	2	2	\$ 87.73	4.00
7 Police Carpet	12.00	\$ 15.74	100%	\$ 188.88	0.0765	\$ 14.45	2.60%	\$ 4.91	1.42%	\$ 2.68	27.67%	\$ 52.26	\$ 263.19	2	2	\$ 526.37	24.00
8 Police Hard FL	32.00	\$ 15.74	100%	\$ 503.68	0.0765	\$ 38.53	2.60%	\$ 13.10	1.42%	\$ 7.15	27.67%	\$ 139.37	\$ 701.83	24	24	\$ 1,403.66	64.00
9 Police High Speed	1.00	\$ 15.74	100%	\$ 15.74	0.0765	\$ 1.20	2.60%	\$ 0.41	1.42%	\$ 0.22	27.67%	\$ 4.36	\$ 21.93	2	2	\$ 526.37	24.00
10 Service Cir Carpet	8.00	\$ 15.74	100%	\$ 125.92	0.0765	\$ 9.63	2.60%	\$ 3.27	1.42%	\$ 1.79	27.67%	\$ 34.84	\$ 175.46	2	2	\$ 350.91	16.00
11 Service Cir Hard FL	20.00	\$ 15.74	100%	\$ 314.80	0.0765	\$ 24.08	2.60%	\$ 8.18	1.42%	\$ 4.47	27.67%	\$ 87.11	\$ 438.64	2	2	\$ 877.28	40.00
12 Streets Carpet	1.00	\$ 15.74	100%	\$ 15.74	0.0765	\$ 1.20	2.60%	\$ 0.41	1.42%	\$ 0.22	27.67%	\$ 4.36	\$ 21.93	2	2	\$ 43.86	2.00
13 Streets Hard FL	10.00	\$ 15.74	100%	\$ 157.40	0.0765	\$ 12.04	2.60%	\$ 4.09	1.42%	\$ 2.24	27.67%	\$ 43.86	\$ 219.32	2	2	\$ 438.64	20.00
14 Grove Carpets	8.00	\$ 15.74	100%	\$ 125.92	0.0765	\$ 9.63	2.60%	\$ 3.27	1.42%	\$ 1.79	27.67%	\$ 34.84	\$ 175.46	2	2	\$ 350.91	16.00
15 Grove Hard FL	2.00	\$ 15.74	100%	\$ 31.48	0.0765	\$ 2.41	2.60%	\$ 0.82	1.42%	\$ 0.45	27.67%	\$ 8.71	\$ 43.86	2	2	\$ 87.73	4.00
16 Supervision	15.00	\$ 20.46	100%	\$ 306.90	0.0765	\$ 23.48	2.60%	\$ 7.98	1.42%	\$ 4.36	27.67%	\$ 84.92	\$ 427.63	2	2	\$ 855.27	30.00
17				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
18				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
19				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
20				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -			\$ -	0.00
Total																\$ 3,563.93	\$ 7,610.36

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 + HOLIDAY	9.60%
401K + LIFE + HEALTH	16.43%
401 K	1.64%

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.

Workers' Comp at your cost  
 Matching FICA  
 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

19.00%

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 Total from Worksheet on Below	
Overhead per labor hour	\$ -
Time required to complete contract	338
Total Assigned Overhead	\$ -

**Worksheet**

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries	\$	44,500.00
Management Payroll Tax Expense	\$	11,440.95
Management Medical Insurance	\$	10,920.00
Management Pension Plan Expense	\$	4,150.00
Sales & Administrative Salaries	\$	415,594.00
Sales & Administrative Payroll Tax Expense	\$	64,354.00
Sales & Administrative Medical Insurance	\$	40,055.00
Sales & Administrative Pension Plan Expense	\$	10,200.00
Office Rent		
Advertising and Public Education	\$	14,855.00
Background Checks & Urinalysis	\$	3,189.00
Professional & Accounting / Audit Fees	\$	81,708.00
Training & Worker Safety		
Insurance	\$	38,192.00
Telephone	\$	7,185.00
Utilities	\$	20,452.00
Property Taxes/Licenses/Fees	\$	8,270.00
Dues & Subscriptions		
Depreciation-office building	\$	15,061.00
Depreciation-office equipment	\$	14,893.00
Repairs & Maintenance-office	\$	22,744.00
Cleaning and Maintenance	\$	21,346.00
Office Equipment Rental	\$	7,886.00
Office Supplies	\$	19,033.00
Postage & Freight	\$	-
Rehab	\$	25,023.00
Miscellaneous Expense	\$	12,999.00
Bad Debts	\$	-
INTEREST EXPENSE	\$	18,981.00
EMPLOYEE ACTIVITIES	\$	20,021.00
AUTO REPAIRS	\$	15,807.00
MANAGEMENT CONTRACT		\$ 136,457.00
TOTAL INDIRECT COSTS	\$ 897,848.00	\$ 207,467.95

CPI Factor from BLS (see link below) 3.15% 3.15%  
<http://www.bls.gov/rc9/mostrerequ.htm>  
**Total** \$ 1,140,133.40

**WORK AREA:**

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

AGENCY REVENUES = 5,675,312  
 AGENCY INDIRECT EXPENSES = 1,105,315.95  
 OVERHEAD % = 19%



**Delivery & Reserve**

Pathway Enterprises Inc.

City of Ashland Facility Floors 20-21

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%



May 29, 2020

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

*Parks  
 Recreation  
 Facilities*

Dear Ms. Dials,

Pathway Enterprises is requesting a pricing adjustment for services for the City of Ashland Parks Department. The reason for the changes are as follows:

- We have incorporated the Living Wage for the City of Ashland at \$15.74 per hour.

In total we are requesting an decrease from \$55,635.65 to \$53,761.47 annually. I have attached the State Costing Workbooks and minimum cleaning standards.

The breakdown of this decrease is as follows:

Annual	2019 - 2020	2020 - 2021
Pioneer Hall	17,744.04	18,088.08
The Grove	8,524.92	8,653.56
Nature Center	5,597.52	5,665.68
Senior Center	17,345.64	17,642.64
Oak Knoll Pro Shop	2,575.92	-
Carpet and Hard Floors	3,847.56	3,711.51
<b>Total</b>	<b>55,635.60</b>	<b>53,761.47</b>
Price Change Difference		(1,874.13)
Change Percentage		-3.37%

The Breakdown of the "Carpet and Hard Floors" cleaning costs are as follows:

Location	Hours	Freq	TTL	% Price	Cost
Community Ctr	4	2	8	13.79%	511.93
Nature Center	7	2	14	24.14%	895.88
Senior Ctr	18	2	36	62.07%	2,303.70
			58	100.00%	\$ 3,711.51



Communication

Teamwork

Professionalism

Opportunity

Office: (541) 973-2728

Fax: (541) 973-2729



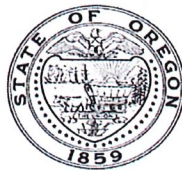
I appreciate your consideration and look forward to another year serving the City of Ashland Parks Department.

Sincerely,

Richard Simpson  
Commercial Contracts Director  
Pathway Enterprises, Inc.

*Pioneer  
Hall*

**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 Only 20-21

Executive Director Signature:

Raw Materials

Per Time Use - Supplies	(from supplies worksheet)	\$ 740.25
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 235.75
<b>Subtotal 1</b>		<b>\$ 976.00</b>

Labor

Direct Labor	(from labor daily worksheet)	\$ 12,590.06
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Overhead

See Overhead Worksheet		\$ 3,436.73
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Delivery

Transportation	(from Trans & Reserve worksheet)	\$ -
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**Total Before Margin** \$ 17,002.79

Reserve

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 1,085.28
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**Total Bid Yearly** \$ 18,088.08  
**Monthly** \$ 1,507.34

**RAW MATERIALS**

Supplies

Pathway Enterprises Inc.

Parks and Recreation Pioneer Hall Only 20-21

**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 SCRAPER W/5 RAZOR BLADES 10/BX	3.24	0.0833	\$ 0.27	\$ 3.24
2 #10 QM HEPASTAT 256 4 GL/CS	21.72	0.1667	\$ 3.62	\$ 43.44
3 VIAFRESH ODOR ELIM LEMON 4 GL/CS	20.50	0.1250	\$ 2.56	\$ 30.75
4 #63 LT DUTY SCRUB SPONGE 20/CS	0.88	1.0000	\$ 0.88	\$ 10.56
5 #98 LT DUTY SCOURING PAD 20/CS	0.72	1.0000	\$ 0.72	\$ 8.64
6 SUSTAINABLE EARTH #66 DISINFECTANT	42.40	0.1250	\$ 5.30	\$ 63.60
7 SUSTAINABLE EARTH #64 NUTRAL CLEANER	88.00	0.0600	\$ 5.28	\$ 63.36
8 SUSTAINABLE EARTH #70 WASHROOM CLEANER	97.44	0.0600	\$ 5.85	\$ 70.16
9 SS CLEANER POLISH 12-15 OZ/CS	6.01	0.0833	\$ 0.50	\$ 6.01
10 GLEME GLASS CLEANER 12-19 OZ/CS	2.01	1.0000	\$ 2.01	\$ 24.12
11 A-BEN-A-QUI VANDALISM PASTE 12-20 O	8.88	0.1250	\$ 1.11	\$ 13.32
12 7" TOOTHBRUSH W/NYL BRST 12/CS	1.42	1.0000	\$ 1.42	\$ 17.04
13 ANGLE BROOM FLAGGED END W/ HDL	5.99	0.1670	\$ 1.00	\$ 12.00
14 TRIGGER SPRAYER HEAD HD FOR 32 OZ B	2.70	1.0000	\$ 2.70	\$ 32.40
15 GLOVE DISP NITRILE PWDRLS GP XLR GL	7.99	0.5000	\$ 4.00	\$ 47.94
16 LAMBSWOOL DUSTER 28" 312FH	4.93	0.2500	\$ 1.23	\$ 14.79
17 LAMBSWOOL DUSTER FLEXIBLE 33-58" OV	10.36	0.2500	\$ 2.59	\$ 31.08
18 MR CLEAN MAGIC ERASER ALL PURPOSE 6	8.42	0.2500	\$ 2.11	\$ 25.26
19 TURKS HEAD BOWL BRUSH POLY 12/CS BN	5.47	0.2500	\$ 1.37	\$ 16.41
20 "CLOSED FOR CLEANING" HANGING SIGN	25.10	0.0833	\$ 2.09	\$ 25.09
21 36" STD LAUNDERABLE DUST MOP GN 12/	11.45	0.1250	\$ 1.43	\$ 17.18
22 36" JUMBO DUST MOP FRAME	7.69	0.1250	\$ 0.96	\$ 11.54
23 60" FBRGLS INVADER MOP HDL SIDE GAT	16.44	0.1250	\$ 2.06	\$ 24.66
24 PREMIUM LOOP END MOP LGR GN 12/CS	17.66	0.2500	\$ 4.42	\$ 52.98
25 PAPER FILTER (10) SENSOR VAC FITS S	17.91	-	\$ -	\$ -
26 BARKEEPERS FRIEND 20OZ BTL	2.65	1.0000	\$ 2.65	\$ 31.80
27 24 OZ BTL	1.25	1.0000	\$ 1.25	\$ 15.00
28 CLEANING TOWELS (60)	19.95	0.0833	\$ 1.66	\$ 19.94
29 DUSTPAN	2.65	0.2500	\$ 0.66	\$ 7.95
30			\$ -	\$ -
31			\$ -	\$ -
32			\$ -	\$ -
33			\$ -	\$ -
34			\$ -	\$ -
35			\$ -	\$ -
36			\$ -	\$ -
37			\$ -	\$ -
38			\$ -	\$ -
39			\$ -	\$ -
40			\$ -	\$ -
41			\$ -	\$ -
42			\$ -	\$ -
43			\$ -	\$ -
44			\$ -	\$ -
45			\$ -	\$ -
46			\$ -	\$ -
47			\$ -	\$ -
48			\$ -	\$ -
49			\$ -	\$ -
50			\$ -	\$ -
<b>Total</b>			<b>\$ 61.69</b>	<b>\$ 740.25</b>

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 Only 20-21

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

- Burnishing/Floor machines
- Blind cleaning machines
- Sweepers
- Carpet extractors
- Auto scrubbers
- 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.**

<b>SUBCONTRACTORS</b>		
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 Sensor Vacuum	\$ 551.46	36	12	33%	\$ 183.82	100%	\$ 183.82	1	\$ 183.82
2 Wave Break Basket & Press	\$ 76.72	36	12	33%	\$ 25.57	100%	\$ 25.57	1	\$ 25.57
3 Brute 44 Gal w Apron	\$ 79.07	36	12	33%	\$ 26.36	100%	\$ 26.36	1	\$ 26.36
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						
<b>Total</b>									<b>\$ 235.75</b>

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 Only 20-21

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemploy-ment %	Sub-Total 4	Other Benefits %	Other Benefits Monthly \$	Other Benefits Sub-Total 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Janitor 1 Daily	1.25	\$ 15.74	100%	\$ 19.68	0.0765	\$ 1.51	2.60%	\$ 0.51	1.42%	\$ 0.28	27.67%	\$ 5.44	\$ 5.44	\$ 27.42	365	\$ 10,006.53	456.25
2 Supervisor	0.50	\$ 20.46	100%	\$ 10.23	0.0765	\$ 0.78	2.60%	\$ 0.27	1.42%	\$ 0.15	27.67%	\$ 2.83	\$ 2.83	\$ 14.25	52	\$ 741.23	26.00
3 Janitor 1 Monthly	4.00	\$ 15.74	100%	\$ 62.96	0.0765	\$ 4.82	2.60%	\$ 1.64	1.42%	\$ 0.89	27.67%	\$ 17.42	\$ 17.42	\$ 87.73	12	\$ 1,052.74	48.00
4 High Speed Burnish	1.50	\$ 15.74	100%	\$ 23.61	0.0765	\$ 1.81	2.60%	\$ 0.61	1.42%	\$ 0.34	27.67%	\$ 6.53	\$ 6.53	\$ 32.90	24	\$ 789.56	36.00
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
<b>Total</b>														\$ 162.30	<b>Total</b>	\$ 12,590.06	566.25

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 + HOLIDAY	9.60%
LIFE + HEALTH INSURANCE	16.45%
401K	27.67%

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.

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="566"/>
Total Assigned Overhead	\$ <input type="text" value="-"/>

**Worksheet**

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries	\$	44,500.00
Management Payroll Tax Expense	\$	11,440.95
Management Medical Insurance	\$	10,920.00
Management Pension Plan Expense	\$	4,150.00
Sales & Administrative Salaries	\$	415,594.00
Sales & Administrative Payroll Tax Expense	\$	64,354.00
Sales & Administrative Medical Insurance	\$	40,055.00
Sales & Administrative Pension Plan Expense	\$	10,200.00
Office Rent		
Advertising and Public Education	\$	14,855.00
Background Checks & Urinalysis	\$	3,189.00
Professional & Accounting / Audit Fees	\$	81,708.00
Training & Worker Safety		
Insurance	\$	38,192.00
Telephone	\$	7,185.00
Utilities	\$	20,452.00
Property Taxes/Licenses/Fees	\$	8,270.00
Dues & Subscriptions		
Depreciation-office building	\$	15,061.00
Depreciation-office equipment	\$	14,893.00
Repairs & Maintenance-office	\$	22,744.00
Cleaning and Maintenance	\$	21,346.00
Office Equipment Rental	\$	7,886.00
Office Supplies	\$	19,033.00
Postage & Freight	\$	-
Rehab	\$	25,023.00
Miscellaneous Expense	\$	12,999.00
Bad Debts	\$	-
INTEREST EXPENSE	\$	18,981.00
EMPLOYEE ACTIVITIES	\$	20,021.00
AUTO REPAIRS	\$	15,807.00
MANAGEMENT CONTRACT		\$ 136,457.00
TOTAL INDIRECT COSTS	\$ 897,848.00	\$ 207,467.95

CPI Factor from BLS (see link below) 3.15% 3.15%  
<http://www.bls.gov/r9/mostrequ.htm>  
**Total** \$ 1,140,133.40

**WORK AREA:**

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

AGENCY REVENUES = 5,675,312  
 AGENCY INDIRECT EXPENSES = 1,105,315.95  
 OVERHEAD % = 19%



**Delivery & Reserve**

Pathway Enterprises Inc.

Parks and Recreation Pioneer Hall Only 20-21

**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%



*The  
Groves*

**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 Parks The Grove 2020-2021

**Executive Director Signature:**

**Raw Materials**

Per Time Use - Supplies	(from supplies worksheet)	\$	1,008.28
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$	235.75
		<b>Subtotal 1</b>	\$ 1,244.03

**Labor**

Direct Labor	(from labor daily worksheet)	\$	5,246.10
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**Overhead**

See Overhead Worksheet		\$	1,644.17
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**Delivery**

Transportation	(from Trans & Reserve worksheet)	\$	-
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**Total Before Margin** \$ 8,134.29

**Reserve**

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$	519.21
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**Total Bid Yearly** \$ 8,653.50  
**Monthly** \$ 721.13

**RAW MATERIALS**

Supplies  
Pathway Enterprises, Inc.  
City of Ashland Parks The Grove 2020-2021

**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**

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2 #10 QM HEPASTAT 256 4 GL/CS	21.72	0.2500	\$ 5.43	\$ 65.16
3 VIAFRESH ODOR ELIM LEMON 4 GL/CS	20.50	0.1250	\$ 2.56	\$ 30.75
4 #63 LT DUTY SCRUB SPONGE 20/CS	0.88	1.0000	\$ 0.88	\$ 10.56
8 SUSTAINABLE EARTH #70 WASHROOM CLEANER	97.44	0.1250	\$ 12.18	\$ 146.16
9 SS CLEANER POLISH 12-15 OZ/CS	6.01	0.0833	\$ 0.50	\$ 6.01
10 GLEME GLASS CLEANER 12-19 OZ/CS	2.01	1.0000	\$ 2.01	\$ 24.12
11 A-BEN-A-QUI VANDALISM PASTE 12-20 O	8.88	0.1250	\$ 1.11	\$ 13.32
12 7" TOOTHBRUSH W/NYL BRST 12/CS	1.42	1.0000	\$ 1.42	\$ 17.04
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14 TRIGGER SPRAYER HEAD HD FOR 32 OZ B	2.70	1.0000	\$ 2.70	\$ 32.40
15 GLOVE DISP NITRILE PWDRLS GP XLR GL	7.99	1.0000	\$ 7.99	\$ 95.88
16 LAMBSWOOL DUSTER 28" 312FH	4.93	0.2500	\$ 1.23	\$ 14.79
17 LAMBSWOOL DUSTER FLEXIBLE 33-58" OV	10.36	0.2500	\$ 2.59	\$ 31.08
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19 TURKS HEAD BOWL BRUSH POLY 12/CS BN	5.47	0.2500	\$ 1.37	\$ 16.41
20 "CLOSED FOR CLEANING" HANGING SIGN	25.10	0.0833	\$ 2.09	\$ 25.09
21 36" STD LAUNDERABLE DUST MOP GN 12/	11.45	0.1250	\$ 1.43	\$ 17.18
22 36" JUMBO DUST MOP FRAME	7.69	0.1250	\$ 0.96	\$ 11.54
23 60" FBRGLS INVADER MOP HDL SIDE GAT	16.44	0.1250	\$ 2.06	\$ 24.66
24 PREMIUM LOOP END MOP LGR GN 12/CS	17.66	0.2500	\$ 4.42	\$ 52.98
25 PAPER FILTER (10) SENSOR VAC FITS S	17.91	0.2500	\$ 4.48	\$ 53.73
26 BARKEEPERS FRIEND 20OZ BTL	2.65	1.0000	\$ 2.65	\$ 31.80
27 24 OZ BTL	1.25	1.0000	\$ 1.25	\$ 15.00
28 CLEANING TOWELS (60)	19.95	0.0833	\$ 1.66	\$ 19.94
29 DUSTPAN	2.65	0.2500	\$ 0.66	\$ 7.95
30			\$ -	\$ -
31			\$ -	\$ -
32			\$ -	\$ -
33			\$ -	\$ -
34			\$ -	\$ -
35			\$ -	\$ -
36			\$ -	\$ -
37			\$ -	\$ -
38			\$ -	\$ -
39			\$ -	\$ -
40			\$ -	\$ -
<b>Total</b>			<b>\$ 84.02</b>	<b>\$ 1,008.28</b>

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.





**LABOR**  
Direct Labor  
Pathway Enterprises, Inc.  
City of Ashland Parks The Grove 2020-2021

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemploy-ment %	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	\$ 15.74	100%	\$ 62.96	0.0765	\$ 4.82	2.60%	\$ 1.64	1.42%	\$ 0.89	27.67%	\$ 17.42	\$ 87.73	52	\$ 4,581.88	208.00	
2 Supervisor	1.00	\$ 20.46	100%	\$ 20.46	0.0765	\$ 1.57	2.60%	\$ 0.53	1.42%	\$ 0.29	27.67%	\$ 5.66	\$ 28.51	24	\$ 684.22	24.00	
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
<b>Total</b>				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		<b>Total</b>	\$ 5,246.10	232.00

List "Other Benefits" Provided	
PTO + HOLIDAY	9.60%
LIFE + HEALTH INSURANCE	16.43%
401 K	1.64%
	27.67%

- 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 your organization's Workers Comp %.
- Subtotal 3** = Computed by multiplying subtotal 1 by your organization's Unemployment Insurance %.
- Subtotal 4** = Input in this column if you calculate Other Benefits by a percentage.
- Other Benefits %** = 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.)
- Other Benefits Mo. \$** = This column may be a combination of both Other Benefits % and Other Benefits Monthly \$.
- Subtotal 5** = The sum of subtotals 1, 2, 3, 4, and 5
- Daily Per Item Labor** = This is the days or shifts worked per year
- Times Per Year** = Times per year multiplied by daily/per item labor
- Annual Total Labor** = Work hours multiplied by times per year

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 converted 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 6 people working at 50% productivity for 2 hrs. each. (6x.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.

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="232"/>
Total Assigned Overhead	\$ <input type="text" value="-"/>

**Worksheet**

INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries	\$	44,500.00
Management Payroll Tax Expense	\$	11,440.95
Management Medical Insurance	\$	10,920.00
Management Pension Plan Expense	\$	4,150.00
Sales & Administrative Salaries	\$	415,594.00
Sales & Administrative Payroll Tax Expense	\$	64,354.00
Sales & Administrative Medical Insurance	\$	40,055.00
Sales & Administrative Pension Plan Expense	\$	10,200.00
Office Rent		
Advertising and Public Education	\$	14,855.00
Background Checks & Urinalysis	\$	3,189.00
Professional & Accounting / Audit Fees	\$	81,708.00
Training & Worker Safety		
Insurance	\$	38,192.00
Telephone	\$	7,185.00
Utilities	\$	20,452.00
Property Taxes/Licenses/Fees	\$	8,270.00
Dues & Subscriptions		
Depreciation-office building	\$	15,061.00
Depreciation-office equipment	\$	14,893.00
Repairs & Maintenance-office	\$	22,744.00
Cleaning and Maintenance	\$	21,346.00
Office Equipment Rental	\$	7,886.00
Office Supplies	\$	19,033.00
Postage & Freight	\$	-
Rehab	\$	25,023.00
Miscellaneous Expense	\$	12,999.00
Bad Debts	\$	-
INTEREST EXPENSE	\$	18,981.00
EMPLOYEE ACTIVITIES	\$	20,021.00
AUTO REPAIRS	\$	15,807.00
MANAGEMENT CONTRACT		\$ 136,457.00
TOTAL INDIRECT COSTS	\$ 897,848.00	\$ 207,467.95

CPI Factor from BLS (see link below) 1.65% 1.65%  
<http://www.bls.gov/i90/mostreque.htm>  
**Total** **\$ 1,123,553.66**

**WORK AREA:**

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

AGENCY REVENUES = 5,675,312  
 AGENCY INDIRECT EXPENSES = 1,105,315.95  
 OVERHEAD % = 19%



**Delivery & Reserve**

Pathway Enterprises, Inc.

City of Ashland Parks The Grove 2020-2021

**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%

*Nature  
Center*

**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 20-21

Executive Director Signature: \_\_\_\_\_

<b>Raw Materials</b>		
Per Time Use - Supplies	(from supplies worksheet)	\$ 728.15
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 235.75
	<b>Subtotal 1</b>	\$ 963.90
<b>Labor</b>		
Direct Labor	(from labor daily worksheet)	\$ 3,285.36
<b>Overhead</b>		
See Overhead Worksheet		\$ 1,076.48
<b>Delivery</b>		
Transportation	(from Trans & Reserve worksheet)	\$ -
	<b>Total Before Margin</b>	\$ 5,325.73
<b>Reserve</b>		
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 339.94
	<b>Total Bid Yearly</b>	\$ 5,665.67
	<b>Monthly</b>	\$ 472.14



**RAW MATERIALS**

Supplies

Pathway Enterprises Inc.

City of Ashland Parks and Recreation Nature Center 20-21

**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 SCRAPER W/5 RAZOR BLADES 10/BX	3.24	0.0833	\$ 0.27	\$ 3.24
2 #10 QM HEPASTAT 256 4 GL/CS	21.72	0.1250	\$ 2.72	\$ 32.58
3 VIAFRESH ODOR ELIM LEMON 4 GL/CS	20.50	0.0625	\$ 1.28	\$ 15.38
4 #63 LT DUTY SCRUB SPONGE 20/CS	0.88	1.0000	\$ 0.88	\$ 10.56
5 #98 LT DUTY SCOURING PAD 20/CS	0.72	1.0000	\$ 0.72	\$ 8.64
6 SUSTAINABLE EARTH #66 DISINFECTANT	42.40	0.0625	\$ 2.65	\$ 31.80
7 SUSTAINABLE EARTH #64 NUETRAL CLEANER	88.00	0.0625	\$ 5.50	\$ 66.00
8 SUSTAINABLE EARTH #70 WASHROOM CLEANER	97.44	0.0625	\$ 6.09	\$ 73.08
9 SS CLEANER POLISH 12-15 OZ/CS	6.01	0.0833	\$ 0.50	\$ 6.01
10 GLEME GLASS CLEANER 12-19 OZ/CS	2.01	1.0000	\$ 2.01	\$ 24.12
11 A-BEN-A-QUI VANDALISM PASTE 12-20 O	8.88	0.1250	\$ 1.11	\$ 13.32
12 7" TOOTHBRUSH W/NYL BRST 12/CS	1.42	1.0000	\$ 1.42	\$ 17.04
13 ANGLE BROOM FLAGGED END W/ HDL	5.99	0.1670	\$ 1.00	\$ 12.00
14 TRIGGER SPRAYER HEAD HD FOR 32 OZ B	2.70	1.0000	\$ 2.70	\$ 32.40
15 GLOVE DISP NITRILE PWDRLS GP XLR GL	7.99	1.0000	\$ 7.99	\$ 95.88
16 LAMBSWOOL DUSTER 28" 312FH	4.93	0.2500	\$ 1.23	\$ 14.79
17 LAMBSWOOL DUSTER FLEXIBLE 33-58" OV	10.36	0.2500	\$ 2.59	\$ 31.08
18 MR CLEAN MAGIC ERASER ALL PURPOSE 6	8.42	0.2500	\$ 2.11	\$ 25.26
19 TURKS HEAD BOWL BRUSH POLY 12/CS BN	5.47	0.2500	\$ 1.37	\$ 16.41
20 "CLOSED FOR CLEANING" HANGING SIGN	25.10	-	\$ -	\$ -
21 36" STD LAUNDERABLE DUST MOP GN 12/	11.45	-	\$ -	\$ -
22 36" JUMBO DUST MOP FRAME	7.69	-	\$ -	\$ -
23 60" FBRGLS INVADER MOP HDL SIDE GAT	16.44	0.1250	\$ 2.06	\$ 24.66
24 PREMIUM LOOP END MOP LGR GN 12/CS	17.66	0.2500	\$ 4.42	\$ 52.98
25 PAPER FILTER (10) SENSOR VAC FITS S	17.91	0.2500	\$ 4.48	\$ 53.73
26 BARKEEPERS FRIEND 20OZ BTL	2.65	1.0000	\$ 2.65	\$ 31.80
27 24 OZ BTL	1.25	0.5000	\$ 0.63	\$ 7.50
28 CLEANING TOWELS (60)	19.95	0.0833	\$ 1.66	\$ 19.94
29 DUSTPAN	2.65	0.2500	\$ 0.66	\$ 7.95
30			\$ -	\$ -
31			\$ -	\$ -
32			\$ -	\$ -
33			\$ -	\$ -
34			\$ -	\$ -
35			\$ -	\$ -
36			\$ -	\$ -
37			\$ -	\$ -
38			\$ -	\$ -
39			\$ -	\$ -
40			\$ -	\$ -
41			\$ -	\$ -
42			\$ -	\$ -
43			\$ -	\$ -
44			\$ -	\$ -
45			\$ -	\$ -
46			\$ -	\$ -
47			\$ -	\$ -
48			\$ -	\$ -
49			\$ -	\$ -
50			\$ -	\$ -
<b>Total</b>			<b>\$ 60.68</b>	<b>\$ 728.15</b>

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 20-21

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

- Burnishing/Floor machines
- Blind cleaning machines
- Sweepers
- Carpet extractors
- Auto scrubbers
- 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.

<b>SUBCONTRACTORS</b>		
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	Sensor Vacuum	\$ 551.46	36	12	33%	\$ 183.82	100%	\$ 183.82	1	\$ 183.82
2	Wave Break Basket & Press	\$ 76.72	36	12	33%	\$ 25.57	100%	\$ 25.57	1	\$ 25.57
3	Brute 44 Gal w Apron	\$ 79.07	36	12	33%	\$ 26.36	100%	\$ 26.36	1	\$ 26.36
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
									Total	\$ 235.75

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 20-21

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemploy-ment %	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	\$ 15.74	100%	\$ 31.48	0.0765	\$ 2.41	2.60%	\$ 0.82	1.42%	\$ 0.45	27.67%	\$ 8.71	\$ 43.86	52	2,280.94	104.00	
2 Supervisor	0.50	\$ 20.46	100%	\$ 10.23	0.0765	\$ 0.78	2.60%	\$ 0.27	1.42%	\$ 0.15	27.67%	\$ 2.83	\$ 14.25	52	741.23	26.00	
3 Janitor 1 Monthly	1.00	\$ 15.74	100%	\$ 15.74	0.0765	\$ 1.20	2.60%	\$ 0.41	1.42%	\$ 0.22	27.67%	\$ 4.36	\$ 21.93	12	263.19	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
<b>Total</b>				\$ -		\$ -		\$ -		\$ -		\$ -	\$ -		<b>80.05</b>	<b>3,285.96</b>	<b>142.00</b>

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 + HOLIDAY	9.60%
LIFE + HEALTH INSURANCE	16.43%
401 K	1.64%

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 50% productivity for 4 hrs. each (2x4=8). It could also be done by 8 people working at 100% 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.

Watchers 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 services 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 \$1,733.33/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 19.00%

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 Total from Worksheet on Below	
Overhead per labor hour	\$ -
Time required to complete contract	142
Total Assigned Overhead	\$ -

Worksheet		
	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
<b>INDIRECT COSTS</b>		
Management Salaries	\$ 44,500.00	
Management Payroll Tax Expense	\$ 11,440.95	
Management Medical Insurance	\$ 10,920.00	
Management Pension Plan Expense	\$ 4,150.00	
Sales & Administrative Salaries	\$ 415,594.00	
Sales & Administrative Payroll Tax Expense	\$ 64,354.00	
Sales & Administrative Medical Insurance	\$ 40,055.00	
Sales & Administrative Pension Plan Expense	\$ 10,200.00	
Office Rent		
Advertising and Public Education	\$ 14,855.00	
Background Checks & Urinalysis	\$ 3,189.00	
Professional & Accounting / Audit Fees	\$ 81,708.00	
Training & Worker Safety		
Insurance	\$ 38,192.00	
Telephone	\$ 7,185.00	
Utilities	\$ 20,452.00	
Property Taxes/Licenses/Fees	\$ 8,270.00	
Dues & Subscriptions		
Depreciation-office building	\$ 15,061.00	
Depreciation-office equipment	\$ 14,893.00	
Repairs & Maintenance-office	\$ 22,744.00	
Cleaning and Maintenance	\$ 21,346.00	
Office Equipment Rental	\$ 7,886.00	
Office Supplies	\$ 19,033.00	
Postage & Freight	\$ -	
Rehab	\$ 25,023.00	
Miscellaneous Expense	\$ 12,999.00	
Bad Debts	\$ -	
INTEREST EXPENSE	\$ 18,981.00	
EMPLOYEE ACTIVITIES	\$ 20,021.00	
AUTO REPAIRS	\$ 15,807.00	
MANAGEMENT CONTRACT		\$ 136,457.00
<b>TOTAL INDIRECT COSTS</b>	<b>\$ 897,848.00</b>	<b>\$ 207,467.95</b>
CPI Factor from BLS (see link below)	3.15%	3.15%
<a href="http://www.bls.gov/ro9/mostrsequ.htm">http://www.bls.gov/ro9/mostrsequ.htm</a>		
<b>Total</b>	<b>\$ 1,140,133.40</b>	

**WORK AREA:**

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

AGENCY REVENUES = 5,675,312  
AGENCY INDIRECT EXPENSES = 1,105,315.95  
OVERHEAD % = 19%

**Delivery & Reserve**

Pathway Enterprises Inc.

City of Ashland Parks and Recreation Nature Center 20-21

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%

*Senior  
Centers*

**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 20-21

**Executive Director Signature:**

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**Raw Materials**

Per Time Use - Supplies	(from supplies worksheet)	\$ 1,008.28
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 235.75
	<b>Subtotal 1</b>	\$ 1,244.03

**Labor**

Direct Labor	(from labor daily worksheet)	\$ 11,987.95
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**Overhead**

See Overhead Worksheet		\$ 3,352.10
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**Delivery**

Transportation	(from Trans & Reserve worksheet)	\$ -
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**Total Before Margin** \$ 16,584.08

**Reserve**

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 1,058.56
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**Total Bid Yearly** \$ 17,642.64  
**Monthly** \$ 1,470.22

**RAW MATERIALS**

Supplies  
Pathway Enterprises Inc.  
City of Ashland Parks and Recreation Senior Center 20-21

**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 SCRAPER W/5 RAZOR BLADES 10/BX	3.24	0.0833	\$ 0.27	\$ 3.24
2 #10 QM HEPASTAT 256 4 GL/CS	21.72	0.2500	\$ 5.43	\$ 65.16
3 VIAFRESH ODOR ELIM LEMON 4 GL/CS	20.50	0.1250	\$ 2.56	\$ 30.75
4 #63 LT DUTY SCRUB SPONGE 20/CS	0.88	1.0000	\$ 0.88	\$ 10.56
5 #98 LT DUTY SCOURING PAD 20/CS	0.72	1.0000	\$ 0.72	\$ 8.64
6 SUSTAINABLE EARTH #66 DISINFECTANT	42.40	0.1250	\$ 5.30	\$ 63.60
7 SUSTAINABLE EARTH #64 NUETRAL CLEANER	88.00	0.1250	\$ 11.00	\$ 132.00
8 SUSTAINABLE EARTH #70 WASHROOM CLEANER	97.44	0.1250	\$ 12.18	\$ 146.16
9 SS CLEANER POLISH 12-15 OZ/CS	6.01	0.0833	\$ 0.50	\$ 6.01
10 GLEME GLASS CLEANER 12-19 OZ/CS	2.01	1.0000	\$ 2.01	\$ 24.12
11 A-BEN-A-QUI VANDALISM PASTE 12-20 O	8.88	0.1250	\$ 1.11	\$ 13.32
12 7" TOOTHBRUSH W/NYL BRST 12/CS	1.42	1.0000	\$ 1.42	\$ 17.04
13 ANGLE BROOM FLAGGED END W/ HDL	5.99	0.1670	\$ 1.00	\$ 12.00
14 TRIGGER SPRAYER HEAD HD FOR 32 OZ B	2.70	1.0000	\$ 2.70	\$ 32.40
15 GLOVE DISP NITRILE PWDRLS GP XLR GL	7.99	1.0000	\$ 7.99	\$ 95.88
16 LAMBSWOOL DUSTER 28" 312FH	4.93	0.2500	\$ 1.23	\$ 14.79
17 LAMBSWOOL DUSTER FLEXIBLE 33-58" OV	10.36	0.2500	\$ 2.59	\$ 31.08
18 MR CLEAN MAGIC ERASER ALL PURPOSE 6	8.42	0.2500	\$ 2.11	\$ 25.26
19 TURKS HEAD BOWL BRUSH POLY 12/CS BN	5.47	0.2500	\$ 1.37	\$ 16.41
20 "CLOSED FOR CLEANING" HANGING SIGN	25.10	0.0833	\$ 2.09	\$ 25.09
21 36" STD LAUNDERABLE DUST MOP GN 12/	11.45	0.1250	\$ 1.43	\$ 17.18
22 36" JUMBO DUST MOP FRAME	7.69	0.1250	\$ 0.96	\$ 11.54
23 60" FBRGLS INVADER MOP HDL SIDE GAT	16.44	0.1250	\$ 2.06	\$ 24.66
24 PREMIUM LOOP END MOP LGR GN 12/CS	17.66	0.2500	\$ 4.42	\$ 52.98
25 PAPER FILTER (10) SENSOR VAC FITS S	17.91	0.2500	\$ 4.48	\$ 53.73
26 BARKEEPERS FRIEND 20OZ BTL	2.65	1.0000	\$ 2.65	\$ 31.80
27 24 OZ BTL	1.25	1.0000	\$ 1.25	\$ 15.00
28 CLEANING TOWELS (60)	19.95	0.0833	\$ 1.66	\$ 19.94
29 DUSTPAN	2.65	0.2500	\$ 0.66	\$ 7.95
30			\$ -	\$ -
31			\$ -	\$ -
32			\$ -	\$ -
33			\$ -	\$ -
34			\$ -	\$ -
35			\$ -	\$ -
36			\$ -	\$ -
37			\$ -	\$ -
38			\$ -	\$ -
39			\$ -	\$ -
40			\$ -	\$ -
41			\$ -	\$ -
42			\$ -	\$ -
43			\$ -	\$ -
44			\$ -	\$ -
45			\$ -	\$ -
46			\$ -	\$ -
47			\$ -	\$ -
48			\$ -	\$ -
49			\$ -	\$ -
50			\$ -	\$ -
<b>Total</b>			<b>\$ 84.02</b>	<b>\$ 1,008.28</b>

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.





**LABOR**

Direct Labor  
Pathway Enterprises Inc.  
City of Ashland Parks and Recreation Senior Center 20-21

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 \$	Sub-Total 5	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor
1 Janitor/Daily	1.75	\$ 15.74	100%	\$ 27.55	0.0765	\$ 2.11	2.60%	\$ 0.72	1.42%	\$ 0.39	27.67%	\$ 7.62	\$ 38.33	260	\$ 9,979.11	455.00
2 Supervisor	1.00	\$ 20.46	100%	\$ 20.46	0.0765	\$ 1.57	2.60%	\$ 0.53	1.42%	\$ 0.29	27.67%	\$ 5.66	\$ 28.51	52	\$ 1,482.47	52.00
3																
4																
5 Janitor/Burnish	1.00	\$ 15.74	100%	\$ 15.74	0.0765	\$ 1.20	2.60%	\$ 0.41	1.42%	\$ 0.22	27.67%	\$ 4.36	\$ 21.93	24	\$ 526.37	24.00
6																
7																
8																
9																
10																
11																
12																
13																
14																
15																
16																
17																
18																
19																
20																
<b>Total</b>															<b>Total</b>	<b>\$ 11,987.95</b>

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 + HOLIDAY	9.60%
LIFE + HEALTH INSURANCE	16.43%
401K	1.64%
<b>Total</b>	<b>27.67%</b>

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 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.

Workers Comp at your cost  
 Matching FICA  
 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 \$60.00 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. (60 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 19.00%

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 Total from Worksheet on Below	
Overhead per labor hour	\$ -
Time required to complete contract	531
Total Assigned Overhead	\$ -

Worksheet		
	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
<b>INDIRECT COSTS</b>		
Management Salaries	\$	44,500.00
Management Payroll Tax Expense	\$	11,440.95
Management Medical Insurance	\$	10,920.00
Management Pension Plan Expense	\$	4,150.00
Sales & Administrative Salaries	\$ 415,594.00	
Sales & Administrative Payroll Tax Expense	\$	64,354.00
Sales & Administrative Medical Insurance	\$	40,055.00
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Office Rent		
Advertising and Public Education	\$	14,855.00
Background Checks & Urinalysis	\$	3,189.00
Professional & Accounting / Audit Fees	\$	81,708.00
Training & Worker Safety		
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Utilities	\$	20,452.00
Property Taxes/Licenses/Fees	\$	8,270.00
Dues & Subscriptions		
Depreciation-office building	\$	15,061.00
Depreciation-office equipment	\$	14,893.00
Repairs & Maintenance-office	\$	22,744.00
Cleaning and Maintenance	\$	21,346.00
Office Equipment Rental	\$	7,886.00
Office Supplies	\$	19,033.00
Postage & Freight	\$	-
Rehab	\$	25,023.00
Miscellaneous Expense	\$	12,999.00
Bad Debts	\$	-
INTEREST EXPENSE	\$	18,981.00
EMPLOYEE ACTIVITIES	\$	20,021.00
AUTO REPAIRS	\$	15,807.00
MANAGEMENT CONTRACT		\$ 136,457.00
<b>TOTAL INDIRECT COSTS</b>	<b>\$ 897,848.00</b>	<b>\$ 207,467.95</b>
CPI Factor from BLS (see link below)	3.15%	3.15%
<a href="http://www.bls.gov/r09/mostrsequ.htm">http://www.bls.gov/r09/mostrsequ.htm</a>		
<b>Total</b>	<b>\$</b>	<b>1,140,133.40</b>

**WORK AREA:**

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

AGENCY REVENUES = 5,675,312  
AGENCY INDIRECT EXPENSES = 1,105,315.95  
OVERHEAD % = 19%



**Delivery & Reserve**

Pathway Enterprises Inc.

City of Ashland Parks and Recreation Senior Center 20-21

**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.

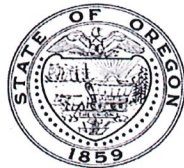
Enter as a % of total cost of contract

6.0%



*Parks  
Floors*

**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 Dept. Facility Floors 20-21

Executive Director Signature: \_\_\_\_\_

**Raw Materials**

Per Time Use - Supplies	(from supplies worksheet)	\$ 742.18
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 541.32
	<b>Subtotal 1</b>	\$ 1,283.50

**Labor**

Direct Labor	(from labor daily worksheet)	\$ 1,631.73
--------------	------------------------------	-------------

**Overhead**

See Overhead Worksheet		\$ 738.52
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**Delivery**

Transportation	(from Trans & Reserve worksheet)	\$ -
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**Total Before Margin** \$ 3,653.75

**Reserve**

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 233.22
------------------------	----------------------------------	-----------

**Total Bid Yearly** \$ 3,886.97  
**Monthly** \$ 323.91

**RAW MATERIALS**

Supplies  
Pathway Enterprises Inc.  
City of Ashland Parks Dept. Facility Floors 20-21

**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	20" BL 5300 FLOOR PAD 5/CS	4.64	0.5	\$ 2.32	\$ 27.84
2	20" BN 7100 FLOOR PAD 5/CS	6.36	0.5	\$ 3.18	\$ 38.16
3	20" RE 5100 FLOOR PAD 5/CS	4.64	0	\$ -	\$ -
4	20" WH 4100 FLOOR PAD 5/CS	4.64	0.25	\$ 1.16	\$ 13.92
5	DOODLEBUG PAD BN 20/CS	1.31	0.5	\$ 0.66	\$ 7.86
6	SCOTCH BRITE SURF PREP PAD 14X20 10	12.36	0	\$ -	\$ -
7	SCOTCH BRITE SURF PREP PAD 20" 10/C	8.69	0	\$ -	\$ -
8	SCOTCH BRITE SPP 4-5/8"X10" 20/CS	2.12	0	\$ -	\$ -
9	SCRAPER W/5 RAZOR BLADES 10/BX	3.24	0.25	\$ 0.81	\$ 9.72
10	DEFOAM IT PREM DEFOAMER 4 GL/CS	16.02	0.125	\$ 2.00	\$ 24.03
11	DIAMOND FLOOR FINISH 5 GL	52.10	0.25	\$ 13.03	\$ 156.30
12	VIAFRESH ODOR ELIM LEMON 4 GL/CS	20.50	0.125	\$ 2.56	\$ 30.75
13	GLOVE DISP NITRILE PWDRLS GP XLR GL	7.99	0.125	\$ 1.00	\$ 11.99
14	TANNIN STAIN REMOVER 6 QTS/CS	16.49	0.125	\$ 2.06	\$ 24.74
15	DIBS NEUTRALIZER ODOR COUNTER 2-90T	51.73	0.0625	\$ 3.23	\$ 38.80
16	BRAVO POWER FOAM STRIPPER 12-23 OZ/	7.71	0	\$ -	\$ -
17	PRO STRIP HVY DTY STRIPPER 5 GL	81.04	0.125	\$ 10.13	\$ 121.56
18	60" FBRGLS INVADER MOP HDL SIDE GAT	16.44	0.15	\$ 2.47	\$ 29.59
19	PREMIUM LOOP END MOP LGR GN 12/CS	17.66	0.5	\$ 8.83	\$ 105.96
20	DOODLE SCRUB TILE & GROUT PAD (BLUE	7.17	0.5	\$ 3.59	\$ 43.02
21	PAPER FILTER (10) SENSOR VAC FITS S	17.91	0.04	\$ 0.72	\$ 8.60
22	FOLEX GALLON	16.45	0.25	\$ 4.11	\$ 49.35
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				\$ -	\$ -
	<b>Total</b>			\$ 61.85	\$ 742.18

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 Dept. Facility Floors 20-21

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

- Burnishing/Floor machines
- Blind cleaning machines
- Sweepers
- Carpet extractors
- Auto scrubbers
- 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.

<b>SUBCONTRACTORS</b>		
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 WAVE BREAK PRESS	\$ 76.72	36	12	33%	\$ 25.57	8%	\$ 2.05	3	\$ 6.14
2 WINDSOR SENSOR VAC	\$ 551.46	36	12	33%	\$ 183.82	8%	\$ 14.71	1	\$ 14.71
3 WET DRY VACUUM	\$ 780.00	24	12	50%	\$ 390.00	8%	\$ 31.20	1	\$ 31.20
4 PACESETTER BUFFER	\$ 1,617.30	36	12	33%	\$ 539.10	8%	\$ 43.13	1	\$ 43.13
5 SC351 SCRUBBER	\$2,812.00	48	12	25%	\$ 703.00	8%	\$ 56.24	1	\$ 56.24
6 NAUTILUS EXTRACTOR	\$3,928.00	48	12	25%	\$ 982.00	8%	\$ 78.56	1	\$ 78.56
7 HOSS 700	\$2,590.00	48	12	25%	\$ 647.50	8%	\$ 51.80	1	\$ 51.80
8 CRB PRO 45	\$2,738.00	48	12	25%	\$ 684.50	8%	\$ 54.76	1	\$ 54.76
9 HIGH PERFORMANCE FAN	\$ 225.00	36	12	33%	\$ 75.00	8%	\$ 6.00	2	\$ 12.00
10 CLIPPER DUO	\$ 4,116.31	48	12	25%	\$ 1,029.08	8%	\$ 82.33	1	\$ 82.33
11 DOODLE SCRUB	\$ 674.10	24	12	50%	\$ 337.05	8%	\$ 26.96	1	\$ 26.96
12 SQUARE SCRUB	\$4,175.00	48	12	25%	\$ 1,043.75	8%	\$ 83.50	1	\$ 83.50
13									
14									
15									
16									
17									
18									
19									
20									
<b>Total</b>									\$ 541.32

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 Dept. Facility Floors 20-21

Worker Description	Work Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp%	Sub-Total 3	Unemploy-ment %	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 GC Hard FL	4.00	\$ 15.74	100%	\$ 63.96	0.0765	\$ 4.82	2.60%	\$ 1.64	1.42%	\$ 0.89	27.67%	\$ 17.42	\$ 87.73	2	2	\$ 175.46	8.00
2 Nature Carpet	6.00	\$ 15.74	100%	\$ 94.44	0.0765	\$ 7.22	2.60%	\$ 2.46	1.42%	\$ 1.34	27.67%	\$ 26.13	\$ 131.59	2	2	\$ 263.19	12.00
3 Nature Hard FL	1.00	\$ 15.74	100%	\$ 15.74	0.0765	\$ 1.20	2.60%	\$ 0.41	1.42%	\$ 0.22	27.67%	\$ 4.36	\$ 21.93	2	2	\$ 43.86	2.00
4 Senior Cit Carpet	8.00	\$ 15.74	100%	\$ 125.92	0.0765	\$ 9.63	2.60%	\$ 3.27	1.42%	\$ 1.79	27.67%	\$ 34.84	\$ 175.46	2	2	\$ 350.91	16.00
5 Senior Cit Hard FL	10.00	\$ 15.74	100%	\$ 157.40	0.0765	\$ 12.04	2.60%	\$ 4.09	1.42%	\$ 2.24	27.67%	\$ 43.55	\$ 219.32	2	2	\$ 438.64	20.00
6 Oak Knoll RR FL	3.00	\$ 15.74	100%	\$ 47.22	0.0765	\$ 3.61	2.60%	\$ 1.23	1.42%	\$ 0.67	27.67%	\$ 13.07	\$ 65.80	2	2	\$ 131.59	6.00
7 Supervisor	4.00	\$ 20.46	100%	\$ 81.84	0.0765	\$ 6.26	2.60%	\$ 2.13	1.42%	\$ 1.16	27.67%	\$ 22.65	\$ 114.04	2	2	\$ 228.07	8.00
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	\$ 815.96		Total	\$ 1,631.73	72.00

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 + HOLIDAY	9.60%
LIFE + HEALTH INSURANCE	16.43%
401 K	1.64%

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 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 4 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 \$60.00 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. (60 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 Overhead per labor hour	\$ <input type="text" value="-"/>
Time required to complete contract	<input type="text" value="72"/>
Total Assigned Overhead	\$ <input type="text" value="-"/>

**Worksheet**

	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
<b>INDIRECT COSTS</b>		
Management Salaries	\$	44,500.00
Management Payroll Tax Expense	\$	11,440.95
Management Medical Insurance	\$	10,920.00
Management Pension Plan Expense	\$	4,150.00
Sales & Administrative Salaries	\$	415,594.00
Sales & Administrative Payroll Tax Expense	\$	64,354.00
Sales & Administrative Medical Insurance	\$	40,055.00
Sales & Administrative Pension Plan Expense	\$	10,200.00
Office Rent		
Advertising and Public Education	\$	14,855.00
Background Checks & Urinalysis	\$	3,189.00
Professional & Accounting / Audit Fees	\$	81,708.00
Training & Worker Safety		
Insurance	\$	38,192.00
Telephone	\$	7,185.00
Utilities	\$	20,452.00
Property Taxes/Licenses/Fees	\$	8,270.00
Dues & Subscriptions		
Depreciation-office building	\$	15,061.00
Depreciation-office equipment	\$	14,893.00
Repairs & Maintenance-office	\$	22,744.00
Cleaning and Maintenance	\$	21,346.00
Office Equipment Rental	\$	7,886.00
Office Supplies	\$	19,033.00
Postage & Freight	\$	-
Rehab	\$	25,023.00
Miscellaneous Expense	\$	12,999.00
Bad Debts	\$	-
INTEREST EXPENSE	\$	18,981.00
EMPLOYEE ACTIVITIES	\$	20,021.00
AUTO REPAIRS	\$	15,807.00
MANAGEMENT CONTRACT	\$	136,457.00
<b>TOTAL INDIRECT COSTS</b>	\$	897,848.00
		\$
		207,467.95
CPI Factor from BLS (see link below)	3.15%	3.15%
<a href="http://www.bls.gov/ro9/mostrequ.htm">http://www.bls.gov/ro9/mostrequ.htm</a>		
<b>Total</b>	\$	1,140,133.40

**WORK AREA:**

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

AGENCY REVENUES = 5,675,312  
AGENCY INDIRECT EXPENSES = 1,105,315.95  
OVERHEAD % = 19%



**Delivery & Reserve**

Pathway Enterprises Inc.

City of Ashland Parks Dept. Facility Floors 20-21

**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%

*parks  
Restrooms/Trash*

**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**

revised: 4/5/2011

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)	\$ 12,396.24
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$ 788.33
		<b>Subtotal 1</b>
		\$ 13,184.57

**Labor**

Direct Labor	(from labor daily worksheet)	\$ 112,443.08
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**Overhead**

See Overhead Worksheet		\$ 31,825.67
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**Delivery**

Transportation	(from Trans & Reserve worksheet)	\$ -
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**Total Before Margin** \$ 157,453.33

**Reserve**

Margin Held in Reserve	(from Trans & Reserve worksheet)	\$ 10,050.21
------------------------	----------------------------------	--------------

**Total Bid Yearly** \$ 167,503.54  
**Monthly** \$ 13,958.63

**Work Area**



**RAW MATERIALS**

Supplies  
Pathway Enterprises, Inc.  
City of Ashland Park Restroom & Trash Services

**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 Handy Grabbers	\$ 22.50	0.5000	\$ 11.250000	\$ 135.00
2			\$ -	\$ -
3 Uniform Shirts	\$ 8.52	4.0000	\$ 34.080000	\$ 408.96
4 50' Hose	\$ 35.00	0.2500	\$ 8.750000	\$ 105.00
5 Gasoline Fuel	\$ 3.00	40.0000	\$ 120.000000	\$ 1,440.00
6 Pro Guard Nitrile Gloves (1000)	\$ 45.29	1.0000	\$ 45.290000	\$ 543.48
7 Scour Sponge White (Case)	\$ 38.30	0.2500	\$ 9.575000	\$ 114.90
8 Toilet Brush	\$ 1.83	4.0000	\$ 7.320000	\$ 87.84
9 Trigger Sprayer w/ Bottle	\$ 2.40	4.0000	\$ 9.600000	\$ 115.20
10 Mop Head	\$ 9.35	2.0000	\$ 18.700000	\$ 224.40
11 Angler Broom	\$ 5.90	1.0000	\$ 5.900000	\$ 70.80
12 Cleaning Terry Cloth Rag	\$ 0.49	60.0000	\$ 29.250000	\$ 351.00
13 Dust Pan	\$ 2.65	0.5000	\$ 1.325000	\$ 15.90
14 Easy Adapter hose	\$ 22.08	0.2500	\$ 5.520000	\$ 66.24
15 High Rise Duster	\$ 9.32	1.0000	\$ 9.320000	\$ 111.84
16			\$ -	\$ -
17 Arsenal #5 Restroom Cleaner	\$ 0.67	60.0000	\$ 40.200000	\$ 482.40
18 Arsenal #6 Vindicator	\$ 0.95	60.0000	\$ 57.000000	\$ 684.00
19			\$ -	\$ -
20			\$ -	\$ -
21 Take Down Fresh and Clean	\$ 20.53	2.0000	\$ 41.060000	\$ 492.72
22 Ziz-O Paste	\$ 5.94	2.0000	\$ 11.880000	\$ 142.56
23			\$ -	\$ -
24			\$ -	\$ -
25 Vehicle Lease	\$ 567.00	1.0000	\$ 567.000000	\$ 6,804.00
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			\$ -	\$ -
<b>Total</b>			\$ 1,033.020000	\$ 12,396.24

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.





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 Sub Total \$	Daily/Per Item Labor	Times Per Yr.	Annual/Total Labor	Annual Hours Labor
1 Janitor Summer	14.00	\$ 15.74	100%	\$ 220.36	0.0765	\$ 16.86	2.60%	\$ 5.73	1.42%	\$ 3.13	29.44%	\$ 64.87	\$ 310.95	\$ 214	52	\$ 66,543.30	2,995.0
2 Supervisor	6.00	\$ 20.46	100%	\$ 122.76	0.0765	\$ 9.39	2.60%	\$ 3.19	1.42%	\$ 1.74	29.44%	\$ 36.14	\$ 173.23	\$ 52	52	\$ 9,007.79	312.0
3 Janitor Winter	11.00	\$ 15.74	100%	\$ 173.14	0.0765	\$ 13.25	2.60%	\$ 4.50	1.42%	\$ 2.46	29.44%	\$ 50.97	\$ 244.32	\$ 151	151	\$ 36,892.00	1,661.0
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	
13																	
14																	
15																	
16																	
17																	
18																	
19																	
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21																	
22																	
23																	
24																	
25																	
26																	
27																	
28																	
29																	
30																	
<b>Total</b>													\$ 728.49		\$ 112,443.08	4,969.0	

List "Other Benefits" Provided	
PTO	5.76
Holiday	3.84
401 K	1.84
Health Ins.	18.2

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.

**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

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.)

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 converted 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. (8x50=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.

Withholding 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

**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 style="width: 50px;" type="text"/>
Input Total from Worksheet on Below	<input style="width: 50px;" type="text"/>
Overhead per labor hour	\$ -
Time required to complete contract	4,969
<b>Total Assigned Overhead</b>	<b>\$ -</b>

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: *		
<b>TOTAL INDIRECT COSTS</b>	<b>\$ -</b>	<b>\$ -</b>
CPI Factor	1.40%	1.40%
<b>Total</b>	<b>\$ -</b>	

**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 Park Restroom & Trash Services

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				\$ -		\$ -
5				\$ -		\$ -
6				\$ -		\$ -
7				\$ -		\$ -
8				\$ -		\$ -
9				\$ -		\$ -
10				\$ -		\$ -
				\$ -		\$ -

**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%

**Work Area**

*Fires  
Station  
#1*

**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



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 Fire Department 20-21

Executive Director Signature: \_\_\_\_\_

<b>Raw Materials</b>			
Per Time Use - Supplies	(from supplies worksheet)	\$	158.16
Equipment, Tools & Subcontracting	(from small equipment worksheet)	\$	53.28
	<b>Subtotal 1</b>	\$	211.44
<b>Labor</b>			
Direct Labor	(from labor daily worksheet)	\$	4,932.52
<b>Overhead</b>			
See Overhead Worksheet		\$	1,253.02
<b>Delivery</b>			
Transportation	(from Trans & Reserve worksheet)	\$	-
	<b>Total Before Margin</b>	\$	6,396.98
<b>Reserve</b>			
Margin Held in Reserve	(from Trans & Reserve worksheet)	\$	197.84
	<b>Total Bid Yearly</b>	\$	6,594.83
	<b>Monthly</b>	\$	549.57

**RAW MATERIALS**

Supplies  
Pathway Enterprises, Inc.  
Ashland Fire Department 20-21

**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 BARKEEPERS FRIEND LIQUID	\$ 3.25	0.2500	\$ 0.81	\$ 9.75
3			\$ -	\$ -
4			\$ -	\$ -
5			\$ -	\$ -
6			\$ -	\$ -
7 UTILITY BRUSH	\$ 2.74	0.0833	\$ 0.23	\$ 2.74
8 ANGLER BROOM	\$ 6.27	0.0833	\$ 0.52	\$ 6.27
9 TOILET SCRUB BRUSH	\$ 4.35	0.0833	\$ 0.36	\$ 4.35
10 VINYL GLOVES LARGE	\$ 9.89	0.1667	\$ 1.65	\$ 19.78
11 LAMBSWOOL DUSTER	\$ 4.90	0.0833	\$ 0.41	\$ 4.90
12 DUST PAN	\$ 2.52	0.0833	\$ 0.21	\$ 2.52
13 GLASS CLEANER	\$ 19.25	0.0833	\$ 1.60	\$ 19.25
14 NUETRAL CLEANER	\$ 19.56	0.0833	\$ 1.63	\$ 19.56
15 SANITIZER	\$ 16.99	0.0833	\$ 1.42	\$ 16.99
16 RESTROOM CLEANER	\$ 19.60	0.0833	\$ 1.63	\$ 19.60
17 SPRAY BOTTLES	\$ 1.90	0.3333	\$ 0.63	\$ 7.60
18 MOP HANDLE	\$ 6.29	0.0833	\$ 0.52	\$ 6.29
19 LARGE MOP HEADS	\$ 5.20	0.1667	\$ 0.87	\$ 10.40
20			\$ -	\$ -
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			\$ -	\$ -
<b>Total</b>			\$ 13.18	\$ 158.16

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.  
Ashland Fire Department 20-21

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

- Burnishing/Floor machines
- Blind cleaning machines
- Sweepers
- Carpet extractors
- Auto scrubbers
- 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.**

<b>SUBCONTRACTORS</b>		
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 MOP BUCKETS AND PRESSES	\$ 54.08	24	12	50%	\$ 27.04	100%	\$ 27.04	1	\$ 27.04
5 VACUUM CLEANERS	\$ 524.82	24	12	50%	\$ 262.41	10%	\$ 26.24	1	\$ 26.24
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									\$ 53.28

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.  
Ashland Fire Department 20-21

Worker Description	Hours	Hourly Rate	% Productivity	Sub-Total 1	FICA	Sub-Total 2	Workers comp %	Sub-Total 3	Unemploy-ment %	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 Main Restrooms	0.50	\$ 15.74	100%	\$ 7.87	0.0765	\$ 0.60	2.60%	\$ 0.20	1.42%	\$ 0.11	27.67%	\$ 2.18	\$ 2.18	\$ 10.97	260	\$ 2,851.18	130.00
2 Vacuuming	0.50	\$ 15.74	100%	\$ 7.87	0.0765	\$ 0.60	2.60%	\$ 0.20	1.42%	\$ 0.11	27.67%	\$ 2.18	\$ 2.18	\$ 10.97	104	\$ 1,440.47	52.00
3 Lobby	0.50	\$ 15.74	100%	\$ 7.87	0.0765	\$ 0.60	2.60%	\$ 0.20	1.42%	\$ 0.11	27.67%	\$ 2.18	\$ 2.18	\$ 10.97	52	\$ 702.24	26.00
4 Training Room	0.25	\$ 15.74	100%	\$ 3.94	0.0765	\$ 0.30	2.60%	\$ 0.10	1.42%	\$ 0.05	27.67%	\$ 1.09	\$ 1.09	\$ 5.48	12	\$ 285.12	13.00
5 Supervision	0.25	\$ 20.46	100%	\$ 5.12	0.0765	\$ 0.39	2.60%	\$ 0.13	1.42%	\$ 0.07	27.67%	\$ 1.42	\$ 1.42	\$ 7.13	12	\$ 85.53	3.00
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
													<b>Total</b>	<b>\$ 45.51</b>	<b>\$ 4,932.52</b>	<b>224.00</b>	

List "Other Benefits" Provided	
PTO + HOLIDAY	9.60%
LIFE + HEALTH INSURANCE	16.43%
401 K	1.64%
<b>Total</b>	<b>27.67%</b>

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. \$** = 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** = The sum of subtotals 1,2,3, 4, and 5

**Daily Per Item Labor** = This is the days or shifts worked per year  
**Times Per Year** = Times per year multiplied by daily/per item labor  
**Annual Total Labor** = Work hours multiplied by times per year

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.

Workers' Comp at your cost  
 Matching FICA  
 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 \$60.00 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. (60 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="0"/>
Time required to complete contract	<input type="text" value="224"/>
Total Assigned Overhead	\$ <input type="text" value="0"/>

Worksheet		
INDIRECT COSTS	Total Annual Operations	
	ORGANIZATION	DEPARTMENTAL
Management Salaries	\$	44,500.00
Management Payroll Tax Expense	\$	11,440.95
Management Medical Insurance	\$	10,920.00
Management Pension Plan Expense	\$	4,150.00
Sales & Administrative Salaries	\$	415,594.00
Sales & Administrative Payroll Tax Expense	\$	64,354.00
Sales & Administrative Medical Insurance	\$	40,055.00
Sales & Administrative Pension Plan Expense	\$	10,200.00
Office Rent		
Advertising and Public Education	\$	14,855.00
Background Checks & Urinalysis	\$	3,189.00
Professional & Accounting / Audit Fees	\$	81,708.00
Training & Worker Safety		
Insurance	\$	38,192.00
Telephone	\$	7,185.00
Utilities	\$	20,452.00
Property Taxes/Licenses/Fees	\$	8,270.00
Dues & Subscriptions		
Depreciation-office building	\$	15,061.00
Depreciation-office equipment	\$	14,893.00
Repairs & Maintenance-office	\$	22,744.00
Cleaning and Maintenance	\$	21,346.00
Office Equipment Rental	\$	7,886.00
Office Supplies	\$	19,033.00
Postage & Freight	\$	-
Rehab	\$	25,023.00
Miscellaneous Expense	\$	12,999.00
Bad Debts	\$	-
INTEREST EXPENSE	\$	18,981.00
EMPLOYEE ACTIVITIES	\$	20,021.00
AUTO REPAIRS	\$	15,807.00
MANAGEMENT CONTRACT	\$	136,457.00
TOTAL INDIRECT COSTS	\$	897,848.00
	\$	207,467.95
CPI Factor from BLS (see link below)	3.15%	3.15%
<a href="http://www.bls.gov/ro9/mostrequ.htm">http://www.bls.gov/ro9/mostrequ.htm</a>		
Total	\$	1,140,133.40

**WORK AREA:**

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

AGENCY REVENUES = 5,675,312  
AGENCY INDIRECT EXPENSES = 1,120,789.41  
OVERHEAD % = 19%



**Delivery & Reserve**

Pathway Enterprises, Inc.  
Ashland Fire Department 20-21

**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