IDENTIFICATION OF UNCOMPENSATED OVERTIME

(a) (1) As used herein, "uncompensated overtime" means the hours worked in excess of an average of 40 hours per week by direct charge employees who are exempt from the Fair Labor Standards Act (FLSA), without additional compensation. Compensated personal absences, such as holidays, vacations, and sick leave, shall be included in the normal work week for purposes of computing uncompensated overtime hours.

(2) As used herein, "uncompensated overtime rate" is the rate which results from multiplying the hourly rate for a 40-hour work week by 40 and then dividing by the proposed hours per week. For example, 45 hours proposed on a 40-hour work week basis at $20 would be converted to an uncompensated overtime rate of $17.78 per hour; ($20 x 40) ÷ 45 = $17.78.

(b) For any hours proposed, including subcontracted hours, against which an uncompensated overtime rate is applied, the offeror shall identify in its proposal, by labor category, the hours in excess of an average of 40 hours per week. This includes uncompensated overtime hours that are in indirect cost pools for personnel whose regular hours are normally charged direct.

(c) The offer's accounting practices used to estimate uncompensated overtime must be consistent with its cost accounting practices used to accumulate and report uncompensated overtime hours.

(d) Proposals which include unrealistically low labor rates or which do not otherwise demonstrate cost realism will be considered in a risk assessment and evaluated for award in accordance with that assessment.

(e) The offeror shall include with its proposal a copy of its policy addressing uncompensated overtime, including a description of the timekeeping and accounting systems used to record all hours worked by FLSA-exempt employees and the historical basis for the uncompensated overtime hours proposed.