

CALC+ Quick Rate (QR) Tool BLS Rates

User Guide

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CALC+ BLS Tool Purpose and Applicability

The CALC+ Bureau of Labor Statistics (BLS) Quick Rate (QR) tool is a pricing research tool located on buy.gsa.gov to support government acquisition professionals in services pricing business intelligence. Acquisition and program management staff can use BLS data to support market research, pricing analyses, develop Independent Government Cost Estimates (IGCEs), compare against prices paid., and create budgetary project cost estimates.

When evaluating CALC+ pricing, including BLS QR, Contracting Officers (COs) must exercise independent business judgment consistent with their authority, while remaining compliant with all applicable regulations and guidance.

Results from CALC+ searches cannot be relied upon exclusively to demonstrate prices are fair and reasonable in accordance with FAR 15.4. Federal acquisition professionals will need additional analysis techniques to make such a determination.

Where does data/prices in the tool come from?

CALC+ BLS QR data is based on the BLS Occupational Employment and Wage Statistics (OEWS) program which provides employment and wage estimates annually for approximately 830 occupations. These estimates are available for the United States as a whole, for individual states and U.S. territories, and for metropolitan and nonmetropolitan areas. This is the primary source of the data BLS uses to display labor wages.

The BLS QR tool allows users to apply escalation rates to the most recent BLS labor wages in order to determine future wages for an occupation. The BLS's Employment Cost Index (ECI), Wage and Salaries Civilian Workers Index (seasonally adjusted) provides one of the best basis for rate escalation. The Employment Cost Index (ECI) is a Principal Federal Economic Indicator that measures changes in labor costs and measures the change in total employee compensation each quarter. The BLS QR tool compares the last two Q4 ECI values to calculate the escalation rates. The methodology in the BLS QR tool specifically uses Q4 data as it consistently captures the wage increases over a calendar year in which the increase has occurred. Please refer to the BLS Escalation Rate Methodology for more information.

How does CALC+ BLS QR work?

Access to the CALC+ BLS QR tool begins with <u>Pricing Central</u>. BLS rates in CALC+ do not require user credentials.

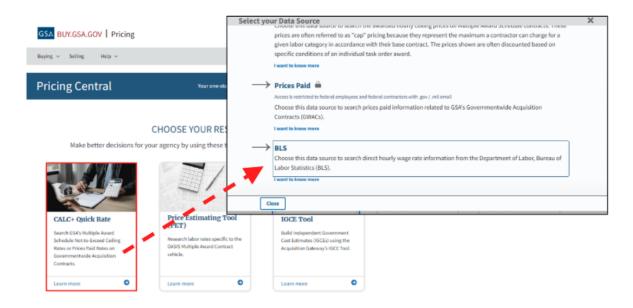


Figure 1 - Accessing BLS QR from Pricing Central

Remember that CALC+ pricing information is intended for market research and price evaluation purposes. It should not be considered as the only acceptable resource when making a determination. Relying solely or primarily on CALC+ for price reasonableness determination is an improper use of this tool.

Appropriate Use

This tool allows users to review labor wages from BLS to create budgetary and project cost estimates, and support (and is not intended to be in lieu of) the U.S. Government's determination of price reasonableness. The labor wages shown are estimated wages intended for research purposes and do not represent exact labor wages for an occupation; since there are many factors affecting hourly services rates. Contracting Officers should always review order level prices in accordance with <u>FAR 8.405-2(d)</u>, <u>FAR Subpart 15.4 - Contract Pricing</u>, and FAR 16.505.

Compensation levels are an important element of successful professional service contracts. <u>FAR Subpart 22.1103</u> establishes that "all professional employees shall be compensated fairly and properly." The BLS publishes wage statistics that include wages at the 10th, 25th, 50th (Median), 75th, and 90th percentile of all wages paid in the economy. As a reminder, OASIS contracts are structured to standardize labor categories at four experience and qualification (E&Q) levels: Junior, Journeyman, Senior, and Subject Matter Expert (SME). SMEs are most commonly priced at the highest wage levels and often above the 90th percentile according to

GSA research. For pricing evaluation and strategy, the BLS QR tool calculates the SME/expert level wage as 25% greater than the 90th percentile wage reported.

E&Q Level	Level Definition	BLS Wage Percentile Displayed in QR Tool
Junior	Applies fundamental concepts, processes, practices, and procedures on technical assignments. Performs work that requires practical experience and training. Work is performed under supervision.	25th
Journeyman	Possesses and applies expertise on multiple complex work assignments. Assignments may be broad in nature, requiring originality and innovation in determining how to accomplish tasks. Operates with appreciable latitude in developing methodology and presenting solutions to problems. Contributes to deliverables and performance metrics where applicable.	75th
Senior	Possesses and applies a comprehensive knowledge across key tasks and high impact assignments. Plans and leads major technology assignments. Evaluates performance results and recommends major changes affecting short-term project growth and success. Functions as a technical expert across multiple project assignments. May supervise others.	90th
SME	Provides technical/management leadership on major tasks or technology assignments. Establishes goals and plans that meet project objectives. Has domain and expert technical knowledge. Directs and controls activities for a client, having overall responsibility for financial management, methods, and staffing to ensure that technical requirements are met. Interactions involve client negotiations and interfacing with senior management. Decision making and domain knowledge may have a critical impact on overall project implementation. May supervise others.	Separately calculated by GSA as 25% > than the 90th percentile wage

Table 1 - Experience and Qualification Levels (Based on OASIS contracts)

This tool is being introduced as an initial version with new features and enhancements planned in the future. Users are encouraged to submit feedback and enhancement requests through the Feedback form button displayed on the BLS QR tool.

Search Criteria and Filters

As a starting point for price comparison, the acquisition professional or program management staff must search by the Occupation Title or Standard Occupational Classification (SOC) ID number. See Figure 2.

- 1. Begin typing characters and select from the pre-populated suggestions. This method will display an **exact match** of the selected occupation title or SOC ID.
- 2. Type characters for an occupation title or SOC ID number then click Search. This method will display results that **contain** the search criteria entered.

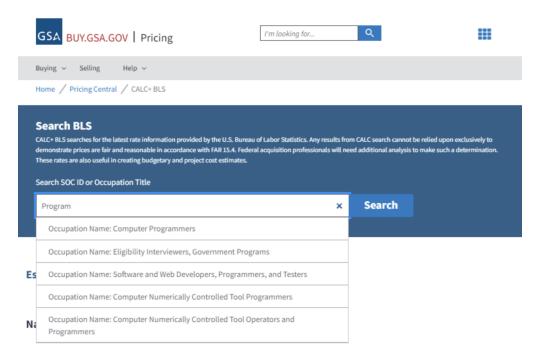


Figure 2 - Search Criteria

Users should also attempt to narrow the labor category search to avoid non-comparable titles. For example, searching 'Supervisor' could return unrelated results such as Warehouse Supervisor, Data Entry Supervisor, Restoration Supervisor, etc.

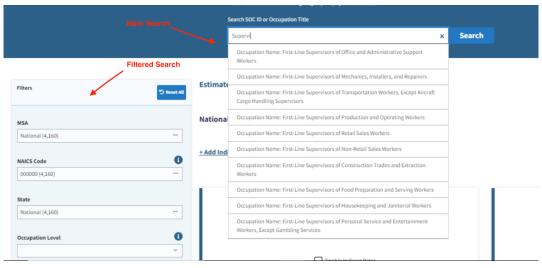


Figure 3 - Search & Filter Features

Once the main search criteria is entered, the results can be filtered using the various filters shown on the left navigation pane as seen in Figure 3.

Metropolitan Statistical Area (MSA)

The United States Office of Management and Budget (OMB) defines MSAs according to published standards that are applied to Census Bureau data. OMB generally defines a MSA as a core area containing a substantial population nucleus (e.g., at least 50,000 people), together with surrounding areas having a high degree of economic and social integration with that core.

Results can be refined by MSAs in the BLS QR tool. Select a MSA where you expect work will be performed or similar to where work will be performed. The MSA list is limited to areas where wage data exists for the selected occupation.

NAICS Code

Results can be refined by the North American Industry Classification System (NAICS) code to view occupations in a specific industry. Further filtering by NAICS enables the user to isolate rates related to the occupation selected and industry to meet their acquisition objective. For example, an occupation like "Management Analysts" is being performed across many industries, so selecting the appropriate industry is critical to returning the most representative pricing result. Begin typing the 6-digit code to select the preferred industry for nationwide results. BLS data for specific industry NAICS codes is not available for specific locations such as MSA and state.

Note: When a NAICS code other than 'All Industries (000000)' is applied to a MSA or State filter, it will lead to 0 results. Please remove the location filter(s) OR select the NAICS as 'All Industries' when using a specific location (MSA or state).

State

Results can be refined by a state or U.S. territory when data exists. When results are filtered by the state, the National Estimate Wage value is displayed to represent the geographical national average to guickly compare it to the state's wage.

Occupation Level

Results can be refined by the occupation levels mentioned in Table 1.

Table Results

Once the main search is generated, the table of results will display data if available. If too many results are returned, then results can be filtered by various criteria (e.g., MSA, NAICS code, State, or Occupation Level) as previously mentioned. See Figure 4 below for the layout of the results table.

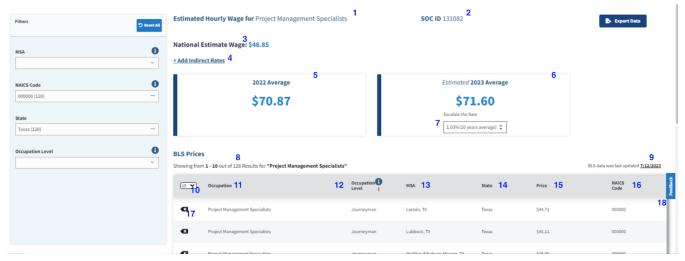


Figure 4 - Results Table Layout

- 1. Occupation Title selected
- 2. SOC ID (auto-populates when the Occupation Title is selected)
- 3. National Estimate Wage (The geographical national average for the selected occupation)
- 4. Add Indirect Rates (Learn more here)
- 5. Average Value (Represents the average price of the results)
- 6. Estimated Average Value (Represents the average value + the selected escalation rate)
- 7. Escalation Rates (2, 5, or 10 year averages OR enter a custom rate)
- 8. Total count of results
- 9. The last date BLS prices were pulled (This data is updated annually)
- 10. Select number of displayed results per page
- 11. Occupation

- 12. Occupation Level
- 13. MSA
- 14. State
- 15. Price
- 16. NAICS Code
- 17. Remove the result row (Removed rows cannot be restored unless a new search is generated)
- 18. Feedback Form (Submit issues, bugs, or enhancement requests)

BLS Average Cards

The BLS QR tool highlights summarized and future estimate information based on the results. The left card highlighted in Figure 5 displays the average of all prices listed in your search results. BLS does not recognize the SME occupational level and wage. SME is separately calculated by GSA as 25% greater than BLS's Senior occupational level (90th percentile wage). Because of this, the average price displayed will not equal the National Estimate Wage.

The right card highlighted in Figure 6 displays the estimated average with the selected escalation rate applied to help determine the next year's wage. The escalation rate can apply to the 2-year, 5-year, or 10-year ECI average based on the selected NAICS code. However, a custom rate may be applied if desired. Please refer to the BLS Escalation Rate Methodology for further information on escalation rates.

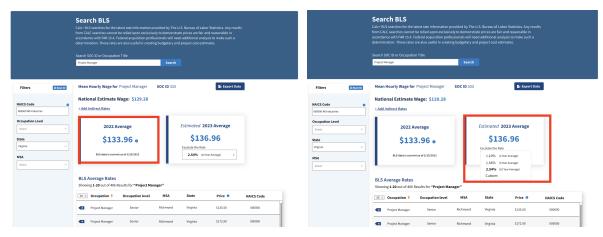


Figure 5 - BLS 2022 Average (Left Card)

Figure 6 - BLS 2023 Average (Right Card)

Indirect Rate Calculations

<u>Important Notice for Price Comparisons and Cost Estimates:</u> The BLS prices shown below only include unburdened wage rates, a portion of a vendor's overall hourly rate. Inputting

indirect rates such as General & Administrative, Overhead, Fringe, Profit, and Materials & Subcontracting are required to develop a comparable rate for estimation.

Click 'Add Indirect Rates' as shown in Figure 4 - Item 4. Enter the appropriate values for each Indirect Rate type as needed. Click Apply. By default, Indirect Rate calculations are applied to the Average value and Estimated Average value cards, but can be individually unapplied.

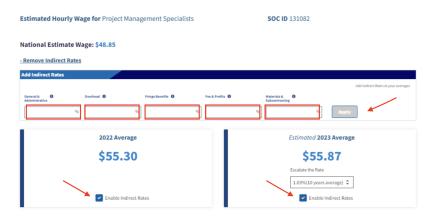


Figure 7 - Applying Indirect Rates

Calculation: Average Price with Indirect Rates Applied (Left card)

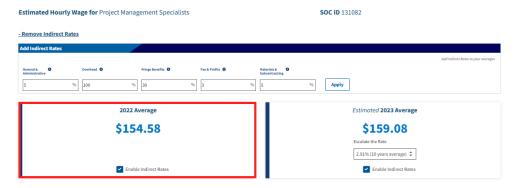


Figure 8 - Average Price with Indirect Rates Applied

A + (AxF) + ((A + AxF))xO + ((A + (AxF)xO)xM + ((A + ((AxF)xO)xM)xG) + ((A + AxF)xO)xM)xG)xFee

Average Price (A) | Fringe (F) | Overhead (O) | Materials & Subcontracting (M) | General & Administrative (G)

OR

Simplified Version:

Average Price + (Average Price x Fringe) + ((Average Price + (Average Price x Fringe)) x Overhead) + ((Average Price + (Average Price x Fringe)) x Overhead) x Materials & Subcontracting) + ((Average Price + ((Average Price x Fringe)) x Overhead) x Materials & Subcontracting) x General & Administration) + ((Average Price + (((Average Price x Fringe))) x Overhead) x Materials & Subcontracting) x General & Administrative) x Fee)

Calculation: Estimated Average Price with Indirect Rates Applied (Right card)

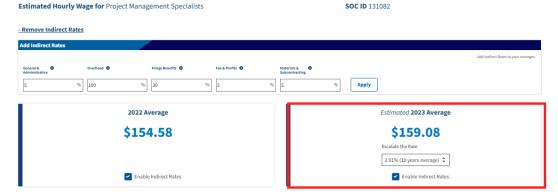


Figure 9 - Estimated Average Price with Indirect Rates Applied

$$E + (ExF) + ((E + ExF))xO + ((E + (ExF)xO)xM + ((E + ((ExF)xO)xM)xG) + ((E + ExF)xO)xM)xG)xFee$$

Estimated Average Price (E) | Fringe (F) | Overhead (O) | Materials & Subcontracting (M) | General & Administrative (G)

OR

Simplified Version:

Estimated Average Price + (Estimated Average Price x Fringe) + ((Estimated Average Price + (Estimated Average Price x Fringe)) x Overhead) + ((Estimated Average Price + (Estimated Average Price x Fringe) x Overhead) x Materials & Subcontracting) + ((Estimated Average Price + ((Estimated Average Price x Fringe) x Overhead) x Materials & Subcontracting) x General & Administration) + ((Estimated Average Price + (((Estimated Average Price x Fringe) x Overhead) x Materials & Subcontracting) x General & Administrative) x Fee)

Download and Export Results

Acquisition professionals should document:

- Search and filter criteria used in the guery
- All detailed data records obtained in the CALC+ tool output
- Verification that the labor category comparison made using CALC+ are the same or similar in accordance with FAR 15.4
- Any filtered or removed data records the CO determined were outliers or not the same/similar
- Any other supporting references to obtain pricing information

The ability to download the results with query/filter parameters is available for support documentation. Do not use the results table or graph as a basis for fair and reasonable pricing.



Figure 10 - Download & Export Feature

Export Data

Data can be exported in CSV format for viewing or editing in spreadsheet platforms such as Microsoft Excel or Google Sheets. Click Export Data to get started.

As a reminder, users must exercise independent business judgment while remaining compliant with all applicable regulations and guidance.

Points of Contact

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