

#### 8. Tailor Employee Benefits:

Evaluate the provided employee benefits section and determine its compatibility with the company's benefits strategy and offerings. Revise and expand the benefits section as needed to include policies such as personal leave, paid holidays, health and life insurance plans (if applicable), flexible working hours, and any additional unique benefits or perks provided by the company. Ensure compliance with relevant laws and regulations.

#### 9. Proofread and Finalize:

Thoroughly proofread the updated PECP template, ensuring accuracy, clarity, and consistency throughout the document. Cross-check all changes made against the original template and verify that the requirements outlined in the RFP instructions have been met.

#### 10. Maintain Documentation:

Keep a record of all modifications made to the original template, including dates, versions, and specific changes implemented. This documentation will be useful for future reference and potential audits.

By following these instructions, you can update the PECP template to suit your specific business needs and comply with the requirements of the OASIS+ RFP.

## Professional Employee Compensation Plan Template

### 1. Introduction:

- [Company Name]'s understanding of the importance of attracting and retaining a high-quality workforce.
- Recognition of the impact of low compensation on employee acquisition and retention.
- Commitment to being a competitive and balanced employer in terms of compensation.
- Emphasis on long-term success, employee satisfaction, and customer satisfaction.
- Assurance of offering the best compensation package possible.

### 2. Compensation and Benefits Plan:

- Compliance with government regulations, including FAR 52.222-46.
- Effectiveness in acquiring and retaining a highly qualified and motivated workforce.
- Provision of competitive salaries and benefits.
- Cost-effectiveness and competitiveness with industry standards.
- Consideration of work requirements, local market conditions, and applicable laws and regulations.

### 3. Wages and Salary Administration:

- Importance of attracting and retaining highly qualified technical personnel.
- Analysis of current market information specific to the industry and geographical area.
- Annual review to maintain a competitive and equitable position.
- Utilization of solicitation instructions and comparison with current compensation policies.
- Establishment of salary ranges for differentiation based on qualifications and contributions.
- Consideration of skill levels, education, experience, job difficulty, disciplines, complexities, performance requirements, etc.
- Regular review of salary ranges to align with industry and market trends.
- Budgeting and guidelines for salary increases to maintain competitiveness.

### 4. Performance Appraisals and Merit Salary Reviews:

- Formalized process of performance evaluation, including goal-setting and feedback.
- Annual formal performance appraisals and frequent informal appraisals.
- Merit-based salary reviews tied directly to performance evaluations.
- Recognition and reward of outstanding performance.
- No merit increases for poor or unsatisfactory performance, enrollment in performance improvement programs.

### 5. Employee Benefits:

- Provision of personal leave for vacation and sick leave.
- Gradual increase in personal leave based on years of employment.
- Paid time off on recognized federal holidays.

- Plans for future life and health insurance programs.
- Assistance in obtaining insurance through referrals and information resources.
- Flexibility in working hours, core work hours, and remote work opportunities.
- Additional benefits specific to the company's culture and priorities.
- Opportunities for growth, wearing multiple hats, and developing diverse business skills.

6. Conclusion:

- Goal of attracting and retaining qualified professionals.
- Commitment to long-term success and employee satisfaction.
- Assurance of delivering exceptional services to clients through a high-quality workforce.

Please note that this template provides a detailed outline for each section and considerations to be made. Companies should customize the template according to their specific needs, industry, and organizational culture.

## **Professional Employee Compensation Plan**

### **Introduction:**

[Insert company name] understands that the recompetition of service contracts may, in some cases, result in lower compensation (salaries and fringe benefits) for professional employees. This is detrimental to obtaining quality professional employees needed for adequate contract performance. Like the Government, we are concerned with the quality and stability of our workforce that will be employed to support OASIS+. Professional compensation that is unrealistically low or not in reasonable relationship to the various job categories will impair our ability to attract and retain competent professional employees. For these reasons, we recognize the need for a competitive and balanced professional employee compensation plan. We are not one of those companies that bids Government work at "cutthroat" prices. Such firms are thinking short term at best. The long-term effect is usually low employee wages, employee dissatisfaction, high employee turnover, poor performance, customer dissatisfaction, and ultimately loss of the contract through termination or re-competition.

As a service company, we recognize that our employees are literally the life of our company. The key to our long-term success is customer satisfaction; for a service company, customer satisfaction is directly linked to employee satisfaction, high motivation, and low turnover. Thus, we offer the best compensation package possible to our employees.

Our attitude and intent are to be a family and employee-friendly employer while still requiring a high level of performance. The compensation package and work environment we offer our employees are developed with an eye to employee satisfaction, long-term retention, and customer satisfaction. The goal of our professional employee compensation is to attract and retain qualified professionals to serve the needs of our clients. Our compensation package is competitive with those offered by other employers of a similar size providing similar services.

### **Compensation and Benefits Plan:**

Our Professional Employee Compensation Plan is fully compliant with all Government regulations and has been very effective in acquiring and retaining a highly qualified and motivated workforce in the past. Our compensation program provides competitive salaries and benefits. The program is both cost-effective and competitive with others in the industry. We understand that the development and maintenance of equitable and cost-effective compensation plans require an in-depth knowledge of the work requirements, local market conditions, and applicable laws and regulations. Our compensation plan has been structured to reflect these elements. Our Professional Employee Compensation Plan (PECP) complies with the requirements of FAR 52.222-46, Evaluation and Compensation for Professional Employees, and with the requirements of the Solicitation.

### **Wages and Salary Administration:**

Attracting and retaining highly qualified technical personnel requires a compensation program that is competitive in the market and fair to the employee. Our wages and salaries are based on an analysis of current market information for the positions needed to perform in the DC Metro Area market successfully. Up-to-date market data is an important consideration in the recruitment and retention of the uniquely qualified personnel needed to meet the requirements of any client. Our wages, salary rates, and ranges are reviewed annually to ensure we maintain a competitive and equitable position.

For OASIS+, we used the instructions found in the solicitation regarding the use of labor rates. We then compared those wages to that paid to our current employees and current compensation policies and used that as the basis for our proposed maximum rates and the proposed rate range for each position shown in the table below. For each job title, a salary range has been established, allowing for salary differentiation based on skill levels, education, experience, job difficulty, disciplines, complexities, performance requirements, etc. The established ranges will allow us to bring to bear the right combination of experience and skills as suited to the needs of the work to be performed.

Salary ranges are reviewed as needed to ensure consistency with changes in industry and current salary market trends. Similarly, salary increase budgets and salary guidelines will be established each year to allow us to maintain a competitive posture consistent with program needs.

**Salary Range Table:**

<b>Labor Category Name</b>	<b>Min Price</b>	<b>Median Price</b>	<b>Max Price</b>
Engineer, All Other (SME)			
Manager, All Other (SME)			
Management Analyst (SME)			
Operations Research Analyst (SME)			
Business Operations Specialist, All Other (SME)			
Administrative Services Managers (SME)			
General or Operations Managers (SME)			
Accountant or Auditors (SME)			
Financial Specialist, All Other (SME)			
Training and Development Specialists (SME)			
Executive Secretary or Executive Administrative Assistants (SME)			
Logisticians (SME)			

Financial or Investment Analysts (SME)			
Training and Development Managers (SME)			
Other Teachers and Instructors (SME)			
Human Resources Specialists (SME)			
Maintenance and Repair Workers (SME)			
Environmental Scientists and Specialists, Including Health (SME)			
Social Scientists and Related Workers (SME)			
Public Relations Specialists (SME)			

Increasing the salary range for upper salary level jobs allows for variation in pay rates relative to individual performance and provides the opportunity for an individual to attain a greater level of proficiency. The range spread is 40% for all labor categories. This spread allows the ranking of positions to establish career path progression opportunities. Positions are assigned to salary ranges where the midpoint reflects the median rate, which represents a fully qualified and trained incumbent.

The following are the key features of the Salary Management Program:

- Annual formal performance appraisals
- Salary reviews progression structures
- Salary ranges based on annual job
- Uniform grading system market analysis

Nonexempt Fair Labor Standards Act (FLSA) Wage Rates:

No nonexempt (non-salaried) employees are anticipated to be used. For that reason, this program is exempt from the Service Contract Act per FAR 52.222-53, Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services—Requirements (May 2014), which is included in the solicitation.

Exempt Salary Ranges:

These range spreads are designed to allow adequate salary growth within the range, consistent with industry parameters. Increasing the salary dollar opportunity for higher salary level jobs better allows for variation in pay rates relative to individual performance and allows for the longer time required for an individual to attain a level of competency or proficiency because of more complex responsibilities.

A salary increase fund (included as escalated wages in our cost proposal) is used to allow two types of pay increases: merit and promotion. The salary plan rewards employees based on individual and team contributions. We plan to use an annual merit review process directly linked to performance evaluations, rather than cost-of-living adjustments or other forms of automatic or across-the-board increases.

**Performance Appraisals and Merit Salary Reviews:**

Recognizing and rewarding outstanding performance is central to effective salary administration and employee retention. We manage employee performance and recognition by formalizing the process of performance evaluation. Employees participate in this process by assisting in setting goals and objectives and are formally appraised at least once a year. Informal appraisals occur more frequently.

Annual employee salary review is tied directly to the performance appraisal. Those whose performance is rated very good to excellent receive more attractive merit increases than those rated as good. Employees who are rated poor or unsatisfactory receive no merit increases and are enrolled in performance improvement programs.

**Employee Benefits:**

Personal Leave:

Our employees begin to earn personal leave immediately. Personal leave may be used by an employee to take time off during the normal workweek, including vacation and sick leave. Two weeks of personal leave per year can be earned during the first two years of employment. Three weeks of personal leave can be earned per year during an employee's third, fourth, and fifth years of employment. Beginning with year six, an employee can earn four weeks of personal leave per year.

Holidays:

We offer employees paid time off on each of the 10 Federal Holidays as follows:

Federal law (5 U.S.C. 6103) establishes the following public holidays for Federal employees. We also observe these holidays. Most employees work on a Monday through Friday schedule. For these employees, when a holiday falls on a non-workday -- Saturday or Sunday -- the holiday usually is observed on Monday (if the holiday falls on Sunday) or Friday (if the holiday falls on Saturday).

- New Year's Day
- Birthday of Martin Luther King, Jr.
- Washington's Birthday
- Memorial Day
- Juneteenth National Independence Day

Independence Day  
Labor Day  
Columbus Day  
Veterans Day  
Thanksgiving Day  
Christmas Day

Life/Health Insurance:

We have plans to offer both life and health insurance programs to our employees in the future. As a small business with relatively few employees, we do not currently offer these benefits; however, we plan to ensure our full compliance with the Affordable Care Act.

Most employers deduct part or all of an employee's insurance premiums from the employee's pay. Since we do not offer these insurances, we make no such deductions. That means our employees have more money available to purchase insurance if desired.

For employees requiring life and health insurance, we provide assistance to help them purchase insurance affordably on their own. The assistance we provide includes referring to and providing information on Internet resources where various insurance programs and associated costs can be researched. If desired by the employee, we also allow an insurance agent to come in during work hours and present advice on programs and costs.

Other Benefits:

In addition to the above, we offer flexible working hours to our employees; we have core work hours of 10:00 am to 3:00 pm, and employees can work the balance of their time around the core as they choose. If the needs of the client permit, we provide employees with the opportunity to work a portion of their week remotely from home or another location. This benefits the employee and the company. Among other things, it benefits the employee by eliminating commute time and helps the employee out when childcare issues may arise. As a result, our benefits include lower overhead costs and increased employee satisfaction.

In addition to the above, there are many other "non-traditional" benefits to working for our company. We are a small growing business. This means that our employees have a real opportunity to grow their job and advance rapidly. They have the opportunity to wear many hats and work closely with all aspects of the business. As a result, they learn numerous business skills including engineering, drafting, operations, project management, accounting, budgeting, invoicing, collections, procurement, information technology, planning, estimating, etc., etc. This results in a more satisfying work experience for the employee and a more rounded, capable employee for us. All of these are benefits not available from larger employers who require their employees to work in narrowly focused positions.



**Conclusion:**

Our professional employee compensation plan has a simple goal: to attract and retain qualified professionals to serve the needs of our clients. Our long-term success depends on it, and we are committed to making it happen.

**Instructions: Below are two sample uncompensated overtime (UOT) policies. One to use if you do track UOT and one to use if you do not track UOT. Choose the one that suits your business practices. Delete the other one and also be sure to delete the yellow highlighted items in this sample before submitting your proposal. Also, fill in your company name in the italicized and underlined areas. .**

**Sample Policy if You Do Track Uncompensated Overtime.**

*[Insert Company Name]*

Policy Regarding Uncompensated Overtime

It is the policy of *[Insert Company Name]* to have and enforce a policy for pay practices related to the compensation and pay of employees.

Policy: Uncompensated overtime is required to be tracked and recorded accurately.

*[Insert Company Name]* notifies employees, including those exempt and non-exempt under the Fair Labor Standards Act (FLSA), of the following Uncompensated Overtime Policy upon hire.

Employees Exempt under the Fair Labor Standards Act:

1. Tracking Procedure: Exempt employees will track their uncompensated overtime hours in accordance with the procedures set in the Employee Time Sheet policy. Please refer to the Employee Time Sheet policy for specific guidelines and instructions on accurately recording and reporting uncompensated overtime.

2. Definition of "Uncompensated Overtime": "Uncompensated overtime" refers to the hours worked without additional compensation in excess of an average of 40 hours per week by direct charge employees who are exempt from the Fair Labor Standards Act. It includes hours exceeding the standard 40-hour workweek. Compensated personal absences such as holidays, vacations, and sick leave shall be included in the normal workweek for the purpose of computing uncompensated overtime hours.

3. Overtime Approval Process for Exempt Employees: Although exempt employees are not eligible for overtime pay, there may be instances where their workload requires prior approval or authorization to work beyond the standard 40-hour workweek. Exempt employees should seek approval from their supervisor for any additional hours beyond the standard workweek, even if those hours are not compensated as overtime.

4. Purpose and Rationale: The purpose of tracking uncompensated overtime is to ensure accurate record-keeping and to assess workload demands. It allows *[Insert Company Name]* to monitor and manage resources effectively, allocate work assignments, and make informed decisions regarding workload distribution and staffing needs.

Employees Not Exempt under the Fair Labor Standards Act:

1. Tracking Procedure: Non-exempt employees are required to track their actual work hours, including overtime, in accordance with the procedures set in the Employee Time Sheet policy. Please refer to the Employee Time Sheet policy for specific guidelines and instructions on accurately recording and reporting work hours.

2. Overtime Compensation: Hourly non-exempt employees may not work more than forty (40) hours in a given week unless overtime is approved by the supervisor, with written approval from the customer and with approval by the CEO. If approved, any time worked over forty (40) hours in a given week is paid at a rate of one and a half (1-1/2) times the hourly rate for that particular employee. Different overtime rules may apply in other states (for example, California where over 8 hours per day is overtime), and governing state laws will be followed as required.

Note: Please ensure compliance with all applicable federal and state laws governing overtime and consult the Employee Time Sheet policy for specific guidelines on tracking work hours and overtime.

By implementing this revised policy, *[Insert Company Name]* aims to maintain accurate records of both uncompensated overtime for exempt employees and work hours with appropriate overtime compensation for non-exempt employees in accordance with applicable regulations.

A salary increase fund (included as escalated wages in our cost proposal) is used to allow two types of pay increases: merit and promotion. The salary plan rewards employees based on individual and team contributions. We plan to use an annual merit review process directly linked to performance evaluations, rather than cost-of-living adjustments or other forms of automatic or across-the-board increases.

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Most employers deduct part or all of an employee's insurance premiums from the employee's pay. Since we do not offer these insurances, we make no such deductions. That means our employees have more money available to purchase insurance if desired.

For employees requiring life and health insurance, we provide assistance to help them purchase insurance affordably on their own. The assistance we provide includes referring to and providing information on Internet resources where various insurance programs and associated costs can be researched. If desired by the employee, we also allow an insurance agent to come in during work hours and present advice on programs and costs.

Other Benefits:

In addition to the above, we offer flexible working hours to our employees; we have core work hours of 10:00 am to 3:00 pm, and employees can work the balance of their time around the core as they choose. If the needs of the client permit, we provide employees with the opportunity to work a portion of their week remotely from home or another location. This benefits the employee and the company. Among other things, it benefits the employee by eliminating commute time and helps the employee out when childcare issues may arise. As a result, our benefits include lower overhead costs and increased employee satisfaction.

In addition to the above, there are many other "non-traditional" benefits to working for our company. We are a small growing business. This means that our employees have a real opportunity to grow their job and advance rapidly. They have the opportunity to wear many hats and work closely with all aspects of the business. As a result, they learn numerous business skills including engineering, drafting, operations, project management, accounting, budgeting, invoicing, collections, procurement, information technology, planning, estimating, etc., etc. This results in a more satisfying work experience for the employee and a more rounded, capable employee for us. All of these are benefits not available from larger employers who require their employees to work in narrowly focused positions.

**Conclusion:**

Our professional employee compensation plan has a simple goal: to attract and retain qualified professionals to serve the needs of our clients. Our long-term success depends on it, and we are committed to making it happen.

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**Sample Policy if You Do Track Uncompensated Overtime.**

*[Insert Company Name]*

Policy Regarding Uncompensated Overtime

It is the policy of *[Insert Company Name]* to have and enforce a policy for pay practices related to the compensation and pay of employees.

Policy: Uncompensated overtime is required to be tracked and recorded accurately.

*[Insert Company Name]* notifies employees, including those exempt and non-exempt under the Fair Labor Standards Act (FLSA), of the following Uncompensated Overtime Policy upon hire.

Employees Exempt under the Fair Labor Standards Act:

1. Tracking Procedure: Exempt employees will track their uncompensated overtime hours in accordance with the procedures set in the Employee Time Sheet policy. Please refer to the Employee Time Sheet policy for specific guidelines and instructions on accurately recording and reporting uncompensated overtime.

2. Definition of "Uncompensated Overtime": "Uncompensated overtime" refers to the hours worked without additional compensation in excess of an average of 40 hours per week by direct charge employees who are exempt from the Fair Labor Standards Act. It includes hours exceeding the standard 40-hour workweek. Compensated personal absences such as holidays, vacations, and sick leave shall be included in the normal workweek for the purpose of computing uncompensated overtime hours.

3. Overtime Approval Process for Exempt Employees: Although exempt employees are not eligible for overtime pay, there may be instances where their workload requires prior approval or authorization to work beyond the standard 40-hour workweek. Exempt employees should seek approval from their supervisor for any additional hours beyond the standard workweek, even if those hours are not compensated as overtime.

4. Purpose and Rationale: The purpose of tracking uncompensated overtime is to ensure accurate record-keeping and to assess workload demands. It allows [Insert Company Name] to monitor and manage resources effectively, allocate work assignments, and make informed decisions regarding workload distribution and staffing needs.

Employees Not Exempt under the Fair Labor Standards Act:

1. Tracking Procedure: Non-exempt employees are required to track their actual work hours, including overtime, in accordance with the procedures set in the Employee Time Sheet policy. Please refer to the Employee Time Sheet policy for specific guidelines and instructions on accurately recording and reporting work hours.

2. Overtime Compensation: Hourly non-exempt employees may not work more than forty (40) hours in a given week unless overtime is approved by the supervisor, with written approval from the customer and with approval by the CEO. If approved, any time worked over forty (40) hours in a given week is paid at a rate of one and a half (1-1/2) times the hourly rate for that particular employee. Different overtime rules may apply in other states (for example, California where over 8 hours per day is overtime), and governing state laws will be followed as required.

Note: Please ensure compliance with all applicable federal and state laws governing overtime and consult the Employee Time Sheet policy for specific guidelines on tracking work hours and overtime.

By implementing this revised policy, [Insert Company Name] aims to maintain accurate records of both uncompensated overtime for exempt employees and work hours with appropriate overtime compensation for non-exempt employees in accordance with applicable regulations.



**Sample Policy if You Do Not Track Uncompensated Overtime.**

***[Insert Company Name]***

Policy Regarding Uncompensated Overtime

It is the policy of *[Insert Company Name]* to have and enforce a policy for pay practices related to the compensation and pay of employees.

Policy: Uncompensated overtime is not required or tracked. We do not calculate an uncompensated overtime rate.

Explanation of Policy: Exempt employees receive a fixed weekly salary and are professionals within their respective disciplines. While they may work in excess of the standard 40-hour schedule to accomplish their tasks and objectives, these additional hours are not separately compensated. Instead, they contribute to increased exempt per capita productivity. Our proposed price remains unaffected by the use of uncompensated hours for exempt employees, as it is neither inflated nor diluted.

Responsibilities of Exempt Employees:

1. Workload Management: Exempt employees are responsible for effectively managing their workload within the standard work hours. This includes prioritizing tasks, planning and organizing work, and utilizing time management strategies to achieve objectives efficiently.
2. Work-Life Balance: While the company recognizes the commitment and dedication of exempt employees, we also encourage them to maintain a healthy work-life balance. It is important for employees to prioritize their well-being outside of work and take appropriate measures to prevent excessive working hours that may affect their personal lives.

Compliance with Applicable Laws: *[Insert Company Name]* is committed to complying with all relevant state and federal overtime laws and regulations. We will ensure adherence to applicable provisions and guidelines, including any specific regulations regarding overtime in different states, such as California.

Impact on Proposed Price: Our proposed price is developed based on a comprehensive assessment of project requirements, resource allocation, and cost estimation. While the

increased exempt per capita productivity resulting from additional hours worked without separate compensation adds value to our efforts, it is considered within the overall project pricing or cost estimation process. Our pricing structure remains consistent and is not influenced by the use of uncompensated hours for exempt employees.

By implementing this revised policy, *[Insert Company Name]* emphasizes the importance of workload management and work-life balance for exempt employees while maintaining compliance with relevant labor laws and ensuring transparency in project pricing.

**Conclusion:**

Our professional employee compensation plan has a simple goal: to attract and retain qualified professionals to serve the needs of our clients. Our long-term success depends on it, and we are committed to making it happen.

**Instructions: Below are two sample uncompensated overtime (UOT) policies. One to use if you do track UOT and one to use if you do not track UOT. Choose the one that suits your business practices. Delete the other one and also be sure to delete the yellow highlighted items in this sample before submitting your proposal. Also, fill in your company name in the italicized and underlined areas. .**

**Sample Policy if You Do Track Uncompensated Overtime.**

*[Insert Company Name]*

Policy Regarding Uncompensated Overtime

It is the policy of *[Insert Company Name]* to have and enforce a policy for pay practices related to the compensation and pay of employees.

Policy: Uncompensated overtime is required to be tracked and recorded accurately.

*[Insert Company Name]* notifies employees, including those exempt and non-exempt under the Fair Labor Standards Act (FLSA), of the following Uncompensated Overtime Policy upon hire.

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1. Tracking Procedure: Exempt employees will track their uncompensated overtime hours in accordance with the procedures set in the Employee Time Sheet policy. Please refer to the Employee Time Sheet policy for specific guidelines and instructions on accurately recording and reporting uncompensated overtime.

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3. Overtime Approval Process for Exempt Employees: Although exempt employees are not eligible for overtime pay, there may be instances where their workload requires prior approval or authorization to work beyond the standard 40-hour workweek. Exempt employees should seek approval from their supervisor for any additional hours beyond the standard workweek, even if those hours are not compensated as overtime.

4. Purpose and Rationale: The purpose of tracking uncompensated overtime is to ensure accurate record-keeping and to assess workload demands. It allows *[Insert Company Name]* to monitor and manage resources effectively, allocate work assignments, and make informed decisions regarding workload distribution and staffing needs.

Employees Not Exempt under the Fair Labor Standards Act:

1. Tracking Procedure: Non-exempt employees are required to track their actual work hours, including overtime, in accordance with the procedures set in the Employee Time Sheet policy. Please refer to the Employee Time Sheet policy for specific guidelines and instructions on accurately recording and reporting work hours.

2. Overtime Compensation: Hourly non-exempt employees may not work more than forty (40) hours in a given week unless overtime is approved by the supervisor, with written approval from the customer and with approval by the CEO. If approved, any time worked over forty (40) hours in a given week is paid at a rate of one and a half (1-1/2) times the hourly rate for that particular employee. Different overtime rules may apply in other states (for example, California where over 8 hours per day is overtime), and governing state laws will be followed as required.

Note: Please ensure compliance with all applicable federal and state laws governing overtime and consult the Employee Time Sheet policy for specific guidelines on tracking work hours and overtime.

By implementing this revised policy, *[Insert Company Name]* aims to maintain accurate records of both uncompensated overtime for exempt employees and work hours with appropriate overtime compensation for non-exempt employees in accordance with applicable regulations.

**Sample Policy if You Do Not Track Uncompensated Overtime.**

***[Insert Company Name]***

Policy Regarding Uncompensated Overtime

It is the policy of *[Insert Company Name]* to have and enforce a policy for pay practices related to the compensation and pay of employees.

Policy: Uncompensated overtime is not required or tracked. We do not calculate an uncompensated overtime rate.

Explanation of Policy: Exempt employees receive a fixed weekly salary and are professionals within their respective disciplines. While they may work in excess of the standard 40-hour schedule to accomplish their tasks and objectives, these additional hours are not separately compensated. Instead, they contribute to increased exempt per capita productivity. Our proposed price remains unaffected by the use of uncompensated hours for exempt employees, as it is neither inflated nor diluted.

Responsibilities of Exempt Employees:

1. Workload Management: Exempt employees are responsible for effectively managing their workload within the standard work hours. This includes prioritizing tasks, planning and organizing work, and utilizing time management strategies to achieve objectives efficiently.
2. Work-Life Balance: While the company recognizes the commitment and dedication of exempt employees, we also encourage them to maintain a healthy work-life balance. It is important for employees to prioritize their well-being outside of work and take appropriate measures to prevent excessive working hours that may affect their personal lives.

Compliance with Applicable Laws: *[Insert Company Name]* is committed to complying with all relevant state and federal overtime laws and regulations. We will ensure adherence to applicable provisions and guidelines, including any specific regulations regarding overtime in different states, such as California.

Impact on Proposed Price: Our proposed price is developed based on a comprehensive assessment of project requirements, resource allocation, and cost estimation. While the

increased exempt per capita productivity resulting from additional hours worked without separate compensation adds value to our efforts, it is considered within the overall project pricing or cost estimation process. Our pricing structure remains consistent and is not influenced by the use of uncompensated hours for exempt employees.

By implementing this revised policy, *[Insert Company Name]* emphasizes the importance of workload management and work-life balance for exempt employees while maintaining compliance with relevant labor laws and ensuring transparency in project pricing.