

Construction Contractor  
Address

Re: Contract N62470- -C- , Contract Title

Gentlemen:

You recently indicated that one of your subcontractors takes exception to the Naval Facilities Engineering Command's standard overhead rates. As you are aware, any contractor may use actual experienced overhead rates in lieu of the standard rates. If your subcontractor chooses to use nonstandard rates, please have them furnish the following information:

- a) Complete set of their most current annual financial statements, including all notes. They may also wish to send a copy of their most current monthly statements.
- b) Schedule of general and administrative expenses.
- c) List of all personnel included in general and administrative salary expenses.
- d) List of vehicles and equipment depreciated in general administrative expenses.
- e) Explanation of any advertising included in general and administrative expenses.
- f) List of all rental/leased property.
- g) Itemized list of utilities included in general and administrative expenses; i.e. telephone, etc.
- h) List of vehicles used by office staff, indicating any personal use by percentage.
- i) List of major construction equipment.
- j) Itemized list of professional fees paid that were included in general and administrative expenses.
- k) Amount of direct labor, workers' compensation, payroll taxes, and fringe benefits for direct labor.

Please furnish the above information to: EFD/EFA

We will use standard overhead rates on all modifications unless or until we have an official audited rate. Please advise your AROICC of your intent concerning the modified rates. If you need further information or assistance, please call EFD/EFA contact at ; Fax . Direct any other questions to your AROICC,

Sincerely,

Supervisory General Engineer

Copy to:  
Code AQ.....