

EXHIBIT 1
XYZ CORPORATION
HOURLY BILLING RATES
December 31, 2008

EMPLOYEE CLASSIFICATION	Actual Hourly Labor Rate	Payroll Additives 61.67%	G & A Overhead 82.18%	Profit 10.00%	Billing Rate
		(1)	(2)	(3)	(4)
Partner	60.00	37.00	49.31	17.56	163.87
Engineer 4	55.00	33.92	45.20	16.09	150.21
Engineer 3	50.00	30.84	41.09	14.63	136.56
Engineer 2	45.00	27.75	36.98	13.17	122.90
Engineer 1	40.00	24.67	32.87	11.70	109.24
Technician 4	35.00	21.58	28.76	10.24	95.59
Technician 3	30.00	18.50	24.65	8.78	81.93
Technician 2	25.00	15.42	20.55	7.32	68.28
Technician 1	20.00	12.33	16.44	5.85	54.62
Typist	15.00	9.25	12.33	4.39	40.97

SAMPLE FORMAT

Note:

* The above categories and amounts are for **illustration purposes only** and should not be mistaken for allowable or acceptable rates. Rates must be based on actual costs incurred by your company.

* Maximum allowable Profit is 12%

(1) Payroll Additive = 37.00 = 60 * .6176

(2) G & A Overhead = 49.31 = 60 * .8218

(3) Profit = 17.56 = (60 + 37 + 49.31) * .12

(4) Billing Rate = 163.87 = 60 + 37 + 49.31 + 17.56

XYZ CORPORATION
OVERHEAD SCHEDULE
December 31, 2007

DESCRIPTION	TOTAL PER RECORDS	ADJUSTMENTS (UNALLOWABLES)	ADJUSTED AMOUNT	PERCENT (1)
Direct Labor Base	\$1,320,565.00	\$26,703.00	\$1,347,268.00	(2)
Payroll Additives				
Vacations	161,578.00		161,578.00	11.99%
Holidays	54,250.00		54,250.00	4.03%
Sick Leave	24,972.00		24,972.00	1.85%
Payroll Taxes	147,870.00		147,870.00	10.98%
Employee Insurance	90,043.00		90,043.00	6.68%
Unemployment Taxes	17,528.00		17,528.00	1.30%
Worker's Compensation	7,564.00		7,564.00	0.56%
Retirement	39,998.00	430.00	40,428.00	3.00%
Bonuses	300,201.00	(13,588.00)	286,613.00	21.27%
	<u>844,004.00</u>	<u>(13,158.00)</u>	<u>830,846.00</u>	<u>61.67%</u>
General Overhead				
Indirect Labor	597,632.00	(34,164.00)	563,468.00	41.82% (3)
Rent	142,947.00		142,947.00	10.61%
Repairs and Maintenance	17,785.00		17,785.00	1.32%
Telephone	18,604.00	(1,232.00)	17,372.00	1.29%
Legal and Accounting Services	71,006.00	(5,570.00)	65,436.00	4.86%
Office Supplies	65,386.00		65,386.00	4.85%
Insurance	101,571.00	(7,590.00)	93,981.00	6.98%
Printing	82,585.00	(4,490.00)	78,095.00	5.80%
Computer Expenses	59,967.00	(52,741.00)	7,226.00	0.54%
Transportation	35,749.00	(24,939.00)	10,810.00	0.80%
Dues, Registrations, Seminars	31,186.00	(552.00)	30,634.00	2.27%
Subscriptions and Publications	6,444.00		6,444.00	0.48%
Depreciation	78,703.00	(59,829.00)	18,874.00	1.40%
Mileage Reimbursement	(15,694.00)		(15,694.00)	-1.16% (4)
Advertising and Promotion	9,218.00	(9,218.00)		0.00%
Bad Debts	12,007.00	(12,007.00)		0.00%
Entertainment	3,800.00	(3,800.00)		0.00%
Contributions	1,110.00	(1,110.00)		0.00%
Federal Income Tax	66,258.00	(66,258.00)		0.00%
Interest	7,535.00	(7,535.00)		0.00%
Miscellaneous	14,876.00	(10,508.00)	4,368.00	0.32%
Total	<u>1,408,675.00</u>	<u>(301,543.00)</u>	<u>1,107,132.00</u>	<u>82.18%</u>
Total Overhead Costs	<u>\$2,252,679.00</u>	<u>(\$314,701.00)</u>	<u>\$1,937,978.00</u>	<u>143.85%</u>

See next page for notes:

SAMPLE FORMAT

NOTE:

The above categories and amounts are for **illustration purposes only** and should not be mistaken for allowable or acceptable overhead rates. Overhead rates must be based on actual costs incurred by your company.

- (1) Percent is Adjusted Amount divided by Adjusted Direct Labor Base Amount.
- (2) Adjustments may need to be made to reclassify some indirect labor to direct labor
- (3) Unallowable indirect labor such as marketing salaries or project labor not billed should be removed.
- (4) Adjustments must be made for any expenses shown above for which reimbursement has been received, such as travel expenses billed directly to a client.

COMMON UNALLOWABLE COSTS

Information related to the allowability of various types of costs can be found in the Code of Federal Regulations, 48 CFR Chapter 1, Part 31, Contract Cost Principles and Procedures. All consulting services contracts with the Department are governed by these regulations which are commonly referred to as the FARs. Listed below are some commonly encountered unallowable costs. This list should not be construed as all inclusive and we recommend the consultant refer to the FARs for any particular cost which appears to be questionable.

	<u>Common Unallowable Costs</u>
31.201-6(c)	Expenses with no supporting documentation
31.205-1	Public relations and advertising costs
31.205-3	Bad debts
31.205-6(f)	Compensation - See MoDOT policy. Compensation in the form of bonuses or incentive awards are allowable costs. However, bonus amounts for partners, principals, officers, or stockholders is limited to the amount of bonus paid to the most highly compensated regular employee.
31.205-8	Donations
31.205-11	Depreciation in excess of amounts claimed on federal tax returns
31.205-13	Gifts for employees, flowers
31.205-14	Entertainment costs, Christmas parties, gifts for customers
31.205-15	Fines, penalties and mischarging costs
31.205-19	Key man life insurance premiums
31.205-20	Interest expense
31.205-22	Lobbying and political activity costs
31.205-36(b)(3)	Related party profit portion on rent -- See also MoDOT policy on common control. If a firm incurs rental costs through the rental of a facility from a related party (i.e., an owner, principal, officer, stockholder, or anyone related by blood or marriage to an owner, principal, officer or stockholder) then the charges allowed for rent cannot exceed the normal costs of ownership, such as depreciation, taxes, insurance, facilities capital cost of money and maintenance.
31.205-41	Federal income and excess profits taxes and tax preparation
31.205-51	Alcoholic beverages