COST ASSESSMENT DATA ENTERPRISE

1921-3

CADE Cost & Technical Focus Group

October 22, 2020

Background Information

Overview

- The 1921-3 report is the "Contractor Business Data Report," or "CBDR." It is an annual report at the business level that provides rates data and facilitates overhead analysis.

- For the past two years, contractors have had the option to submit either the Government-defined standard format (Legacy) or the contractor unique format (Contractor).

- Starting this year the 1921-3 report is transitioning from the Legacy format to Contractor format.

- New 1921-3 DID awaiting approval from WHS

Why a new DID?

1921-3 Cost Data

- Direct Labor Rates
- Overheads
  - Overhead base, pool, and rate
    Overhead base by program
  - Overhead pool by component

Benefits of Contractor format vs. Government-mandated format

- Eliminates allocation issues
- Contractor rates align with
  - FPRs
  - DCAA Audits
  - Proposals/Negotiations
  - Pricing Models/Wrap Rates
- Less burdensome for contractors to prepare than existing policy
- Provides cost analysts enhanced insight into contractor rates

Direct Labor Rates

- The Legacy format required business entities to convert their **direct labor rates** into the **standard government categories** shown in the table below.

- In the example to the right, the contractor has three distinct engineering **direct labor rates,** possibly varying by location, experience, or type of labor. In the Legacy format below, the contractor is forced to average these distinct direct labor rates.

- The **direct labor rates** reported in the **Contractor format** should align with those reported in the contractor's FPR.

Contractor format

Section C: Direct Labor Rate Summary

Direct Labor Rate Category	2018	2019	2020
Engineering A	$42.67	$46.94	$51.63
Engineering B	$62.12	$68.33	$75.17
Engineering C	$57.34	$63.07	$69.38
Manufacturing A	$45.54	$45.54	$46.54
Manufacturing B	$46.45	$46.45	$47.47
Manufacturing C	$47.38	$47.38	$48.42
Quality	$48.33	$48.33	$49.39
Remote Site	$49.29	$49.29	$50.38
Program Support	$50.28	$50.28	$51.38

Legacy format

	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Prior Year	Year: 2016	Year: 2017
DIRECT LABOR RATES (FUNCTIONAL CATEGORIES)	**Basic Rate$ c**	**Effective Rate$ d**	**Basic Rate$ c**	**Effective Rate$ d**	**Basic Rate$ c**	**Effective Rate$ d**	**Basic Rate$ c**	**Effective Rate$ d**	**Basic Rate$ c**	**Basic Rate$ c**	**Basic Rate$ c**
1. Engineering - Direct Labor	58.21	59.33	59.90	60.12	60.10	61.21	57.56	60.12	58.67	57.21	59.92
2. Manufacturing Operations - Direct Labor											
a. Tooling - Direct Labor	53.59	64.49	57.58	57.12	58.72	63.26	61.00	62.65	55.30	57.01	58.77
b. Quality Control - Direct Labor	56.71	53.98	51.41	58.93	49.82	53.98	52.47	58.93	51.41	53.00	54.64
c. Manufacturing - Direct Labor	54.48	63.13	56.16	56.52	59.53	64.34	58.97	63.13	54.48	56.16	57.90

Overhead Base Details

- The Contractor format allows the business entities to report **costs** and **hours** **according to the categories in their internal accounting records** rather than according to government-defined categories.

- In the example below, the Legacy format requires a contractor to consolidate all Manufacturing Operations costs into **one functional category**, regardless of whether the contractor has multiple sites/rates.

Legacy format

	Manufacturing Operations		
Program Name a	Workers h	Dollars i	Hours j
1. Program 1	65	$17,834	451
2. Program 2	70	$1,424	40
3. Program 3	68	$1,201	67
4. Program 4	42	$3,046	143
5. Program 5	119	$2,472	594
6. Program 6	73	$10,663	360
7. Program 7	116	$8,967	192
8. Program 8	75	$11,198	261
9. Program 9	44	$5,314	160
10. Program 10	94	$2,379	102
11. Other DoD Effort	63	$1,116	39
12. Other Government Effort	66	$913	244
13. Commercial Effort	69	$52	86

Note: legacy format dollars and hours are in thousands

Contractor format

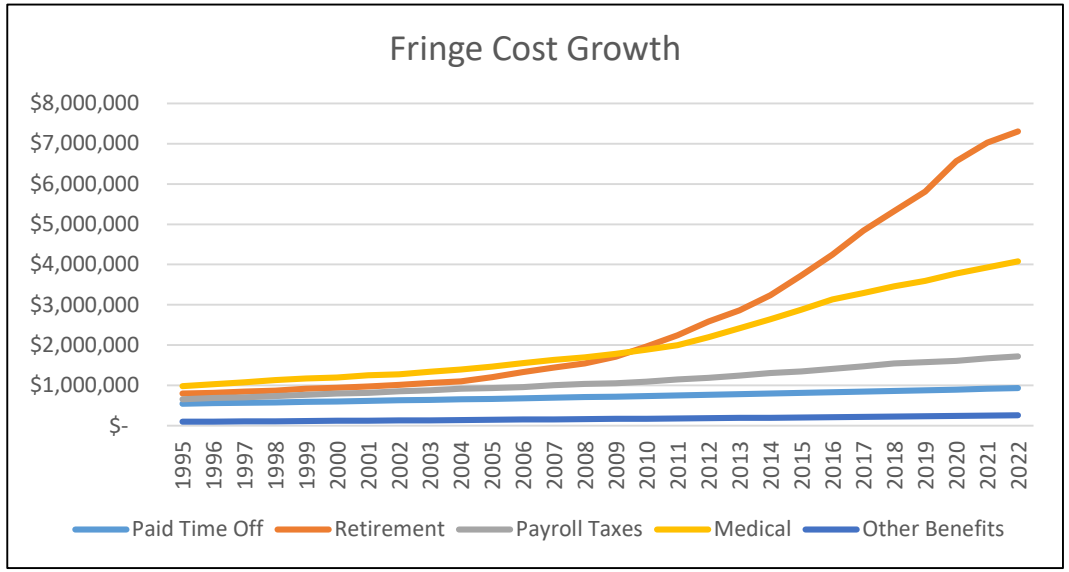
Section F. Overhead Base Details

Business Unit Overheads	Buyer	Program Name	Direct Dollars/Hours	2018	2019
Manufacturing Site 1	Navy	Program 1	Dollars	$ 5,350,200.00	$ 5,510,706.00
Manufacturing Site 1	Army	Program 2	Dollars	$ 427,200.00	$ 440,016.00
Manufacturing Site 1	Commercial		Dollars	$ 20,500.00	$ 21,115.00
Manufacturing Site 1	Navy	Program 1	Hours	180400	185812
Manufacturing Site 1	Army	Program 2	Hours	16000	16480
Manufacturing Site 1	Commercial		Hours	34400	35432
Manufacturing Site 2	Navy	Program 1	Dollars	$ 12,483,800.00	$ 12,858,314.00
Manufacturing Site 2	Army	Program 2	Dollars	$ 996,800.00	$ 1,026,704.00
Manufacturing Site 2	Commercial		Dollars	$ 31,500.00	$ 37,492.00
Manufacturing Site 2	Navy	Program 1	Hours	270600	278718
Manufacturing Site 2	Army	Program 2	Hours	24000	24720
Manufacturing Site 2	Commercial		Hours	51600	53148

Overhead Expense Details

- The Legacy format creates alignment issues. For example, contractors must include all fringe into their overhead costs, distorting overhead rates for most companies.

- The Contractor format provides greater insight into specific overhead cost drivers. For example, the contractor format below enables an analysis of fringe cost growth over time.



Legacy Format Indirect Costs

	Engineering		
	Workers o	Dollars p	Hours q
15. Indirect Labor	323	$2,316.8	30.5
16. Employee Benefits		$12,269.1	
17. Payroll Taxes		$2,142.0	
18. Employment		-	
19. Communication/Travel		$269.1	
20. Production Related		$184.1	
21. Facilities-Building/Land		$466.9	
22. Facilities-Furniture/Equipment		$465.1	
23. Administration		$208.7	
24. Future Business		-	
25. Other Miscellaneous		$66.5	
26. Credits		-	
27. Total Indirect Cost and Hours		$18,388.3	30.5

Note: legacy format dollars and hours are in thousands

Contractor Format indirect Costs

Section E. Overhead Expense Details

Business Unit Overheads	Overhead Expense Details/Components	Dollars/Hours	2018	2019
Fringe OH A	Paid Time Off	Dollars	$ 1,226,910	$ 1,374,139
Fringe OH A	Retirement	Dollars	$ 2,453,820	$ 2,748,278
Fringe OH A	Payroll Taxes	Dollars	$ 1,000,000	$ 1,120,000
Fringe OH A	Medical	Dollars	$ 613,455	$ 687,070
Fringe OH A	Other Benefits	Dollars	$ 2,453,820	$ 2,748,278
Fringe OH B	Paid Time Off	Dollars	$ 3,680,730	$ 4,122,418
Fringe OH B	Retirement	Dollars	$ 613,455	$ 687,070
Fringe OH B	Payroll Taxes	Dollars	$ 1,142,000	$ 1,279,040
Fringe OH B	Medical	Dollars	$ 613,455	$ 687,070
Fringe OH B	Other Benefits	Dollars	$ 613,455	$ 687,070

Path Forward

- We solicited and received Government and Industry input on the updated DID
  - No major show-stoppers
  - DID awaiting approval from WHS
  - Majority of contractors were supportive of the new DID

New 1921-3 DID:
- Less burdensome for contractors
- Eliminates allocation issues
- Improves government/industry communication
- Provides cost analysts with enhanced insight

Contact Info

OSD CAPE 1921-3 POC

Michael Biver
OSD Cost Assessment/Program Evaluation
michael.c.biver.civ@mail.mil

DCARC 1921-3 POC

Justin Cooper
DCARC 1921-3 Analyst
justin.t.cooper11.ctr@mail.mil

Backup

BACKUP

Timeline

1973

1921-3 introduced as the "Plant-Wide Data Report"
- Part of the Contractor Cost Data Report (CCDR)
- Evolved out of the Cost and Economic Information System (CEIS) starting in 1959

1994-1999

1921-3 discontinued around 1994; formally deleted in 1999
- Replaced with FPR data submitted to the DCARC by DCMA

2009

1921-3 reintroduced as the "Contractor Business Data Report"

2013

1921-3 Government team and focus groups start

2015

DODCAS 2015 presentation conclusions
- Report dollars and hours in terms of contractors' own pools
- Drill down into the rate structure including more breakout for fringe, business development, and other categories

2017-2018

1921-3 update is part of broader modernization to data collection
- FlexFile and Quantity reports to replace 1921, -1, -2, -5, and CWBS Dict.
- Other major initiatives

Legacy 1921-3

CONTRACTOR BUSINESS DATA REPORT

Form Approved
OMB No. 0704-0188

The public reporting burden for this collection of information is estimated to average 30 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Executive Services Directorate, Information Management Division, 1155 Defense Pentagon, Washington, DC 20301-1155 (0704-0188). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. **PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE ABOVE ORGANIZATION.**

1. CONTRACTOR NAME/ADDRESS (Include Zip Code)	2. FPR UNIT	3. IMPLEMENTING CONTRACT NUMBER	4. DATA PERIOD *(X one)*	5. FISCAL YEAR *(YYYY)*	6. DATES IN FISCAL YEAR *(YYYYMMDD)*
			☐ Prior Year ☐ Current Year ☐ Future Year		Start Date: End Date:

7. PREPARER'S NAME *(Last, First, Middle Initial)*	8. DEPARTMENT	9. TELEPHONE NO. *(Include Area Code)*	10. EMAIL ADDRESS	11. DATE PREPARED *(YYYYMMDD)*

Overhead Accumulation, Distribution, and Application

SECTION A

DIRECT COST BY PROGRAM					DIRECT: COST / HOURS / MANPOWER (Report dollars and hours in thousands)									
					Engineering			Manufacturing Operations			Materials	Other		
Program Name a	A/F	Contract Number b	Equivalent Units c	Buyer d	Workers e	Dollars f	Hours g	Workers h	Dollars i	Hours j	Dollars k	Workers l	Dollars m	Hours n
1.														
2.														
3.														
4.														
5.														
6.														
7.														
8.														
9.														
10.														
11. Other DoD Effort														
12. Other Government Effort														
13. Commercial Effort														
14. Total Direct Cost and Hours Base						$0.0	0.0		$0.0	0.0	$0.0		$0.0	0.0
a. Total Direct Workers					0			0				0		

SECTION B

INDIRECT COST CATEGORY	INDIRECT: COST / HOURS / MANPOWER (Report dollars and hours in thousands)											
	Engineering			Manufacturing Operations			Materials	Other			G&A	
	Workers o	Dollars p	Hours q	Workers r	Dollars s	Hours t	Dollars u	Workers v	Dollars w	Hours x	Dollars y	Hours z
15. Indirect Labor												
16. Employee Benefits												
17. Payroll Taxes												
18. Employment												
19. Communication/Travel												
20. Production Related												
21. Facilities-Building/Land												
22. Facilities-Furniture/Equipment												
23. Administration												
24. Future Business												
25. Other Miscellaneous												
26. Credits												
27. Total Indirect Cost and Hours		$0.0	0.0		$0.0	0.0	$0.0		$0.0	0.0		
28. Total G&A Cost and Hours											$0.0	0.0
29. Indirect/Direct Cost Rate		0.00%			0.00%		0.00%		0.00%			
30. G&A Rate/(Direct + Indirect)											0.00%	

Legacy 1921-3

CONTRACTOR BUSINESS DATA REPORT - PAGE 2

SECTION C

PRODUCTION CAPACITY	Current Year	Method of Calculating "FPR unit % of Full Production Capacity"
FPR Unit % of Full Production Capacity		
Number of Shifts		

SECTION D

	Current Year (Report hours in thousands)																		
	1st Quarter				2nd Quarter				3rd Quarter				4th Quarter				Prior Year	Year:	Year:
DIRECT LABOR RATES (FUNCTIONAL CATEGORIES)	Workers a	Hours b	Basic Rate$ c	Effective Rate$ d	Workers a	Hours b	Basic Rate$ c	Effective Rate$ d	Workers a	Hours b	Basic Rate$ c	Effective Rate$ d	Workers a	Hours b	Basic Rate$ c	Effective Rate$ d	Basic Rate$ c	Basic Rate$ c	Basic Rate$ c
1. Engineering - Direct Labor																			
2. Manufacturing Operations - Direct Labor																			
a. Tooling - Direct Labor																			
b. Quality Control - Direct Labor																			
c. Manufacturing - Direct Labor																			

SECTION E

	Prior Year	Current Year
Total FPR Unit Revenue (Sales) (thousands of dollars)		

SECTION F

Organizational Changes (For Each Year Reported)	Accounting Changes (For Each Year Reported)

REMARKS

New 1921-3 Metadata

Metadata:

Metadata	Entry
Item 1. Contractor Name.	Super Compnay
Item 2. Contractor Address (*including ZIP code*).	1234 Company Ave., Arlington, VA, 22202
Item 3. Business Entity.	Company Defense Works
Item 4. Point of Contact (*Last Name, First Name, Middle Initial*).	Smith, John A.
Item 5. Point of Contact (*Department*).	Finance
Item 6. Point of Contact (*Telephone Number, including Area Code*).	(555) 555-5555
Item 7. Point of Contact (*Email Address*).	John.a.smith12@company.com
Item 8. Date Prepared (*YYYYMMDD*).	20190220
Item 9. Rate Projections Source(s) and Date (*YYYYMMDD*).	FPRP 19-1 (20190115)

Sample data/categories provided. Please provide the appropriate data for your business unit.

Item 10: Reporting Calendar

Year (YYYY)	Year Start (YYYYMMDD	Year End (YYYYMMDD)	Latest Complete Fiscal Year
2018	20180101	20181231	
2019	20190101	20191231	X
2020	20200101	20201231	
2021	20210101	20211231	
2022	20220101	20221231	
2023	20230101	20231231	
2024	20240101	20241231	

New 1921-3 Cost Summary

Section A. Business Entity Cost Summary

Cost Type	2018	2019	2020	2021	2022	2023	2024
Direct Labor $							
Direct Materials $							
Other Direct Costs (ODC) $							
Overhead $							
G&A $							
Unallowable $							
Other 1…n (*insert and specify*) $							
Total Business Entity Costs $							

Sample data/categories provided. Please provide the appropriate data for your business unit.

Other 1…n (*insert and specify*) $

New 1921-3 Revenue Summary

Section B. Revenue Summary

	2018	2019	2020	2021	2022	2023	2024
Total Business Entity Revenue $							

Sample data/categories provided. Please provide the appropriate data for your business unit.

New 1921-3 Direct Labor Rate Summary

Section C: Direct Labor Rate Summary

Direct Labor Rate Category	2018	2019	2020	2021	2022	2023	2024
Engineering A							
Engineering B							
Engineering C							
Manufacturing A							
Manufacturing B							
Manufacturing C							
Quality							
Remote Site							
Program Support							

Sample data/categories provided. Please provide the appropriate data for your business unit that relects the FPR.

New 1921-3 Overhead Rate Rate Summary

Section D. Overhead Rate Summary

Business Unit Overheads	Base, Expense, and Rate	Dollars, Hours, or Percent	2018	2019	2020	2021	2022	2023	2024
Fringe OH A	Base	Dollars							
Fringe OH A	Expense	Dollars							
Fringe OH A	Rate	Percent							
Fringe OH B	Base	Dollars							
Fringe OH B	Expense	Dollars							
Fringe OH B	Rate	Percent							
Engineering OH	Base	Dollars							
Engineering OH	Expense	Dollars							
Engineering OH	Rate	Percent							
Manufacturing OH A	Base	Dollars							
Manufacturing OH A	Expense	Dollars							
Manufacturing OH A	Rate	Percent							
Manufacturing OH B	Base	Dollars							
Manufacturing OH B	Expense	Dollars							
Manufacturing OH B	Rate	Percent							
Low Value Materials	Base	Dollars							
Low Value Materials	Expense	Dollars							
Low Value Materials	Rate	Percent							
High Value Materials	Base	Dollars							
High Value Materials	Expense	Dollars							
High Value Materials	Rate	Percent							
G&A OH A	Base	Dollars							
G&A OH A	Expense	Dollars							
G&A OH A	Rate	Percent							
G&A OH B	Base	Dollars							
G&A OH B	Expense	Dollars							
G&A OH B	Rate	Percent							

Sample data/categories provided. Please provide the appropriate data for your business unit that relects the FPR.

New 1921-3 Overhead Expense Details Summary

Section E. Overhead Expense Details									
Business Unit Overheads	Overhead Expense Details/Components	Dollars/Hours	2018	2019	2020	2021	2022	2023	2024
Fringe OH A	Paid Time Off	Dollars							
Fringe OH A	Retirement	Dollars							
Fringe OH A	Payroll Taxes	Dollars							
Fringe OH A	Medical	Dollars							
Fringe OH A	Other Benefits	Dollars							
Fringe OH B	Paid Time Off	Dollars							
Fringe OH B	Retirement	Dollars							
Fringe OH B	Payroll Taxes	Dollars							
Fringe OH B	Medical	Dollars							
Fringe OH B	Other Benefits	Dollars							
Engineering OH	Indirect Labor	Dollars							
Engineering OH	Utilities	Dollars							
Engineering OH	Major Equipment	Dollars							
Engineering OH	IRAD	Dollars							
Engineering OH	B&P	Dollars							
Engineering OH	Advertising	Dollars							
Engineering OH	Facilities	Dollars							
Engineering OH	Credits	Dollars							
Engineering OH	Indirect Labor	Hours							
Manufacturing OH A	Indirect Labor	Dollars							
Manufacturing OH A	Utilities	Dollars							
Manufacturing OH A	Depreciation	Dollars							
Manufacturing OH A	Major Equipment	Dollars							
Manufacturing OH A	IRAD	Dollars							
Manufacturing OH A	B&P	Dollars							
Manufacturing OH A	Advertising	Dollars							
Manufacturing OH A	Facilities	Dollars							
Manufacturing OH A	Credits	Dollars							
Manufacturing OH A	Indirect Labor	Hours							

New 1921-3 Overhead Base Details Summary

Section F. Overhead Base Details

Business Unit Overheads	Buyer	Program Name	Direct Dollars/H	2018	2019	2020	2021	2022	2023	2024
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program A	Dollars							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program B	Dollars							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program C	Dollars							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program D	Dollars							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program E	Dollars							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program F	Dollars							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program G	Dollars							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program H	Dollars							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program I	Dollars							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program J	Dollars							
Engineering OH	Other DoD		Dollars							
Engineering OH	Other gov't		Dollars							
Engineering OH	Commercial		Dollars							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program B	Hours							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program C	Hours							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program D	Hours							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program E	Hours							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program F	Hours							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program G	Hours							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program H	Hours							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program I	Hours							
Engineering OH	(E.g., Army, Navy, Air Force, DoD	Program J	Hours							
Engineering OH	Other DoD		Hours							
Engineering OH	Other gov't		Hours							
Engineering OH	Commercial		Hours							
Manufacturing OH A	(E.g., Army, Navy, Air Force, DoD	Program A	Dollars							
Manufacturing OH A	(E.g., Army, Navy, Air Force, DoD	Program B	Dollars							
Manufacturing OH A	(E.g., Army, Navy, Air Force, DoD	Program C	Dollars							
Manufacturing OH A	(E.g., Army, Navy, Air Force, DoD	Program D	Dollars							
Manufacturing OH A	(E.g., Army, Navy, Air Force, DoD	Program E	Dollars							
Manufacturing OH A	(E.g., Army, Navy, Air Force, DoD	Program F	Dollars							
Manufacturing OH A	(E.g., Army, Navy, Air Force, DoD	Program G	Dollars							
Manufacturing OH A	(E.g., Army, Navy, Air Force, DoD	Program H	Dollars							
Manufacturing OH A	(E.g., Army, Navy, Air Force, DoD	Program I	Dollars							
Manufacturing OH A	(E.g., Army, Navy, Air Force, DoD	Program J	Dollars							
Manufacturing OH A	Other DoD		Dollars							
Manufacturing OH A	Other gov't		Dollars							
Manufacturing OH A	Commercial		Dollars							

New 1921-3 Delivery Schedule Details

Section G. Delivery Schedule Details

DoD Program	End Item	2018	2019	2020	2021	2022	2023	2024
Program A								
Program B								
Program C								
Program D								
Program E								
Program F								
Program G								
Program H								
Program I								
Program J								

Sample data/categories provided. Please provide the appropriate data for your business unit that relects the FPR.

New 1921-3 Contract Numbers

Section H. Contract Numbers	
Program Name	Contract #
Program A	XXXXX-13-C-0453
Program A	XXXXX-16-C-6538
Program A	XXXXX-16-C-0866
Program A	XXXXX-16-C-9277
Program A	XXXXX-11-C-7029
Program A	XXXXX-12-C-9632
Program A	XXXXX-16-C-5432
Program B	XXXXX-17-C-5063
Program B	XXXXX-16-C-2635
Program B	XXXXX-12-C-9840
Program B	XXXXX-11-C-6528
Program B	XXXXX-14-C-3727
Program B	XXXXX-12-C-2605
Program B	XXXXX-14-C-3288
Program B	XXXXX-16-C-8602
Program B	XXXXX-13-C-3637
Program B	XXXXX-13-C-5950
Program B	XXXXX-11-C-1458
Program B	XXXXX-15-C-3345
Program B	XXXXX-17-C-7122
Program B	XXXXX-11-C-5448

New 1921-3 Data Dictionary

Section I: Data Dictionary

Data Dictionary Sections	Contractor input
i. Remarks	Insert new rows and columns and label as needed to provide clear inputs into the Data Dictionary
ii. Accounting Changes	
iii. Organizational Changes	
iv. Configuration of Rate Structure	
iv.1 Fringe	
iv.2 G&A	