

VAS MULTIPLIER Self Calculate Manual for External User (Consultant)



DEFINITION OF KEY TERMS

The multiplier is a calculation used to reimburse a firm for their services rendered based on their overhead expenses. The multiplier is expressed in terms of a ratio in decimal form (not percentage) of Overhead Expenses to Direct Labor Expenses, adding to it a multiplier component of 1.00 and then a 10% profit margin on top of that. The multiplier is utilized for the firm's billable staff whereas consultants are reimbursed via project costs (not part of the office overhead).

The multiplier is **based on expenses** *not income*. It's the General Overhead Expenses (indirect expenses). Please note there are some general and administrative costs excluded from the multiplier calculation as they are not deemed as general overhead by SCA standards. Some of the disallowed costs are bad debt, interest, advertising, bonuses, contributions, consultants, gifts, meals and entertainment, recruiting, etc.

Depending on the location of the services rendered, there is a Home multiplier (SCA work performed at the Consultant's home office) and a field multiplier (SCA work performed over an extended period of time at SCA facilities or SCA referred sites.)

HOME MULTIPLIER

Home multiplier, if applicable, is for all work performed for the SCA while based out of Consultant's home office, and shall include direct salary, profit, home office overhead, general administrative costs, and additional allowances or factors for mandatory or customary benefits. The home multiplier rate will be calculated based on the firm's most recently filed tax return or audited/reviewed financial statements and will *include* dollars allocated to the home office.

FIELD MULTIPLIER

Field multiplier, is applicable for all work performed over an extended period either at an office for which the SCA reimburses the Consultant or at the SCA's offices directly. The field multiplier rate shall include direct salary, profit, general administrative costs **other than those related to home office**, and additional allowances or factors for mandatory or customary benefits. The field multiplier rate will be calculated based on the firm's most recently filed tax return or audited/reviewed financial statements and will **exclude** dollars allocated to home office.

STAFFING MULTIPLIER (Selected)

Staffing multiplier (selected) - the firm's only business and discipline are to provide staffing personnel. If applicable, is for all work performed for the SCA while based out of Consultant's home office, and shall include direct salary, profit, home office overhead, general administrative costs, and additional allowances or factors for mandatory or customary benefits. The Staffing (selected) multiplier rate will be calculated based on the firm's most



recently filed tax return or audited/reviewed financial statements and will *include* dollars allocated to the Staffing (**selected**) home office.

STAFFING MULTIPLIER (Pre-select)

Staffing Multiplier (Pre-select) - the SCA selects and refers an individual to the firm. If applicable for all work performed over an extended period either at an office for which the SCA reimburses the Consultant or at the SCA's offices directly. The staffing (pre-select) multiplier rate shall include direct salary, profit, general administrative costs other than those related to staffing selected multiplier, and additional allowances or factors for mandatory or customary benefits. The staffing (pre-select) multiplier rate will be calculated based on the firm's most recently filed tax return or audited/reviewed financial statements and will exclude dollars allocated to staffing selected home office.

STAFFING MULTIPLIER (Quasi)

Staffing Multiplier (Quasi) - the firm's business and discipline is "quasi," more than just staffing, includes architectural, engineering, etc. If applicable for all work performed over an extended period either at an office for which the SCA reimburses the Consultant or at the SCA's offices directly. The staffing (quasi) multiplier rate shall include direct salary, profit, general administrative costs other than those related to staffing selected multiplier, and additional allowances or factors for mandatory or customary benefits. The staffing (quasi) multiplier rate will be calculated based on the firm's most recently filed tax return or audited/reviewed financial statements and will exclude dollars allocated to staffing selected home office.

JOINT VENTURE MULTIPLIER

Home and Field multipliers are calculated separately for each of the two firms which are part of the joint venture. The multipliers are then added together and averaged out.

EMERGENCY MULTIPLIER

Home and Field multipliers are calculated *without* the standard 10% profit added on. Depending on the type of emergency the firm is assigned, the related profit (varies) is adjusted for at the time of the project. The different types of emergencies and the related % profit can be found in the RFP/contract.

HOURLY RATE

The *hourly rate* includes the hourly cost of salaries only. No additional allowances or factors shall be allowed for mandatory or customary benefits such as statutory employee status, insurance, sick leave, holidays, vacations, pensions, and similar contributions and benefits. **ALL aforementioned employee benefits, general overhead and profit shall be included in the Multiplier Rate** and no additional profit shall be applicable during the course of Services.



Direct (Billable) Labor/Salary Expense

Direct billable labor/salary is the total amount of salaries spent for the year, for the firm's full-time/permanent employees who are the professional and technical staff performing professional and technical work on projects. This amount should be separated from any fringe benefits including but not limited to vacation/sick days/holidays, as well as exclude bonuses / merit increases, pension, health insurance, etc.

Indirect (Non-Billable) Labor/Salary Expenses

Non-billable administrative work performed by the professional and technical employees is included in indirect salaries. Indirect (non-billable) labor is the total amount of salaries spent for the year, for the firm's full-time/permanent employees for performing non-professional, non-technical, non-project, and administrative work (e.g. managing the office, finance, legal, human resources, etc.). This amount should be separated from any fringe benefits including but not limited to vacation/sick days/holidays, as well as exclude bonuses/merit increases, pension, health insurance, etc.

QUICK MULTIPLIER INFORMATION

- The SCA *verifies* (not calculates) that the financials support the firm's multiplier.
- ➤ The SCA only accepts tax returns or reviewed or audited financial statements. The SCA does not accept compiled financial statements.
- Consolidated Statements which include subsidiaries are not acceptable. Subsidiaries are legally separate entities and therefore the SCA accepts only the standalone entity that the SCA is contracting with. Consolidated financials include other entities' expenses. If consolidated statements are provided, the consultant must provide a standalone statement WITH AN ATTESTATION.
- Foreign/International Subsidiaries are to be excluded as well as any international expenses
- The SCA, being a city/state authority, and separate from all other city agencies, does not operate under the FAR Federal Guidelines (as we do not obtain any federal funding). We do not adhere to any external directives or use the methodologies of any other city agency. Multipliers approved by other agencies are not accepted as the SCA performs its own verification of the firm's multipliers based on the SCA's internal guidelines and multiplier formulas.
- Multipliers are utilized to compensate consultants for their overhead and profit.
- ➤ The SCA multiplier range is from 1.00 to 3.00
- > A firm is given a home multiplier of 1.00
 - o if their financials do not reflect 12 months of activity
 - If a firm is a sole proprietorship without staff



- Sub Consultants (Technical) are not included in the multiplier calculation as primes are reimbursed for consultant (technical) costs through the project, it is viewed as a direct expense.
- ➤ Bonus is excluded from the multiplier calculation as the SCA views it as a distribution of the firm's profits.
- ➤ Direct project costs (e.g. travel, equipment rental, etc.) are excluded from the calculation as the firms are reimbursed through the project.
- The final multiplier remains with the life of the contract and is not re-reviewed on an annual basis.
- Multipliers are not negotiated as it is based on the financials provided at the time of the solicitation.



Multiplier calculation template (applicable for ALL types of multiplier (s) with the exception for ALL emergency contract)

MULTIPLIER CALCULATION		
Component	Home Multiplier Calculation	Field Multiplier Calculation
(a) Total Direct Labor (Billable)	\$0.00	\$0.00
(b) Direct Labor Multiplier Component	1.00	1.00
(c) Total Indirect Labor (Non-billable) and Overhead Costs	\$0.00	\$0.00
(d) Total Indirect Labor and Overhead Costs as a proportion of Total Direct Labor	(c) / (a)	(c) / (a)
(e) Base Multiplier	(d) + (b)	(d) + (b)
(f) Profit Percentage	10% of base multiplier	10% of base multiplier
(g) Total Multiplier	(e) + (f)	(e) + (f)



BELOW ARE THE EXPENSES OMITTED FROM THE SCA's Home, Emergency (home) Staffing (selected) MULTIPLIERS

- Inventory at beginning of year
- Purchases
- Consultants
- Bonuses
- Other Costs Other
- Officer's Health Insurance
- Officer's Life Insurance
- Contract Labor
- Commissions and Fees Paid
- On-Site Project Equipment Purchases
- Per diem
- Advertising
- Bad Debts
- Loan Charges
- Blueprints
- Bids and Proposals / Filings
- Business Development Expenses
- Charitable Contributions
- Client Events
- Computer Aided Design
- Sub-Consultants (Technical)
- Conventions
- Deferred Compensation
- Depletion
- Design Build Expense
- Domestic Production Activities
 Deduction
- Employee Events
- Employee Procurement Other
- Facilities Cost of Money
- Freelance
- Fringe Benefits Incentive Compensation
- Gifts
- Inspection Expense Project
- Insurance Reserve
- Interest

- Lobbying
- Lodging
- Loss on Abandonment of Property
- Management Fees
- Meals and Entertainment
- Model Expenses
- Moving Expense New Hiree
- Office Entertainment
- Other Direct Costs (Non-Reimbursable)
- Consultant Salaries
- Photography
- Portfolio Expenses
- Professional Activities
- Immigration Expense
- Litigation Expense
- Promotion
- Quality Assurance
- Recruiting
- Reimbursed Expenses
- Research and Development
- Reserved for Future Use
- Section 179 Expenses
- Section 465(d) Carryover
- Seminars
- Stock Match
- Subsistence meals per diem
- Supplies (Field)
- Federal Taxes Current and Deferred
- NYS and NYC Taxes Deferred
- Trade Organization
- Travel VISA Fee



BELOW ARE THE EXPENSES OMITTED FROM THE SCA's Field Emergency (field) and Staffing (pre-selected & quasi) MULTIPLIERS

- Inventory at beginning of year
- Purchases
- Consultants
- Bonuses
- Other Costs Other
- Officer's Health Insurance
- Officer's Life Insurance
- Contract Labor
- Commissions and Fees Paid
- On-Site Project Equipment Purchases
- Per diem
- Advertising
- Amortization
- Auto Car/Truck Expense
- Bad Debts
- Carting
- Cleaning and Maintenance
- Computer Services and Design
- Loan Charges
- Blueprints
- Bids and Proposals / Filings
- Business Development Expenses
- Charitable Contributions
- Client Events
- Computer Aided Design
- Sub-Consultants (Technical)
- Conventions
- Deferred Compensation
- Depletion
- Depreciation
- Design Build Expense
- Domestic Production Activities
 Deduction
- Employee Events
- Employee Procurement Other
- Equipment Leasing

- Exterminating
- Facilities Cost of Money
- Freelance
- Fringe Benefits Incentive Compensation
- Gifts
- Inspection Expense Project
- Inspection Expense Office
- Insurance Reserve
- Insurance Auto
- Insurance Building
- Interest
- Internet Expense
- Lobbying
- Lodging
- Loss on Abandonment of Property
- Management Fees
- Meals and Entertainment
- Model Expenses
- Moving Expense New Hiree
- Office Entertainment
- Office Expense
- Office Reproduction
- Other Direct Costs (Non-Reimbursable)
- Consultant Salaries
- Photography
- Portfolio Expenses
- Professional Activities
- Postage
- Property Tax
- Rent
- Rent Tax
- Repairs and Maintenance
- Immigration Expense
- Litigation Expense
- Promotion



Continued...

BELOW ARE THE EXPENSES OMITTED FROM THE SCA's Field Emergency (field) and Staffing (pre-selected & quasi) MULTIPLIERS

- Quality Assurance
- Recruiting
- Reimbursed Expenses
- Research and Development
- Reserved for Future Use
- Section 179 Expenses
- Section 465(d) Carryover
- Seminars
- Software
- Stock Match
- Subsistence meals per diem
- Supplies (Field)
- Supplies Marketing
- Supplies Office
- Federal Taxes Current and Deferred
- NYS and NYC Taxes Deferred
- Trade Organization
- Telephone
- Transportation Expense
- Travel Transit Checks
- Travel VISA Fees
- Travel Other
- Utilities



To submit financials on VAS:

1. An e-mail will be sent to your firm containing a link to log in to VAS. Once logged in, skip to Step 5.

Dear FIRM NAME,

You have been requested to self-calculate your multiplier for Tax Year \ref{YYYY} .

Please use the link below to start the self-calculation process. The information must be submitted within 7 days.

 $\underline{https://contractinguat.nycsca.org/Multiplier-Web/FinancialInfo/1978}$

For reference information regarding the self-calculation process and required documentation please refer to the guide and templates in the Link below (VAS Multiplier Module)

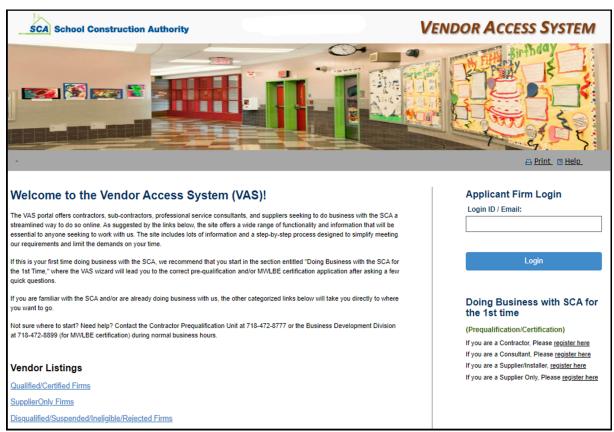
https://www.nycsca.org/Quick-Links/VAS-Multiplier-Module

For any issues, please contact the Help Desk (Email: helpdesk@nycsca.org, Phone: 718 472 8871)

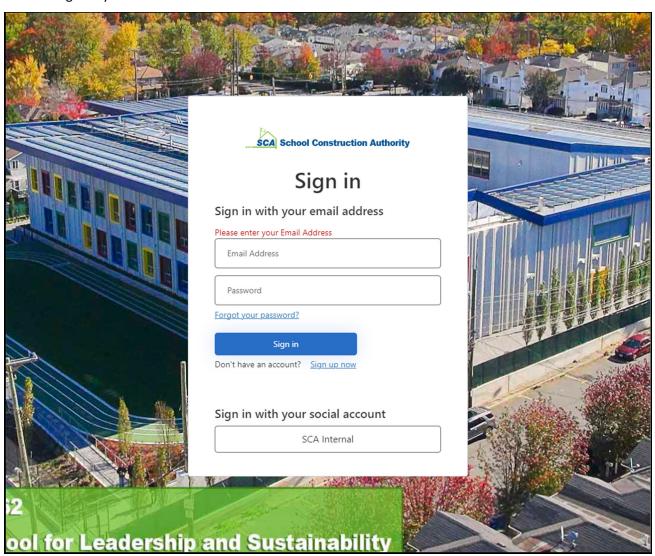
Thanks

NYCSCA VAS Administrator

Alternatively, you may log in directly to VAS (<u>NYCSCA - Supplier Portal</u>). Once logged in, go to Step 3.

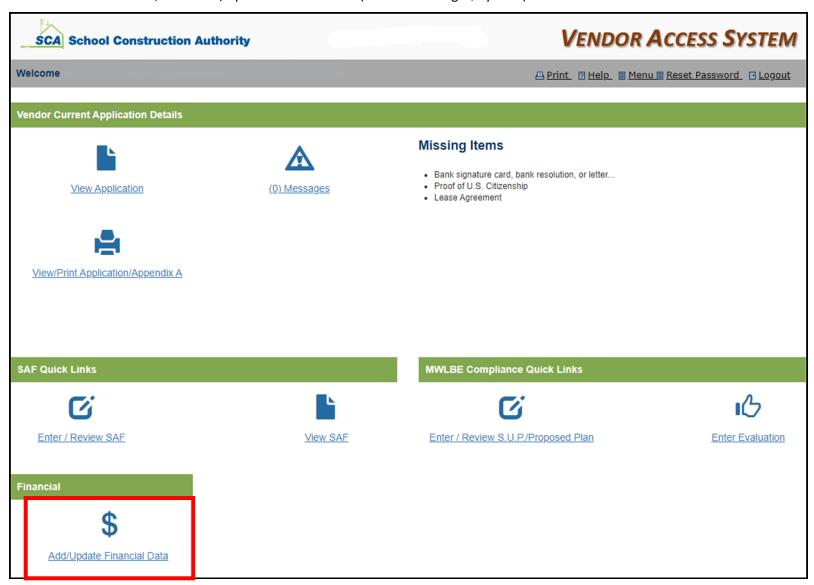


2. Log into your account.





3. Under 'Financial,' click 'Add/Update Financial Data (Under dollar sign \$ symbol)

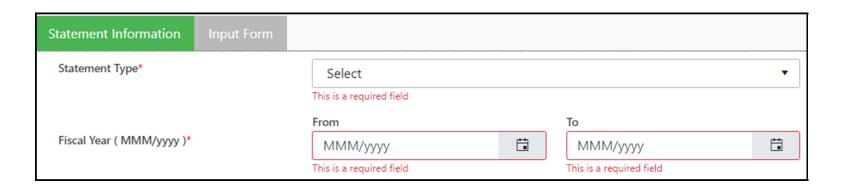


4. For the year that is requested (indicated by Pending Financials Request Self), click the "View/Edit Financial Details" button (indicated by the pencil icon).

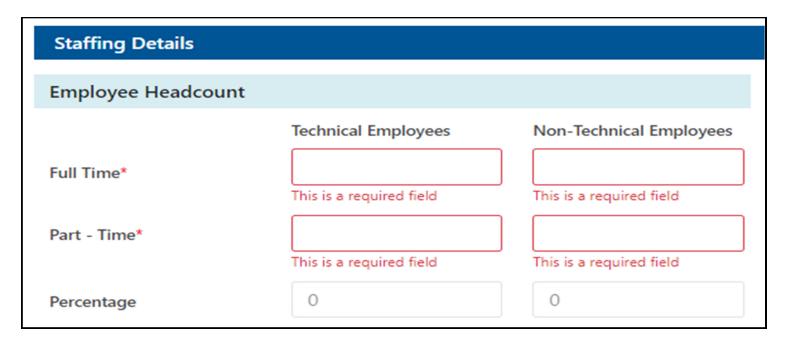




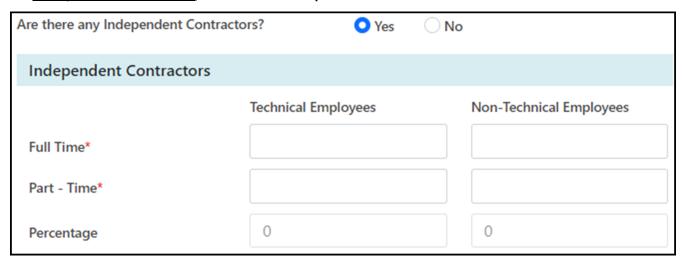
- 5. Fill out the "Statement Information" form:
 - a. For <u>"Statement Type"</u>, pick the type of financial from the drop-down menu.
 - b. For "Fiscal Year", type the year of the financials in the format (MMM/yyyy) ex: Jan/2022.



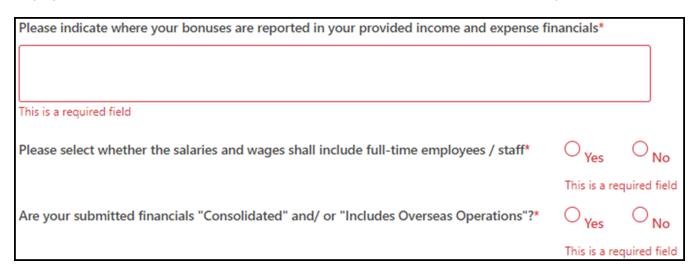
c. For <u>"Employee Headcount"</u>, type the number of Full Time and Part Time Technical and Non-Technical employees working at the firm.



- d. Indicate if there are any Independent Contractors. If indicated **Yes**, go to the next step. If indicated **No**, move on to **Step f**.
- e. For <u>"Independent Contractors"</u>, do the same as **Step C**.

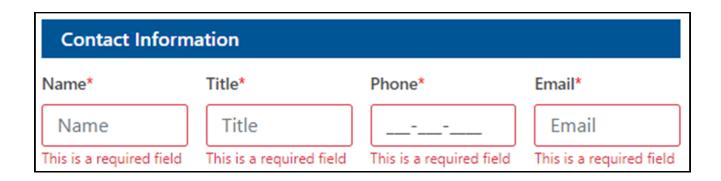


f. Indicate where your bonuses are reported in your financials, whether your salaries and wages include full-time employees, and if the submitted financials are "Consolidated" and/or "Includes Overseas Operations".

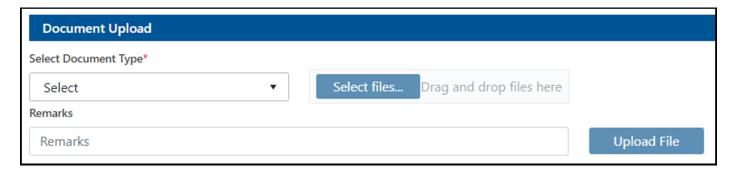




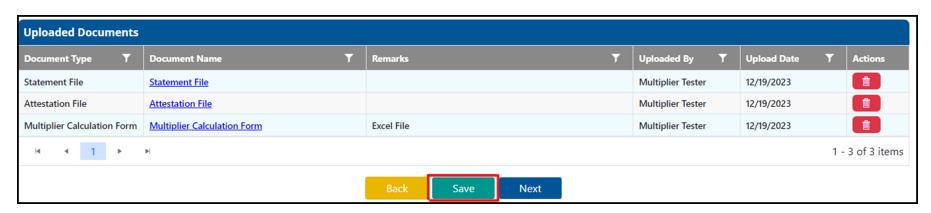
g. Under "Contact Information", fill out the name, title, phone number, and email of the main point of contact.



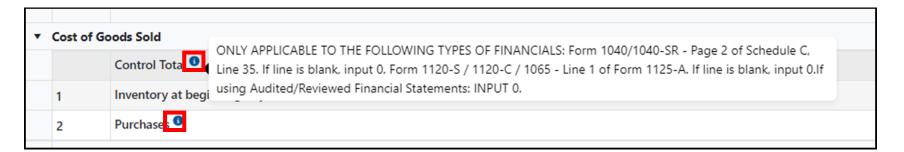
h. Under "Document Upload", select the document that will be uploaded, select files, and press the "**upload file**" button. If there are any comments needed to be made about any of the files uploaded, ensure that they are put under "Remarks" before uploading. Please note that a statement file and attestation file must be uploaded.



i. Once the entire form is filled out, hit the "Save" button on the very bottom, and hit "Next" to proceed to the Input Form.



- 6. Fill out the "Input form":
 - a. Fill out the form with the figures for Cost of Goods Sold, Cost of Labor/Direct Labor, Other Costs, and Total Deductions/Expenses from the financial. For more clarification on the categories listed, hover over the blue information symbol next to each category (boxed in red).

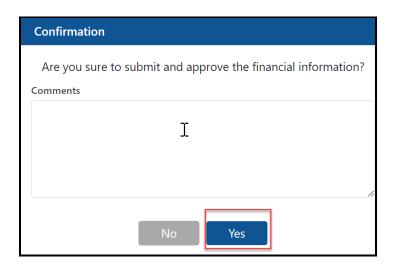


b. Once the entire form is filled out, hit the "Save" button on the bottom of the page. Then hit "Submit & Approve" to submit the financials and Self Approve

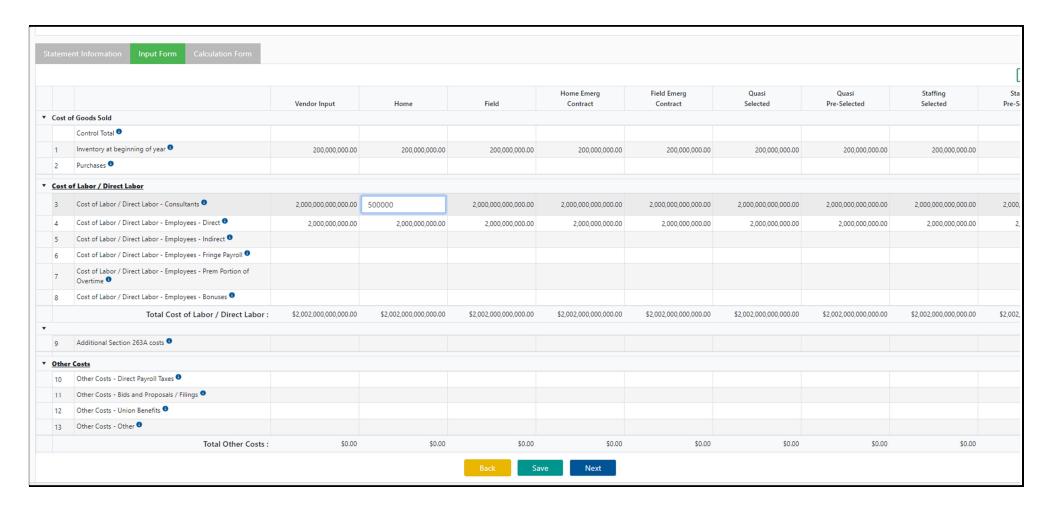




c. You will now have to confirm that you agree to submitting and approve the financial information true to your knowledge and select 'Yes'.



- 7. The input form will now be open for all Multiplier types, with values copied from the input form initially approved.
 - a. You can edit the values for each multiplier type here, in case any value in the input form was initially entered incorrectly.

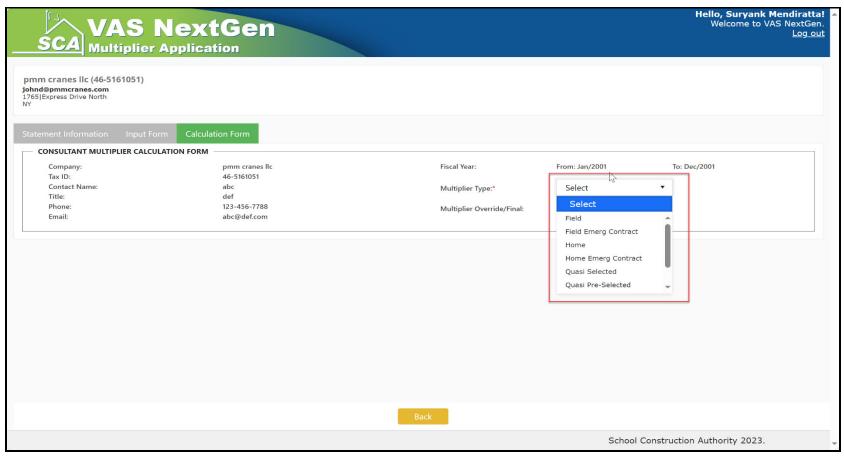


b. Once confirmed select **Save** and select **Next** Button.

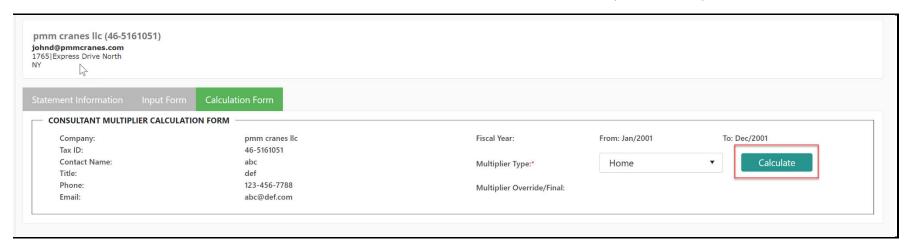




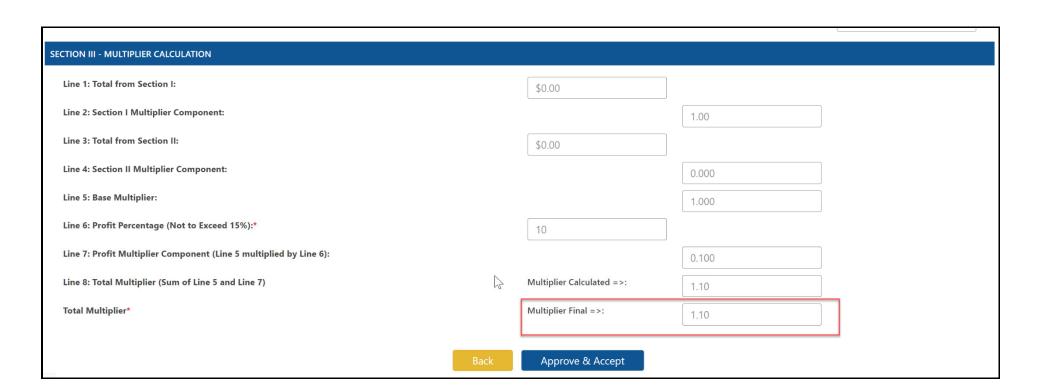
- 8. You will now be directed to the **Calculation Form** tab.
 - a. Select the desired Multiplier Type to Self-calculate from the dropdown



b. Once Selected, click on the **Calculate** Button. This will self-calculate the Multiplier Value for you.



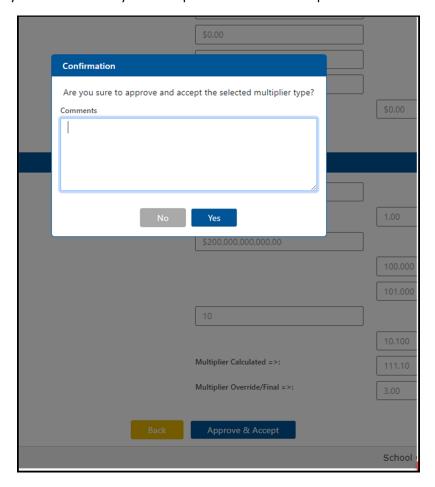
9. Scroll to the bottom of the page and it will display the calculated Multiplier value in the Multiplier Final Section as below



10. In case the calculation breakdown is incorrect you can go back to the Input form and edit the Input form referring to Step 7. This can be done by clicking the Back button or clicking on the Input form tab.



11. If the Multiplier Final value looks correct, click on the **Approve and Accept Button**. This will present a Confirmation window where you click '**Yes'** and your Multiplier value will be accepted.



12. Final Multiplier value will be reflected with the Accepted status on your dashboard.

