

Mr. WOLL. Yes, sir.

Mr. MONAGAN. And that is in the contract?

Mr. WOLL. Yes, sir.

Mr. MONAGAN. I could not understand why this variation in the hourly rate was so important, but the contract is based on this hourly rate.

Mr. WOLL. That is right.

Mr. MONAGAN. Does that include the profit or whatever you want to call it?

Mr. WOLL. Yes, sir; it does.

Mr. MONAGAN. Do we have any breakdown of that \$2.85 or whatever it is?

Mr. WOLL. This is a point that the GAO has raised in relation to the contract. I was under the impression that when this contract was procured for us by the Air Force in Europe acting as our agent, that the financial capability—

Mr. SCORDAS. Price analysis.

Mr. WOLL (continuing). Price analysis was made at that time, sir.

Mr. MONAGAN. But you don't know. In other words, it is not entirely accurate to state this as labor; I guess it is direct labor. You get the impression it is what you pay the labor per hour, but actually it includes your overhead and profit and everything else?

Mr. WOLL. That is right, with the exception of material.

Mr. MONAGAN. Is any study of this being made at the present time?

Mr. MIKUS. We tried to get a price breakdown which we can't find. We have attempted to make an analysis of financial records here but it isn't possible. The internal auditors from Athens attempted the same thing but there is considerable difficulty in doing this.

Mr. MONAGAN. Of course, the method of calculation of the hours would be important because that is the multiplying factor, and the efficiency and so forth would be tied to that. I think it would be helpful if you would look into the method by which this was calculated.

Mr. WOLL. Yes, sir.

(Subsequently, AID supplied the following information:)

Concerning the question of a breakdown of the hourly rates, the following are the elements:

- a. The base pay of the employee which is established by Belgian law, by trade: Skilled—\$1.20; semi-skilled—\$1.12.
- b. The fringe benefits established by Belgian law include employee compensation, retirement, health and accident insurance, severance pay (6 months), sick and annual leave. Benefits equal 52% of base pay.
- c. Overhead, to accomplish the contract includes foreman, fiscal, inspection, receiving and documentation, and contract administration.
- d. General and administrative expenses which include tools, heat, lights, water, building maintenance, taxes, fixtures, and also profit.

Mr. ROMNEY. With reference to the document received for the record "Requisition and Invoice/Shipping Document," this particular copy has certain blank spaces. I wonder why these spaces are not filled in?

Mr. WOLL. You will see under the name of the vessel you have the shipping date. This is the estimated time of departure from Antwerp is given and the estimated time of arrival in Turkey is given.

Mr. ROMNEY. But the item in the form says "Date shipped." We have the ETD and ETA but we do not have the voucher numbers in these spaces and do not have the date the materiel is required.