



NAWCAD Lakehurst Brief Template

28 January 2020

Presented to: Lakehurst Small Business Roundtable

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References

Today's discussion pertains to the development of a cost proposal; with *primary emphasis* on responses to an RFP.

Sources for the material included in this presentation include:

- Defense Contract Audit Agency (DCAA) Pamphlet No. 7641.90 titled *Information for Contractors*
- Contract Pricing Reference Guide (CPRG)
- References in the Department of Defense Federal Acquisition Regulation Supplement (DFARS) Part 215 *Contracting By Negotiation, DFARS Part 214 Sealed Bidding and Part 213 Simplified Acquisition Procedures*
- DFARS Part 252 *Solicitation Provisions and Contract Clauses*
- Department of Defense Procedures, Guidance and Information (DOD PGI) 215 *Contracting By Negotiation and PGI-213*
- Federal Acquisition Regulation (FAR) Part 15 *Contracting By Negotiation, Part 14 Sealed Bidding and Part 13 Simplified Acquisition Procedures*



Discussion Outline

1. Submission requirements (RFP, RFQ, Invitation for Bid, Request for Information)
2. Examples of data that may be requested
3. Cost Proposal – adequacy, sample
4. Oversight - audit, review & cost analysis
5. Negotiations
6. Award



(1) Submission Requirements

(a.) The Request for Proposal (RFP) may be used to communicate the Government requirements to prospective contractors and to solicit proposals. Additional communication vehicles include an RFQ, IFB or RFI.

(b.) FAR Table 15-2 *Instructions for Submitting Cost/Price Proposals When certified Cost or Pricing Data Are Required* – provides detailed instructions for the preparation of the proposal. Section II (A. thru F.) provides a number of excellent practical examples of the types of data/information that a contractor should include in its cost proposal for each type of proposed cost element, direct rate, indirect rate, and other direct cost(s).

(c.) Prior to contractor submission of a proposal, the contractor should consider performing a *self assessment* of the adequacy of its proposal. An excellent baseline for such effort is provided at DFARS 252.215-7009 *Proposal Adequacy Checklist* (36 questions) as prescribed by DFARS 215.408(5). Good training tool for a small business entity. Large defense contractors use this tool.



(2) Examples – Data/Information

- (a.) Summary of proposed price by cost element and CLIN.
- (b.) Detailed *schedules* of *proposed* direct labor hours, direct labor rates, other direct costs (e.g. direct travel costs, direct material costs, subcontract costs, consultant costs) *and* indirect rates as utilized in the submitted cost proposal.
- (c.) *Basis* for each of the proposed *cost elements* (e.g. direct labor costs, direct material costs, subcontractor costs, etc.), associated *quantities* (e.g. direct labor hours, individual direct material part number quantities, etc.), labor categories (e.g. Engineering Technician I, Program Manager, etc.), and each individual *indirect rate* and other proposed *factor* (e.g. escalation factors, efficiency factors, scrap factor).



(3) Cost Proposal Adequacy

Proposal Adequacy

- Contractor is responsible for providing adequate supporting data and information for each element of its proposal.
- The contractor bears the burden of proof in establishing reasonableness of proposed costs.
- The basis and rationale for all proposed costs should be provided as part of the proposal so that the government can place reliance on the information as current, accurate, and complete.

{Note: The source for slides included in this Section 3, were acquired from the Defense Contract Audit Agency (DCAA) web site. The content depicted on certain slides included in this Section 3 have been modified from that which DCAA includes on its web site. The modifications are intended to add and supplement the DCAA materials.}



Continuation - Cost Proposal Adequacy

Determination of Price Proposal Adequacy

FAR Part 15, Table 15-2 – Instructions for submitting cost/price proposals when certified cost or pricing data are required. **MUST REVIEW !**

DFARS 252.215-7009 Proposal Adequacy Checklist – Very detailed document that provides a checklist of 36 items for consideration when preparing a proposal. **MUST REVIEW !**



Continuation - Cost Proposal Adequacy

Proposal Cost Elements

- Direct Labor
- Material
- Subcontracts
- Other Direct Costs (ODCs)
- Indirect Rates



Continuation - Cost Proposal Adequacy

Direct Labor

- Contractor should have detailed schedules of the labor rates and hours used in the proposal.
 - An adequate proposal should include: The basis of proposed labor rates and classifications including any escalation factors: the contractor must disclose how proposed labor rates were estimated and the analysis will flow from there.
 - The Government (e.g. DCAA, DCMA, Contracts Department) will evaluate the basis of labor categories (labor grades) proposed and the hours assigned to each labor category.
 - The basis of proposed labor hours, comparisons of proposed hours to experienced hours for the production of similar items; and any learning curve applications.



Continuation - Cost Proposal Adequacy

Material

- An adequate proposal should include a consolidated priced summary of individual material quantities included in the various tasks, orders, or contract line items. In addition, the consolidated bill of material should provide:
 - The basis for pricing (vendor quotes, invoice prices, competitive bids, etc.)
 - Include raw materials, parts, components, assemblies, and services to be produced or performed by others.
 - Identify the item and show the source, quantity, and price.



Continuation - Cost Proposal Adequacy

Subcontracts

- An adequate proposal includes the basis of proposed subcontract costs including the prime contractor's price analyses of all subcontractor proposals.
 - Submit the subcontractor's cost or pricing data as part of your own cost or pricing data (Note: there are alternative approaches), as well as your analyses of the subcontractor's cost or pricing data per FAR 15.403-4 and FAR 15.403-1(b)
 - Include data showing the degree of competition and the basis for establishing the source and price reasonableness
 - The prime contractor is responsible for managing its subcontracts per FAR 42.202(e)(2)



Continuation - Cost Proposal Adequacy

Indirect Costs

- An adequate proposal includes the basis of the proposed indirect expense rates.
- Required support is at least the current year detailed operating budget and a long range forecast/strategic plan covering all the periods of performance.
- The operating budget should be at the department/pool level with expense item detail supporting anticipated contract performance.
- The budget should detail indirect expenses and show the relationship of direct labor (or other indirect expense allocation bases) to sales projections.
- Support also includes comparisons by year of projected overhead expenses by account to prior years' incurred amounts. Out-year projections should be supported by the contractor's analysis of the impact on its rates based on its long range forecast/strategic plan.



Continuation - Cost Proposal Adequacy

An example of the basic requirements for “indirect costs/rates” that are stated within the FAR Table 15-2, at Paragraph, II(C.):

“Indicate how you have computed and applied your indirect costs, including cost breakdowns (e.g. pools, bases, by cost element). Show trends and budgetary data to provide a basis for evaluating the reasonableness of proposed rates. Indicate the rates used and provide an appropriate explanation.”



Continuation - Cost Proposal Adequacy

Budgetary Data

- Straight-lining out-year rates for future periods with no explanation is not adequate.
- Support for out-year pools and bases should be made based on reasonable sales forecasts and contractor's assumptions for changes, if any, to major cost groupings (e.g., variable, semi-variable, and fixed).
- Small firms with limited budgetary data can use historical costs to estimate out-year rates. However, the contractor should provide trend data with appropriate explanations to support that the historical costs are the most reasonable estimate.



Continuation - Cost Proposal Adequacy

Adequate Cost or Pricing Data

- Factual and verifiable
- Includes data in forming a basis for judgment
- All facts that can be *reasonably* expected to contribute to the soundness of estimates of future costs and to the validity of determination of costs already incurred



Continuation - Cost Proposal Adequacy

Definition/Requirements

- FAR 2.101 – Cost or Pricing Data - All facts existing up to the time of agreement on price which prudent buyers and sellers would reasonably expect to effect price negotiations significantly.
- FAR 15.406-2 - Requires certification that data is current, accurate, and complete.
- Truth in Negotiations (TINA) - (10 U.S.C. 2306(f)) Requires contractors to submit accurate, complete, and current cost or pricing data when negotiating contracts with the Government. It also provides the Government with a price reduction remedy if a contractor fails to comply and provides provisions for interest/penalties.



Continuation - Cost Proposal Adequacy

Basic Examples of Cost or Pricing Data

- Vendor quotations
- Purchase orders
- Make-or-buy decision
- Accounting records
- Information on production methods
- Data supporting projections of business prospects



Continuation - Cost Proposal Adequacy

Cost or Pricing Data

Adequate Cost or Pricing Data:

- Better estimating/accurate follow-on pricing
- More timely and effective audits/cost analysis
- Development of good customer relationship

Inadequate Cost or Pricing Data:

- Potential for defective pricing (FAR 15.407-1)
 - Longer audits/cost analysis
 - Poor estimating/inaccurate follow-on pricing
 - Development of poor customer relationship



Continuation - Cost Proposal Adequacy

Cost or Pricing Data Considerations

- Labor:
 - Historical data - its use or nonuse
 - Basis for escalation factors
 - Turnover
 - Compensation issues
 - Changes in compensation policy
 - Market rates to demonstrate reasonableness
 - Historical skill mix to demonstrate basis of estimate
 - Improvement curves



Continuation - Cost Proposal Adequacy

Cost or Pricing Data Considerations

Indirect Rates:

- Internal budgets/forecasts/bank-loan, credit-line, etc.
- Basis of escalation factors (e.g. source, time frame)
- Changes in headcount (e.g. reorganizations)
- Sales forecast (all versions)
- Historical rates/accuracy of previous forecasts
- Any known accounting issues that may impact rates
- Changes in indirect rate structure
- Changes in direct and indirect cost classifications



Continuation - Cost Proposal Adequacy

Historical Data

Estimates based on historical data should consider:

- Learning efficiencies
- Prior non-recurring costs
- Escalating/diminishing costs
- Representative/Non-representative aspects of historical cost used to estimate
- All history; “not” just selective history



Continuation - Cost Proposal Adequacy

Unallowable Costs - Ensure proposed rates/costs properly account for and where required, *exclude* unallowable costs:

- Reasonableness (Refer to FAR 31.201-2)
- Generally Accepted Accounting Principles
- Allowable (per FAR 31.205)
- Reasonable (Refer to FAR 31.201-3)
- Allocable (Refer to FAR 31.201-4)
- Limitations on contract (e.g. ceiling rates, CLIN, cost limitations, etc.)
- CAS, if applicable
- Expressly Unallowable: Refer to FAR 31.205
 - Examples: Fines, Penalties, Entertainment, Contributions



Continuation – Cost Proposal Adequacy

Common Deficiencies

- Inadequate cost or pricing data
- Lack of/inadequate budgetary data
- Inconsistencies (e.g. FFP type proposal prepared in a manner not consistent with accounting system/cost accumulation)
- Use of indirect rate structures that generate *inequitable* costs/allocations and/or *excessive* cost recovery.
 - Government-Site Overhead Rate vs Contractor-Site Overhead Rate
 - Total Cost Input base vs Value Added base vs Single Element base
 - Cost of Sales base vs Total Cost Input base
 - Factors
- Failure to perform subcontract analysis



Continuation – Cost Proposal Adequacy

Brief Summary

Cost/Price proposals should include the following:

- Cost or Pricing Data which supports all proposed costs
- Budgetary Data (or support for proposed indirect rates) for the entire period of performance
- Subcontract Analysis, if applicable



Continued Cost Proposal – Sample

Background Information (Sample)

- (1) ATT was incorporated in the State of Maryland in 1985. ATT is a research and development concern specializing in engineering feasibility studies and surface vehicle design. In 1995, ATT developed a small manufacturing capability that enables it to manufacture prototypes of its basic designs. ATT had to borrow funds from a local lending institution to establish this capability. ATT provides services primarily to major DoD contractors on a Firm-Fixed Price (FFP) basis.**
- (2) This procurement, solicited by Request for Proposal (RFP) number DAAH01-09-R-0001, calls for the production of 50 prototypes of a new heavy-duty shock absorber. ATT designed this part under another Army contract for the Armored Personnel Carrier Program.**
- (3) The period of performance is February 28, 2010 to September 30, 2012**



Continued-Cost Proposal Sample

PROPOSAL COVER SHEET

(Cost or Pricing Data Required)

1. **Solicitation/Contract/Modification No.:** DAAH01-09-R-0001

2. **Advanced Tank Technologies**
500 East Highway
Washington, DC 20001

3. **Point of Contact**

Jane Doe
Contracts Manager
(202) 555-1212

4. **Contract Administration Office**

DCMA Baltimore
200 Townsontown Blvd., West
Towson, MD 21204-5299
(301) 339-4800

Audit Office

ABC Branch Office
8181 Main Street
Landover, MD 20785-2218
(301) 436-2090

5. **Type of Contract Action:** New Contract

6.

Proposed	+	Profit or	=	Total:
Cost		Fee		
\$938,241	+	\$93,824	=	\$1,032,065

7. **Government Property**

We will not require the use of any Government property in the performance of this work.

8. **Cost Accounting Standards (CAS) and Estimating & Accounting Compliance**

a. Our organization is NOT subject to the CASB Regulations (Public Law (PL) 91-379) as amended and FAR Part 30. We have a Small Business Exemption.

b. This contract action is NOT subject to CAS. We have a Small Business Exemption.

c. NO, we have not submitted a CASB Disclosure Statement (CASB DS-1 or 2).

d. We have NOT been notified that we are or may be in noncompliance with our Disclosure Statement or CAS.

e. NO, aspect of this proposal is inconsistent with our disclosed practices or applicable CAS.

f. YES, this proposal is consistent with our established estimating and accounting practices and procedures and FAR Part 31, Cost Principles.

9. This proposal reflects our estimates and/or actual costs as of this date and conforms with the instructions in FAR 15.403-5(b)(1) and FAR 15.408, Table 15-2. By submitting this proposal, we grant the CO and authorized representative(s) the right to examine, at any time before award, those records, which include books, documents, accounting procedures and practices, and other data, regardless of type and form or whether such supporting information is specifically referenced or included in the proposal as the basis for pricing, that will permit an adequate evaluation of the proposed price.

January 21, 2010

John Smith
John Smith, President



Continued-Cost Proposal Sample

Advanced Tank Technologies
 Washington, DC
 Proposal Submitted in Response To RFP DAAH01-09-R-0001

<u>Element of Cost</u>	<i>Amount</i>	<i>Reference</i>
Engineering Labor	\$452,151	Schedule 1
Manufacturing Labor	26,412	Schedule 1
Direct Labor Overhead @ 56.7%	271,345	Schedules 1 & 3
Material	113,175	Schedule 2
Material Handling Overhead @ 5.0%	<u>5,659</u>	Schedule 5
Subtotal	868,742	
G&A @ 8.0%	<u>69,499</u>	Schedule 4
Estimated Cost	938,241	
Profit @ 10.0%	<u>93,824 *</u>	
Total Price	<u>\$1,032,065</u>	

* Contractors can negotiate profit with the CO. Typically, COs use criteria in FAR 15.404-4 for establishing a profit objective. DoD COs may use the weighted guidelines policy described in DFARS 215.404-4.



Continued-Cost Proposal Sample

Advanced Tank Technologies
 Washington, DC
 Proposal Submitted In Response to RFP DAAH01-09-R-0001

SCHEDULE 1

Labor Category	2010 Engineering Labor Cost			2011 Engineering Labor Cost			2012 Engineering Labor Cost			Total Engineering Labor	
	Rate/Hr	Hours	Total	Rate/Hr	Hours	Total	Rate/Hr	Hours	Total	Hours	Total
Program Manager	\$ 33.93	683	\$ 23,174	\$ 35.63	760	\$ 27,079	\$ 37.41	507	\$ 18,967	1,950	\$ 69,220
Senior Engineer	26.39	1,200	\$ 31,668	27.71	900	\$ 24,939	29.10	700	\$ 20,370	2,800	76,977
Junior Engineer	22.12	1,800	\$ 39,816	23.23	1,500	\$ 34,845	24.39	900	\$ 21,951	4,200	96,612
Engineering Aide	14.50	1,800	\$ 26,100	15.23	550	\$ 8,377	15.99	50	\$ 800	2,400	35,277
Technical Writer	16.00	-	\$ -	16.80	0	\$ -	17.64	900	\$ 15,876	900	15,876
Metallurgist	18.85	1,900	\$ 35,815	19.79	1,200	\$ 23,748	20.78	700	\$ 14,546	3,800	74,109
Draftsman	18.95	2,200	\$ 41,690	19.90	1,500	\$ 29,850	20.90	600	\$ 12,540	4,300	84,080
Total Direct Labor - Engineering		<u>9,583</u>	<u>\$ 198,263</u>		<u>6,410</u>	<u>\$ 148,838</u>		<u>4,357</u>	<u>\$ 105,050</u>	<u>20,350</u>	<u>\$ 452,151</u>

Labor Category	2010 Manufacturing Labor Cost			2011 Manufacturing Labor Cost			2012 Manufacturing Labor Cost			Total Manufacturing Labor	
	Rate/Hr	Hours	Total	Rate/Hr	Hours	Total	Rate/Hr	Hours	Total	Hours	Total
Fabrication	\$ 10.85	400	\$ 4,340	\$ 11.39	600	\$ 6,834	\$ 11.96	600	\$ 7,176	1,600	\$ 18,350
Assembly	9.25	0	\$ -	9.71	200	\$ 1,942	10.20	600	\$ 6,120	800	8,062
Total Direct Labor - Manufacturing		<u>400</u>	<u>\$ 4,340</u>		<u>800</u>	<u>\$ 8,776</u>		<u>1,200</u>	<u>\$ 13,296</u>	<u>2,400</u>	<u>\$ 26,412</u>
Total Direct Labor			<u>\$ 202,603</u>			<u>\$ 157,614</u>			<u>\$ 118,346</u>		<u>\$ 478,563</u>
Direct Labor Overhead (@ 56.7% (Sched. 3))			<u>\$ 114,876</u>			<u>\$ 89,367</u>			<u>\$ 67,102</u>		<u>\$ 271,345</u>



Continued-Cost Proposal Sample

SCHEDULE 2

Advanced Tank Technologies
 Washington, DC
 Proposal Submitted in Response to RFP DAAH01-09-R-0001

Shock Absorber Bill of Material

<u>Support</u>	<u>Qty</u> (Note 4)	<u>Unit Price</u>	<u>Total</u>	<u>Notes</u>
Sheet Metal	1,600 sq. yd	\$ 25.00	\$ 40,000	(1)
Casings	750 pcs.	8.50	6,375	(2)
Plastic	7,500 pcs.	5.75	43,125	(1)
Springs	1,700 pcs.	4.00	6,800	(2)
Bolts	7,500 pcs.	2.25	<u>16,875</u>	(2)
Total Material			<u>\$ 113,175</u>	
Material Overhead at 5.0%			<u>\$ 5,659</u>	(3)

Explanatory Notes

- (1) These prices are supported by multiple vendor quotes. The proposed prices are those provided by the low bidder who was the ACME Corporation in their quotation dated December 21, 2009. The quotations are included in file "DAAH01-09-R-0001, Vendor Quotations" that are available immediately upon request.
- (2) These prices are supported by the Halloween edition of the Springs R Us Catalog. This catalog is available for audit in the pricing office.
- (3) See Schedule 5.
- (4) The proposed quantities are from the engineering drawings for the shock absorber. This drawing is located in file "DAAH01-09-R-0001, Engineering Drawing" and is immediately available upon request.



Continued-Cost Proposal Sample

SCHEDULE 3

Advanced Tank Technologies
 Washington, DC
 Budget for Fiscal Year 2010 Labor Overhead
 Actual Overhead Expenses for Fiscal Years 2007 through 2009

Overhead Expenses (Note 2)	Budget	Actual Expenses (Note 1)		
	2010	2009	2008	2007
Indirect Payroll	\$260,000			
Payroll Taxes	228,000			
Vacation	120,000			
Holiday	110,000			
Sick Leave	50,000			
Pensions	171,000			
Employee Morale	5,000			
Entertainment	50,000			
Office Equipment	7,000			
Depreciation	5,000			
Subscriptions	1,500			
Travel	22,000			
Miscellaneous	2,000			
Stationery	6,000			
Reproduction	17,000			
Maintenance	5,000			
Rent	202,000			
Telephone	11,000			
Insurance	102,000			
Total Pool	<u>\$1,374,500</u>			
Less Unallowable Costs				
Entertainment	\$ 50,000			
Net Allowable Expenses	<u>\$1,324,500</u>			
Allocation Base				
Direct Labor/IR&D/B&P Labor	<u>\$2,336,000</u>		(Note 3)	
Rate	<u>56.7%</u>		(Note 4)	



Continued-Cost Proposal Sample

SCHEDULE 4

Advanced Tank Technologies
 Washington, DC
 Budget for Fiscal Year 2010 G&A
 Actual G&A Expenses for Fiscal Years 2007 through 2009

2010 Projected G&A Expenses (Note 2)		Less Unallowables	Net Allowable Expenses	Actual Expenses (Note 1)		
				2009	2008	2007
Payroll Taxes	\$ 16,000		\$ 16,000			
Officers' Salaries	165,000		165,000			
Indirect Salaries	21,000		21,000			
Interest	14,000	\$ 14,000	0			
Vacation	11,000		11,000			
Holiday	9,000		9,000			
Sick Leave	5,000		5,000			
Contributions	8,000	8,000	0			
Pensions	12,000		12,000			
Office Equipment	1,000		1,000			
Depreciation	2,500		2,500			
Travel	10,000		10,000			
Miscellaneous	2,000		2,000			
Legal Fees	7,000		7,000			
Accounting Fees	7,000		7,000			
Computer	17,500		17,500			
Rent	15,000		15,000			
Advertising	8,500	8,500	0			
Telephone	3,000		3,000			
Insurance	7,000		7,000			
Total Pool	\$ 341,500	\$ 30,500	\$ 311,000			
IR.&D/B&P Labor	\$5,000		\$5,000			
IR.&D/B&P Overhead 58.8%	2,940	\$105	\$2,835	(Note 3)		
IR.&D/B&P Travel	665		665			
Total IR.&D/B&P	\$8,605	\$105	\$8,500			
Grand Total	\$ 350,000	\$ 30,500	\$ 319,500			

Allocation Base		
Direct Labor	\$ 2,331,000	
Overhead	1,374,500	
Less IR.&D/B&P Overhead @ 58.8%	(2,940)	(Note 4)
Other Direct Costs (ODC)	29,000	
Materials	250,000	
Material Overhead	12,500	
Total Base	<u>\$ 3,994,060</u>	



Continued-Cost Proposal Sample

SCHEDULE 5

Advanced Tank Technologies
 Washington, DC
 Budget for Fiscal Year 2010 Material Handling
 Actual Overhead Expenses for Fiscal Years 2009 through 2007

Material Handling Expenses (Note 2)	Budget	Actual Expenses (Note 1)		
	2010	2009	2008	2007
Purchasing Department	\$ 10,000			
Receiving Department	2,500			
Total Expenses	\$ <u>12,500</u>			
Less Unallowable Costs	\$ <u>0</u>			
Net Allowable Expenses	\$ <u>12,500</u>			
Allocation Base				
Direct Material	<u>\$250,000</u>			
Material Overhead Rate (Note 3)	<u>5.0%</u>			



(4.) Oversight

(a.) **DCAA Proposal Audit** – If >\$10 Million for FFP; If >\$100 Million for cost reimb.type. The DCAA Proposal audit program (Code 21000, dated 5/17) is 24 pages in length ... *approximately* 86 days to get a final report in FY2016 (Reference: PGI 215.404-2)

(b.) **DCMA Proposal Review** – If >\$750,000 for FFP; If > \$10 Million/Without significant estimating deficiencies or If > \$750,000/WITH significant estimating deficiencies. In addition, if requested, DCMA may perform cost analysis for a selected cost proposal (Reference: PGI 215.404-2)

(c.) **Contracts Department** (NAWCAD-Lakehurst) Proposal Cost Analysis (e.g. Contract Specialist with immediate access to in-house departmental Audit Support function). FAR 15.404-1(a)(1) states that *“the complexity and circumstances of each acquisition should determine the level of detail of analysis required.”*



Continued (Oversight)

*If *cost analysis* is performed by NAWCAD, Lakehurst Contracts Department – the references listed on page 2 of this slide presentation provide the baseline for the performance of the cost analysis.

**One of the best sources of information *and* guidance for performing cost analysis is the *Contract Pricing Reference Guide*. NAWCAD, Lakehurst Contracts Department utilizes the above publication.
{Reference: FAR.404-1(a)(7)}



Continued (Oversight)

(d.) Proposal Review Environment –

Interesting DOD-IG Reports on Cost Analysis

- DODIG-2016-005, Dated October 29, 2015 – follow-up review to the below report. “DCMA can perform cost analysis but needs additional work.”
- DODIG-2013-015, Dated November 13, 2012 – “DCMA was not prepared to perform adequate cost analysis ...”

DCAA Report to Congress on FY2016 Activities

FY2012 thru FY2016 - roughly half of questioned costs get sustained through contract negotiations.

FY2016 = 86 days for proposal audit results !



(5.) Negotiations

Contractor – cost proposal submission elements

If applicable, contractor to have submitted a Certificate of Current Cost or Pricing Data

Completed oversight results/recommendations to be considered by the Contracting Officer

Negotiations - combination of telephone, e-mail, meeting



(6.) Award

Contract Award

Cost Reimbursable (“*Potential*” for additional oversight via Incurred Cost & Indirect Rate Proposal submissions; finalize indirect rates and costs)

Firm Fixed Price (Gov’t may never get another look)