



The Contract Coach

Contract  
Administration

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# RESPONDING TO FEDERAL GOVERNMENT SOLICITATIONS

ALBUQUERQUE HISPANO CHAMBER OF COMMERCE

PRESENTER: DONALD E. SHANNON, PMP, CPCM, CFCM, FELLOW



# MEET YOUR PRESENTER DONALD E. (DON) SHANNON PMP, CPCM, CFCM, FELLOW



The Contract Coach

- MR. SHANNON RETIRED AS AN USAF AIRCRAFT MAINTENANCE OFFICER FOLLOWING 23 YEARS OF SERVICE AND HAS SINCE ACQUIRED 30-YEARS' EXPERIENCE AS A GOVERNMENT CONTRACTS MANAGER.
- HE OFFERS CONSULTING SERVICES THROUGH HIS BUSINESS (THE CONTRACT COACH) IN THE MANUFACTURING, R&D, AND AEROSPACE INDUSTRIES. HIS SPECIALTIES INCLUDE PROJECT MANAGEMENT (PMP), CONTRACT AND PROPOSAL MANAGEMENT (CFCM, CPCM, OUTSTANDING FELLOW) AND CONTRACT PRICING (CPT).
- DON IS AN AVID RESEARCHER AND WRITER WITH FREQUENT CONTRIBUTIONS TO NCMA'S CM MAGAZINE, THE JOURNAL OF CONTRACT MANAGEMENT AND PRICING MAGAZINE. MR. SHANNON IS A FREQUENT PRESENTER AT PROPRICER'S CGPS AND NCMA NATIONAL EVENTS. HIS CREDENTIALS INCLUDE A BACHELOR OF ARTS IN BUSINESS ADMINISTRATION FROM SAINT LEO COLLEGE AND A MASTER OF SCIENCE IN LOGISTICS MANAGEMENT FROM THE AIR FORCE INSTITUTE OF TECHNOLOGY.

# COPYRIGHT NOTICE

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CONTACT: DONALD E. SHANNON LLC DBA THE CONTRACT COACH.

[DON@CONTRACT-COACH.COM](mailto:DON@CONTRACT-COACH.COM)



# FUN PROPOSALS I'VE BEEN PART OF:



U.S. Army Heavy Dump Truck



NASA Suborbital Launch



U.S.P.S. Next Generation Delivery Vehicle







**PLEASE  
SECURE THE  
CABIN FOR  
DEPARTURE**

The background is a vertical gradient from light purple at the top to dark blue at the bottom. Scattered across the upper two-thirds are several realistic water droplets of various sizes, some with highlights and shadows, giving them a 3D effect.

# PROCUREMENT METHODS

HOW DOES THE GOVERNMENT BUY THINGS



# PROCUREMENT METHODS – SIMPLIFIED ACQUISITION

- SIMPLIFIED ACQUISITION (GENERALLY < \$250,000)
  - PURCHASE CARD (MICRO PURCHASE THRESHOLD OF \$3,500/\$5,000 – INCREASING THIS YEAR TO \$10,000/\$5,000 SUBJECT TO RESTRICTIONS FOR CONSTRUCTION OR SERVICES)
  - PURCHASE ORDER (FORM CONTRACT)
  - E-COMMERCE VIA GENERAL SERVICES ADMINISTRATION GSA SCHEDULES
  - COMMERCIAL ITEM “SIMPLE CONTRACT” – T&C VIA CLAUSE 52.212-12



# PROCUREMENT METHODS - RFQ/IFB

- REQUEST FOR QUOTE
  - TYPICALLY USED FOR PURCHASES FROM “SCHEDULE” CONTRACTS SUCH AS GSA
  - ALSO MAY BE USED FOR SIMPLIFIED ACQUISITIONS
  - QUOTE IS NOT AN “OFFER”
- SEALED BIDS (FAR PART 14)
  - FREQUENTLY USED FOR CONSTRUCTION CONTRACTS
  - MAY BE USED FOR COMMERCIAL ITEMS IF PRICE IS THE MAIN DISCRIMINATOR
  - SOLICITED BY AN “INVITATION FOR BIDS”





# PROCUREMENT METHODS – COMPETITIVE PROPOSALS

- COMPETITIVE PROPOSALS (FAR PART 15)
  - USUALLY, A NEGOTIATED CONTRACT AWARD
  - TYPICALLY, “BEST VALUE” AWARD
  - MUST INCLUDE SELECTION CRITERIA AND RELATIVE WEIGHTING OF FACTORS
    - COST IS ALWAYS A FACTOR
    - PAST PERFORMANCE
    - PROCUREMENT SPECIFIC FACTORS
- SPECIAL PROCUREMENT METHODS
  - BROAD AREA ANNOUNCEMENT - USED FOR RESEARCH AND DEVELOPMENT CONTRACTS (FAR PART 35)
  - ARCHITECT AND ENGINEER SERVICES (SF330) FAR PART 36



# ENTITY REGISTRATION IN SYSTEM FOR AWARD MANAGEMENT (SAM.GOV)

The screenshot shows the SAM.GOV user interface. At the top left is the SAM.GOV logo. The top right navigation bar includes links for Requests, Notifications, Workspace, and Sign Out. Below this is a secondary navigation bar with Home, Search, Data Bank, Data Services, and Help. The main content area is titled 'Entity Workspace' and features a search bar with the placeholder text 'Enter an entity ID, name, or keyword'. To the right of the search bar are 'Get Started' and 'Actions' buttons. On the left side, there is a sidebar with 'Show Workspace For Non-Federal Entities' and 'Filter By' sections. The main content area displays details for 'Donald E. Shannon LLC', which is an active registration. The details include the Unique Entity ID (K3QHBB7A7JR5), CAGE/NCAGE (5QHR9), FSD Number (INC-GSAFSD6489860), Purpose of Registration (All Awards), and Physical Address (5338 La Colonia Dr NW, Albuquerque, NM 87120-2488 USA). The Expiration Date is listed as Jul 6, 2023. There are also navigation controls for results per page (25) and sorting (Expiration Date Ascending).

**SAM.GOV**

Requests | Notifications | Workspace | Sign Out

Home | Search | Data Bank | Data Services | Help

Entity Workspace | Enter an entity ID, name, or keyword | Get Started | Actions

Show Workspace For **Non-Federal Entities**

- Non-Federal Entities
- BioPreferred Reporting
- Service Contract Reporting

Filter By

- Search by Keyword
- Search By Entity
- Search By Status

Results per page: 25 | Sort by: Expiration Date Ascending

**Donald E. Shannon LLC** ● Active Registration

Unique Entity ID: K3QHBB7A7JR5 | Purpose of Registration: All Awards | Expiration Date: Jul 6, 2023

CAGE/NCAGE: 5QHR9 | Physical Address: 5338 La Colonia Dr NW, Albuquerque, NM 87120-2488 USA

FSD Number: INC-GSAFSD6489860

FSD Incidents





# Pulsed And Continuous wave Innovat For Integration and Effects Research (PACIFIER)

Contract Opportunity

Card Details

General Information

Classification

Description

Attachments/Links

Contact Information

History

Why you think matters!

Provide Feedback

● ACTIVE

Contract

Notice ID

FA9451-18-S-0003

Related Notice

FA9451-18-S-0003

Contract Line Item Number

Department/Ind. Agency

DEPARTMENT OF DEFENSE

Sub-tier

DEPT OF THE AIR FORCE

Major Command

AFMC

Sub Command

AIR FORCE RESEARCH LABORATORY

Office

TRANSPARENCY:  
FEDERAL BUSINESS  
OPPORTUNITIES  
PUBLISHED IN  
SAM.GOV

# SOMETIMES THE BUYER WILL REACH OUT TO YOU WITH AN RFQ



U.S. Food And Drug Administration

10903 New Hampshire Ave.  
Silver Spring, MD 20993.  
Tel: (301) 825-5676

## REQUEST FOR QUOTE

- (i) This is a combined synopsis/solicitation for commercial items prepared in accordance with the format in Subpart 12.6, as supplemented with additional information included in this notice. This announcement constitutes the only solicitation; proposals are being requested and a written solicitation will not be issued.
- (ii) The solicitation number is 22-FDA-3409. The Solicitation is issued as a request for quotation (RFQ).
- (iii) The RFQ is issued full and open.
- (iv) Pricing Type is Firm Fixed Price
- (v) Line-item number(s) and items, quantities, and units of measure, (including option(s), if applicable).
- (vi) Responses are requested between now and Thursday, Oct27<sup>th</sup>, 2022. Questions concerning this requirement must be submitted to Ms Nicole Stevenson, via Email

				NET30
ITEM#	DESCRIPTION	QUANTITY	FIRM-FIXED UNIT PRICE	TOTAL PRICE
1	Microsoft Surface Pro 8 - 13" - Core i7 1185G7 - Evo - 16 GB RAM - 1 TB SSD Mfg.Part: EED-00016	32		





# RFP

## Request for Proposal

# THE PROPOSAL PROCESS

STEP-BY-STEP INSTRUCTIONS ON  
RESPONDING TO A GOVERNMENT  
SOLICITATION UNDER FAR PART 15

# A TALE OF TWO BOOKS

## TECHNICAL VOLUME

- DESCRIBES THE OFFEROR'S SOLUTION TO THE SOLICITATION
- MAY INCLUDE MANAGEMENT INFORMATION AND DESCRIPTION OF THE OFFEROR'S TEAM AND THEIR QUALIFICATIONS
- CAN BE PAGE LIMITED
- MAY BE SUPPLEMENTED BY AN ORAL PRESENTATION

## COST VOLUME


- CONTAINS INFORMATION NEEDED TO ALLOW GOVERNMENT TO MAKE A "*DETERMINATION OF FAIR AND REASONABLE PRICE*"
- MAY BE CERTIFIED OR OTHER THAN CERTIFIED DATA
- DETAILED DATA USUALLY FOLLOWS THE FORMAT IN TABLE 15-2 IN FAR PART 15.408



# TECHNICAL VOLUME

THE WHO, WHAT, WHEN, WHERE, WHY, AND HOW OF THE STORY





Compliant – we ‘color inside the lines’ and carefully and faithfully do what the government instructs in section L

Complete – we fully answer all the governments questions and include all required information

Concise – we keep our response short and to the point

Competitive – we make a strong case for why the government should select our offer in preference to our competitors

Convincing – Our story convinces the reader of our argument(s) and makes them a 'believer'

Cohesive – All the pieces of our story merge together seamlessly

Correct – we check and recheck to ensure all data is correct and that we do not have embarrassing typos or other editorial issues

**OUR GOAL IS THE 7 C'S**



# PROPOSAL PROCESS FLOW

THE SHIPLEY APPROACH



# PHASE 1

## ASSESS OPPORTUNITY - READ THE FULL SOLICITATION

- SECTION A – COVER SHEET
- SECTION B – ITEMS AND PRICES
- SECTION C – DESCRIPTION OF WORK
- SECTION D – PACKAGING AND MARKING
- SECTION E – INSPECTION AND ACCEPTANCE
- SECTION F – DELIVERIES OR PERFORMANCE
- SECTION G – ADMINISTRATIVE REQUIREMENTS
- SECTION H – SPECIAL CONTRACT REQUIREMENTS
- SECTION I – CLAUSES
- SECTION J – ATTACHMENTS
- SECTION K – REPS AND CERTS
- SECTION L – INSTRUCTIONS TO OFFERORS
- SECTION M – EVALUATION FACTORS



## SWOT ANALYSIS

### Primary factors

<b>S</b>	<b>Strengths</b> <ul style="list-style-type: none"><li>• Small Business -Eligible for set-aside</li><li>• Fifteen years industry experience</li><li>• Channel Partner with XYZ Robotics</li><li>• Established Flexible Automation design/production infrastructure</li><li>• US Company – “Buy American”</li><li>• Strong track record with Big 3 Auto</li><li>• Quality, reputation</li></ul>	<b>W</b>	<b>Weaknesses</b> <ul style="list-style-type: none"><li>• Lack of Government Contract Experience</li><li>• No experience with explosive components</li><li>• May not be able to afford investment to enter market</li><li>• Lack of 3<sup>rd</sup> party approved systems</li><li>• One deep in many critical skills</li></ul>
<b>O</b>	<b>Opportunities</b> <ul style="list-style-type: none"><li>• 500 systems/750 Million revenue initially</li><li>• 5 Million per year revenue for support over 20-year lifespan</li><li>• Strategic alliances, partnerships with other vendors</li><li>• “Me too” sales to other services or FMS</li><li>• Leverage technology into other hazardous material industries</li></ul>	<b>T</b>	<b>Threats</b> <ul style="list-style-type: none"><li>• Technically Challenging in hazardous environment.</li><li>• Ability to retain key Intellectual property</li><li>• Price stability in Fixed Price environment</li><li>• Strong competition</li><li>• Government’s ability to fund out-years</li></ul>

# PHASE 1

ASSESS THE  
OPPORTUNITY -  
CONDUCT BID/NO-BID ANALYSIS



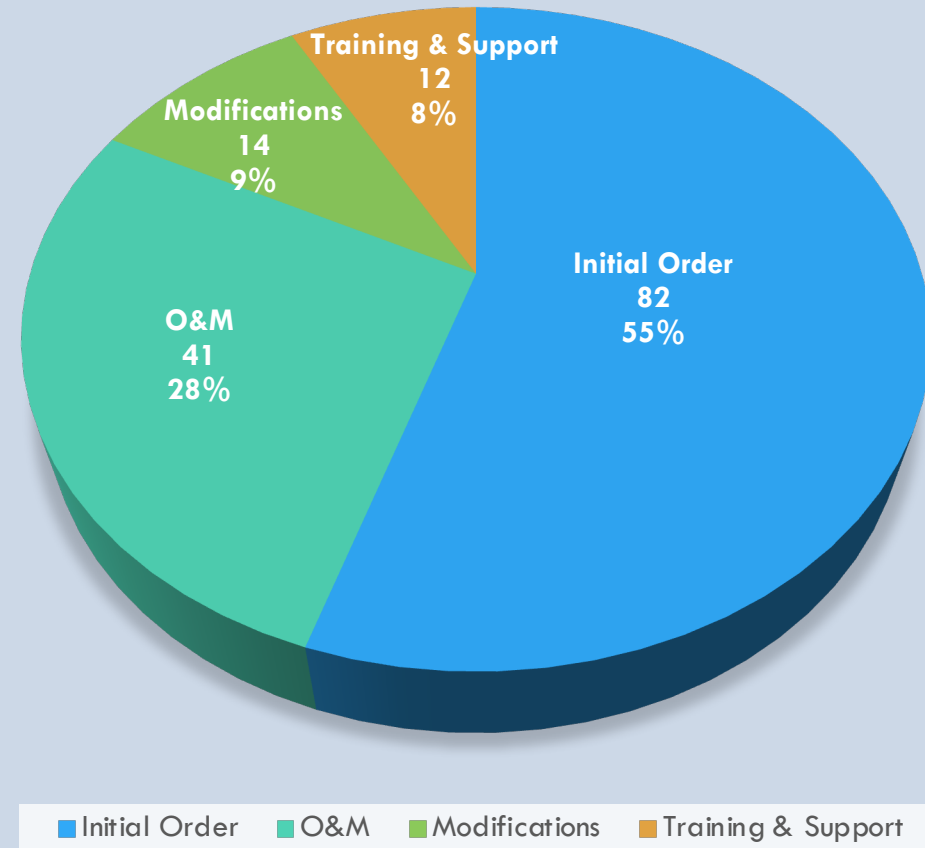
# LIKELY COMPETITORS

Company	Years Experience	Estimated Employees	Annual Revenue	Remarks	Threat Rating
Acme	15	75	15 Million		
Alpine	25	180 +/-	50 Million	<p>Recently completed major project with Department of Energy for handling radioactive waste.</p> <p>May not qualify as “small” depending on NAICS code assigned by CO</p>	High
Bovine	5	25	2 – 5 Million	No affiliation with any robotics supplier known – could be looking for a teammate	Medium
Sublime	10 - 12	60	Unknown	Uses Nippon robots – no 1000kg class robot available	Low
On-Time	16	80	19-20 Million	Uses “Hi-Value” robots which are equal to or better than XYX robots	High
Zebra	12-15	50?	Unknown	Believed to have been recently acquired by Canadian company – may not qualify as small	Medium

# REVENUE OPPORTUNITIES

- INITIAL SALE OF EQUIPMENT
- OPERATIONS AND MAINTENANCE
  - SERVICE & SUPPORT CONTRACTS
  - EQUIPMENT REPAIR/OVERHAUL
  - PARTS
  - SYSTEM INSTALLATION OR RELOCATION
- MODIFICATIONS
  - NEW WEAPONS COMPONENTS
  - SOFTWARE UPDATES
- TRAINING

Revenue \$149M over 5 years



The background is a gradient of purple, transitioning from a lighter shade at the top to a darker shade at the bottom. Scattered across the background are numerous water droplets of various sizes, some with highlights and shadows, giving them a three-dimensional appearance. The text is centered in the upper half of the image.

# BID OR NO-BID? OK – WE'RE IN THIS

TIME TO START THE PROPOSAL EFFORT

# PHASE 2 – CREATE THE CAPTURE STRATEGY

## Technical

- DEFINE A SOLUTION THAT
  - FULLY ADDRESSES ALL SOLICITATION REQUIREMENTS
  - IS TAILORED TO FIT THE CUSTOMER'S NEEDS
- PLAY TO OUR STRENGTHS
- CAPITALIZE ON COMPETITOR'S WEAKNESSES
- DEVELOP WIN THEMES

## Business/Cost

- Define a strategy that
  - Identifies team members roles and responsibilities
  - Provides best solution at affordable price
- Establish teaming agreements
- Make/Buy determination



# CONSIDER SMALL BUSINESS INVOLVEMENT

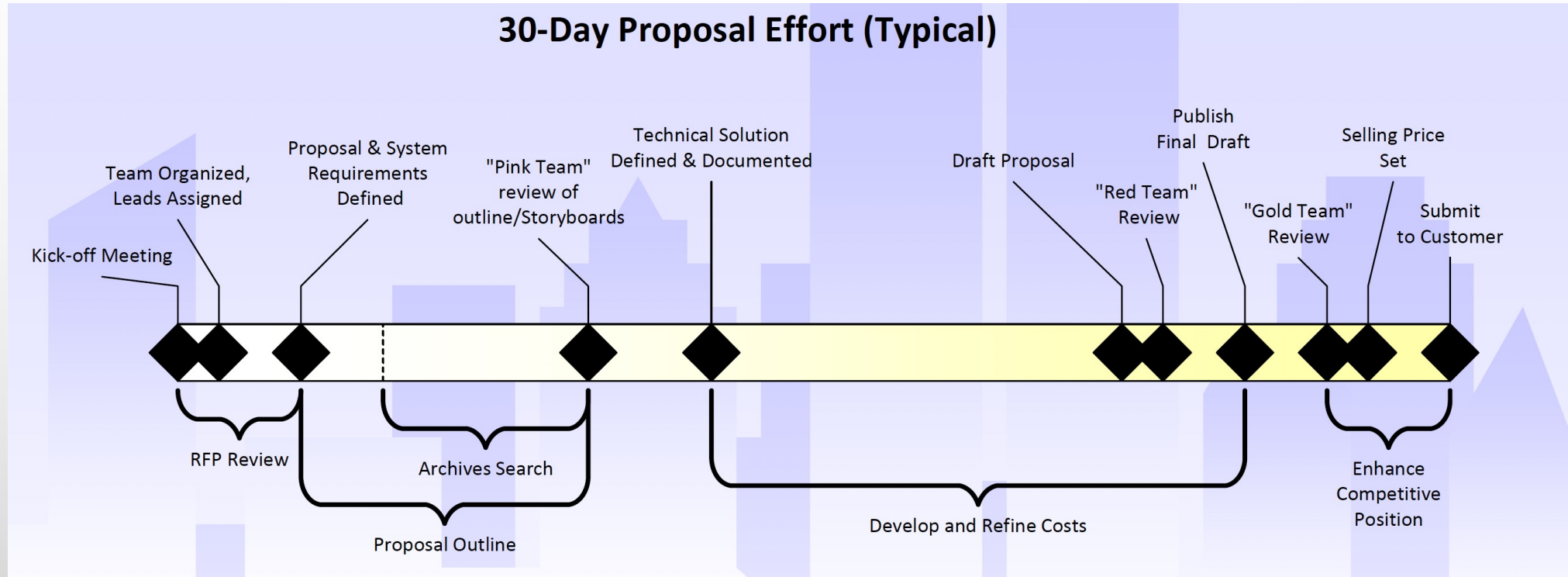
## Statutory Requirement

- Awards below the Simplified Acquisition Threshold are set-aside for small business.
- All awards over the Simplified Acquisition Threshold must offer small businesses the maximum practicable opportunity to participate in contract performance consistent with its efficient performance

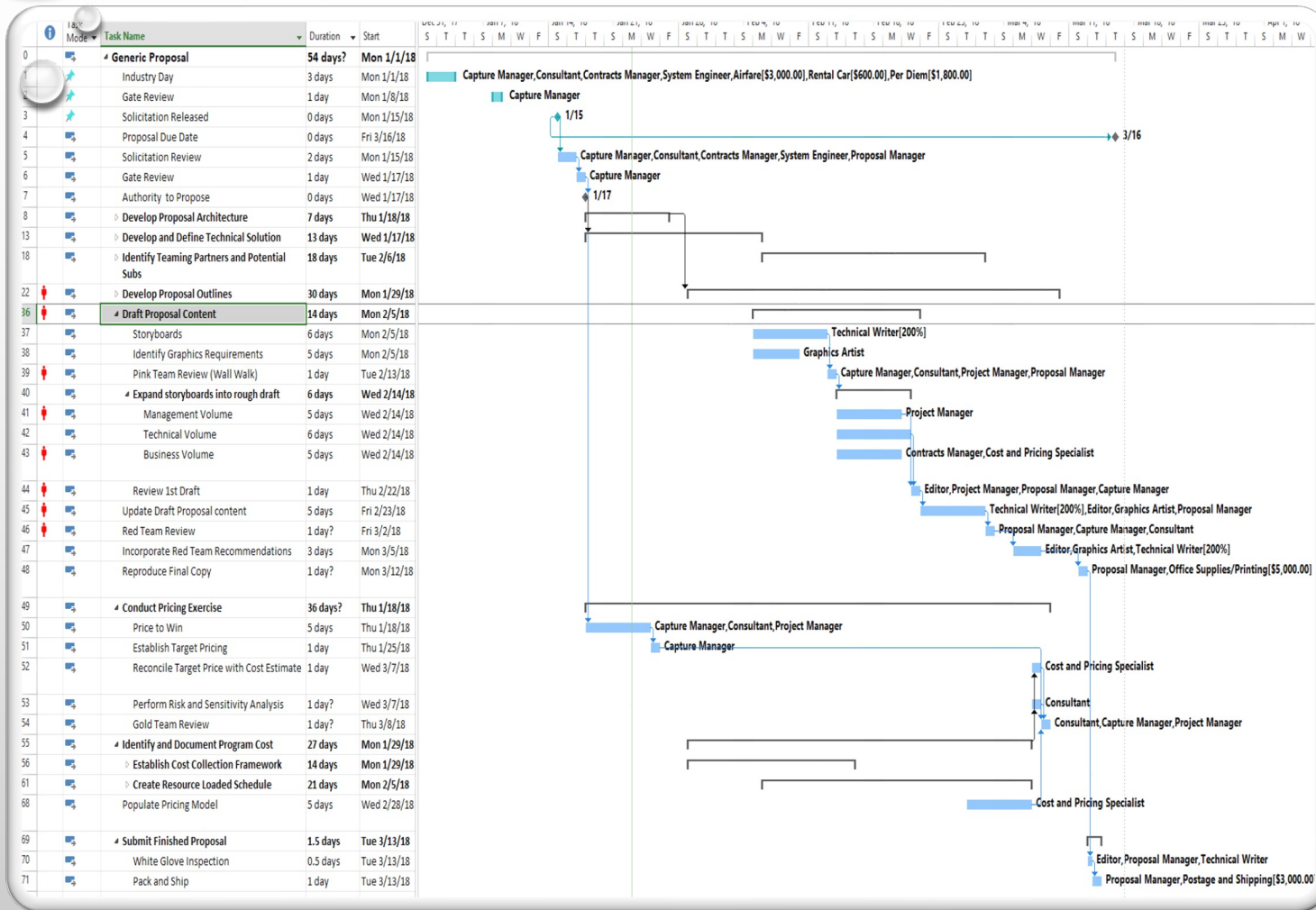
## Small Business Subcontracting Plan (if required)

- Prime Contractor for an award that is expected to exceed \$700,000 (\$1.5 million for construction) and that has subcontracting possibilities, shall require the apparently successful offeror to submit an acceptable subcontracting plan.
- Generally, the contracting agency will specify “targets” the contractor must meet for their plan to be “acceptable”
- Compliance is generally a “good faith” effort, but mechanisms exist to ensure compliance including performance evaluations or possible termination.

# PLAN THE PROPOSAL



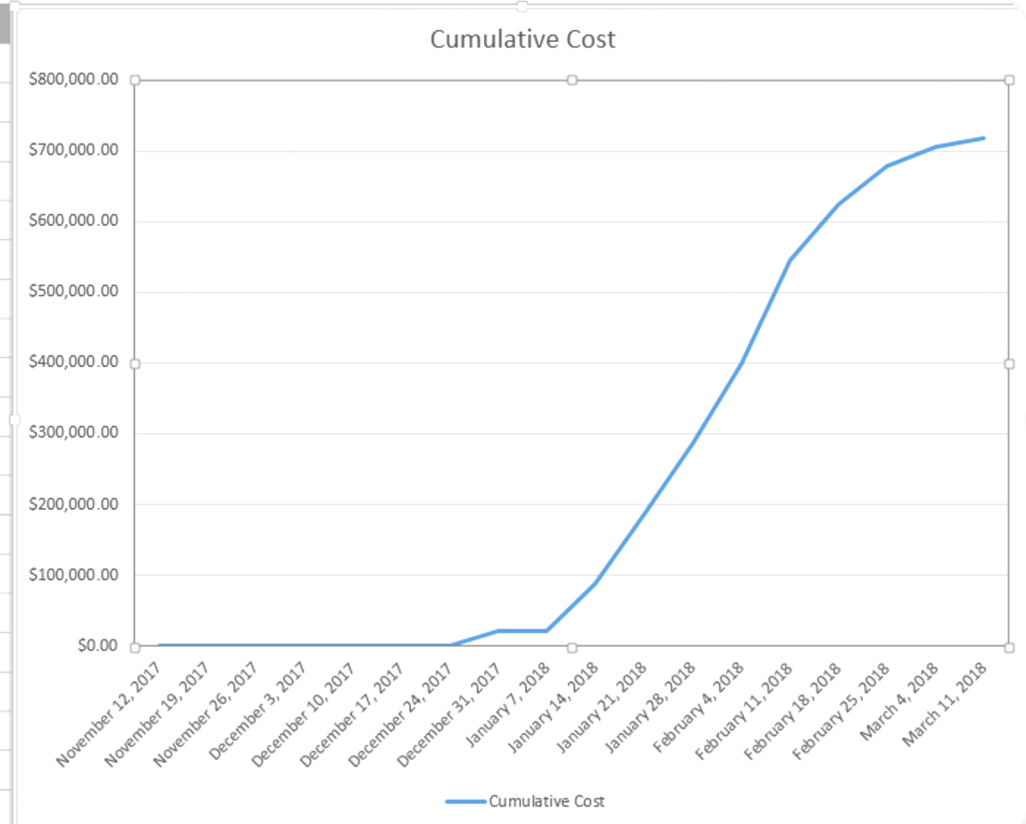
Proposals are a Project – Manage them that way!



# YOUR PROPOSAL PLAN SHOULD:

- HAVE A DETAILED SCHEDULE WITH RESOURCES ASSIGNED TO EACH TASK
- HAVE A BUDGET AND SPEND PLAN
- IDENTIFY WHO DOES WHAT AND WHEN (RACI)
- SET MILESTONE DATES FOR PROPOSAL REVIEWS

Name	Cost
Industry Day	\$20,400.00
Gate Review	\$1,800.00
Solicitation Released	\$0.00
Proposal Due Date	\$0.00
Solicitation Review	\$12,400.00
Gate Review	\$1,800.00
Authority to Propose	\$0.00
Develop Proposal Architecture	\$23,560.00
Develop and Define Technical Solution	\$162,600.00
Identify Teaming Partners and Potential Subs	\$42,520.00
Develop Proposal Outlines	\$73,440.00
Draft Proposal Content	\$60,920.00
Update Draft Proposal content	\$23,200.00
Red Team Review	\$4,200.00
Incorporate Red Team Recommendations	\$10,320.00
Reproduce Final Copy	\$6,200.00
Conduct Pricing Exercise	\$31,480.00
Identify and Document Program Cost	\$232,520.00
Populate Pricing Model	\$4,400.00
Submit Finished Proposal	\$5,660.00



# SET A PROPOSAL BUDGET AND STICK TO IT





## PHASE 3 – CREATE PROPOSAL CONTENT

- TECHNICAL VOLUME (TECHNICAL TEAM)
  - REQUIREMENTS MATRIX
  - OUTLINE
  - STORYBOARDS
  - DRAFT CONTENT
  - REVISED DRAFT
- BUSINESS VOLUME (COST & PRICING TEAM)
  - WORK BREAKDOWN STRUCTURE (WBS)
  - RESOURCE LOADED EXECUTION PLAN
  - BASIS OF ESTIMATE



## STEP 3 – CREATE PROPOSAL CONTENT

- MANAGEMENT VOLUME (IF NOT PART OF ANOTHER VOLUME)
  - PROJECT MANAGEMENT PLAN
  - QUALITY PLAN
  - INTEGRATED PROJECT SCHEDULE
- PAST PERFORMANCE VOLUME (IF NOT PART OF ANOTHER VOLUME)





## JUST A SECOND PLEASE

AVOID THE TEMPTATION TO  
RE-USE PROPOSAL CONTENT  
FROM PAST PROPOSALS

- IT'S AN EASY WAY TO MAKE ERRORS  
AND WASTE TIME
- THIS IS ESPECIALLY TRUE OF  
INFOGRAPHICS AND ARTWORK
- IF IT IS NOT A 100% MATCH – DON'T USE  
IT!

# CREATING PROPOSAL CONTENT (TECH VOLUME)

RFP Section	RFP Para.	Requirement	Proposal Vol.	Proposal Para.	Writer	Length	How Met
C	3.1	The Contractor shall propose a schedule based on the requirements outlined in this SOW and the solicitation to achieve the deployment, installation and acceptance by the (Agency) of the quantity of (Product) systems and any optional components, beginning no later than May 1, 2014 and completing no later than May 1, 2016 at a consistent rate of deployment.	Tech	3			A preliminary schedule meeting the requirements of the Solicitation has been developed and is attached at Appendix A for (agency) review. All program milestone dates and the deliverable dates for key items proposed is per the most recent contractual direction. This schedule represents a consistent deployment rate of x systems per month with a two month production ramp-up.
C	3.1	Note: The Contractor shall ensure the deployment scheduling complies with the restrictions stated in Section 5.2 contained herein.	Tech	3			The proposed schedule has been constructed with full consideration and compliance of the restrictions stated in section 5.2 of the SOW. Specifically, installation will commence on a Monday of the week scheduled unless the Monday is a Federal holiday, in which case the installation will commence the following day. All installations have been planned so as to take place during normal working hours, Monday thru Friday exclusive of holidays. No weekend or holiday work has been included in the schedule as per Section 5.2 of the SOW

SHRED THE PROPOSAL AND CREATE REQUIREMENTS MATRIX



# CREATE PROPOSAL OUTLINE

- FOLLOW THE STRUCTURE PROVIDED IN THE SOLICITATION IF PRESENT
- OTHERWISE USE A LOGICAL ORGANIZATIONAL STRUCTURE
  - TOPICAL – ALIGNED WITH SOW REQUIREMENTS
  - CHRONOLOGICAL
- CROSS REFERENCE THE OUTLINE TO THE REQUIREMENTS MATRIX
  - YOUR OUTLINE SHOULD HAVE 100% CORRESPONDENCE TO EACH REQUIREMENT IN THE MATRIX
  - ANNOTATE THE MATRIX WITH A SHORT MEMORY JOGGER OF HOW THE REQUIREMENT WILL BE MET/FULFILLED.
- MAKE WRITING ASSIGNMENTS BASED ON THE OUTLINE





## CREATE STORYBOARDS (OPTIONAL)

- STORYBOARDS PROVIDE A VISUAL REPRESENTATION OF A PROPOSAL SECTION INCLUDING ARTWORK AND A SHORT BULLETIZED DESCRIPTION OF WHAT WILL BE SAID
- MANY TEAMS USE STORYBOARDS TO CHECK THE FLOW OF THE PROPOSAL NARRATIVE.





## PINK TEAM/WALL WALK

- MANAGEMENT APPROVES THE OUTLINE AND ALLOWS PROGRESSION INTO PROPOSAL DEVELOPMENT AND WRITING
- GENERALLY CONDUCTED BY POSTING STORYBOARDS TO A WALL AND HAVING REVIEWERS WALK AROUND THE ROOM REVIEWING AS THEY GO

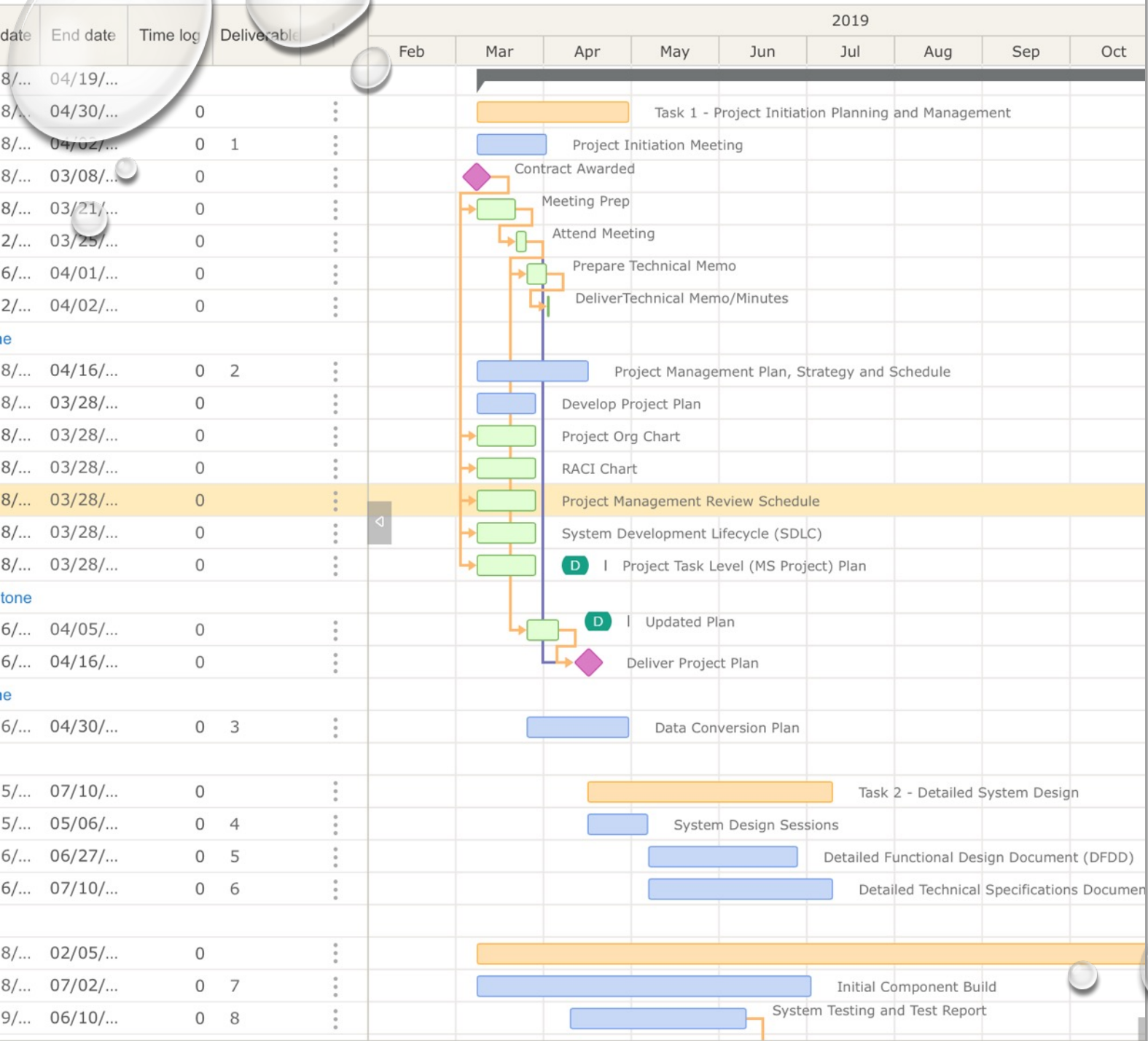




# CREATE DRAFT CONTENT

- EXPAND THE OUTLINE INTO PARAGRAPHS AND SECTIONS.
- USE PARAGRAPH AND SECTION TITLES TO PROVIDE READERS WITH A ROADMAP
- USE TOPIC SENTENCES TO MAKE ASSERTIONS THEN SUPPORT THE ASSERTION WITH VERIFIABLE DATA
- AVOID HYPERBOLE AND UNFOUNDED/UNSUPPORTABLE CLAIMS .. IN THE WORDS OF AN OLD TV SHOW “NO BRAG, JUST FACT.”





# INCLUDE A PROJECT SCHEDULE

- PROVIDES CONFIDENCE THAT YOU HAVE PLANNED THE WORK AND UNDERSTAND THE REQUIREMENTS.
- IT LETS YOUR CUSTOMER KNOW WHAT THEY WILL BE GETTING, WHEN, AND THE STEPS YOU WILL FOLLOW.
- MUST AGREE WITH THE TEXT AND COST/PRICE ESTIMATE

The slide features a decorative background with several realistic water droplets of varying sizes scattered across the top and bottom edges. The background is a soft-focus image of an office environment, showing a person's hands and a laptop keyboard. The text is centered in a clean, black, sans-serif font.

# UPDATE THE REQUIREMENTS MATRIX

- THE REQUIREMENTS MATRIX IS A 'LIVING DOCUMENT' AND SHOULD BE UPDATED DAILY TO DOCUMENT ACCOMPLISHMENTS AND TRACK STATUS
- IT IS ESPECIALLY HELPFUL IN ENSURING ALL WORK REQUIRED IN THE WRITING PROCESS IS ASSIGNED AND BEING WORKED,

# EDIT PROPOSAL MATERIAL

- AS SECTIONS ARE COMPLETED, THEY SHOULD BE PASSED TO AN EDITOR
  - REVIEW FOR GRAMMAR AND SPELLING
  - MAKE MINOR EDITS AS NEEDED TO ENSURE CONSISTENT VOICE
- EDITED SECTIONS ARE THEN FORMATTED AND ADDED TO THE MAIN DOCUMENT
- CONSIDER DESK TOP PUBLISHING IN PREFERENCE TO MS WORD.
- NEVER LET SME'S DIRECTLY EDIT FINISHED COPY IN MASTER PUBLICATION
  - HINT – COPY PASTING NEW OR REVISED INFORMATION IS LIKELY TO OVERWRITE FORMATTING AND CREATE HOURS OF WORK TO REPAIR
  - HOW DO I KNOW? LONG AND PAINFUL STORY CONCERNING 800 PAGE DOCUMENT





STATES REQUIRE DRIVERS TO CARRY CAR INSURANCE



**3 TIMES** more likely to have speeding violations.

**17.9** YEARS will have an accident claim once every 17.9 years.

### 7 Most Common Auto Insurance Claims



- 1 Fender Benders
- 2 Theft
- 3 Whiplash
- 4 Vandalism
- 5 Windshield Damage
- 6 Back Injuries
- 7 Animal Collisions



**25** YEARS OLD

Auto premiums usually go down substantially after a driver turns 25.

**(PIP)** Medical Payments or Personal Injury Protection (PIP) This coverage pays for the treatment of injuries to the driver and passengers of the policyholder's car.

**28%** of all fatalities are younger than 25



### TOP 5 MOST EXPENSIVE AND LEAST EXPENSIVE STATES FOR AUTOMOBILE INSURANCE...

**MOST**  
Michigan  
Louisiana  
Kentucky  
West Virginia  
Mississippi

**LEAST**  
Massachusetts  
North Carolina  
Hawaii  
Alaska  
Oregon

### RED CARS !

It's a myth that the color of your car affects the price of your car insurance.



**STOP** - Read your auto policy. Talk to your Independent Agent. Make sure you know your coverage

### 55 -vs- 9



55 out of every 100,000 registered motorcycles was involved in a fatal crash, compared with only 9 out of every 100,000 passenger cars.

**16%** of drivers are uninsured at any given time.



**THEFT** Your car insurance may NOT cover theft of items from inside your car. Check with your independent agent.

**84%**

## ADD ARTWORK

- EVERY PICTURE TELLS A STORY
- IF THE PICTURE DOESN'T CLEARLY AND ACCURATELY SUPPORT YOUR MESSAGE – LEAVE IT OUT OR GET ONE THAT DOES.
- BEWARE THE MARKETING GURU WHOSE INFOGRAPHIC IS UNINTELLIGIBLE



Why the Star needs its own editors  
no one else has experience, knowledge and investment in Star's excellence to maintain "brand," by journalists.

**TORONTO STAR**  
thestar.com  
Office of the Publisher

November 3, 2009  
All Staff  
John Cruickshank

mentioned at townhall meetings earlier this fall, the Star's strategic plan calls for a fundamental re-structuring of the organization around the core capabilities that drive the business, and the best way to operate our business at the lowest possible cost, including contracting out functions where there is a sound business case to do so. This will involve what is likely the biggest restructuring of the Star's workforce in its history. It won't be easy. Changes will affect every corner of the organization.

of the magnitude of the changes ahead, we are today launching a Voluntary Separation Program, to provide staff with additional choices. Details of the VSP are provided in the attached Human Resources. Over the last month, we have engaged the CEP in discussions on the terms of the VSP, and we are very pleased to advise that the final program reflects a significant agreement between the Star and the CEP.

We also advised the CEP that we are seriously considering contracting out segments of work related to the production of our print product. This work is currently performed within the Publishing and Editorial Divisions. Within Pre-Publishing, we are exploring the contracting out of editing and the scope of this effort may expand to include some or all of the remaining work in the division. Within Editorial, we are exploring the contracting out of some or all copy editing and caption work, and the scope again may expand to include other editorial production and related tasks. The scope of these and related outsourcing initiatives may well extend to work groups in other divisions of the Star.

Contracting out in all of these areas is still under exploration, we wish to provide potential employees and their union representatives with as much information as possible, as soon as possible. We will of course provide the CEP with the details of our business cases for contracting out in these areas, once our investigations are concluded, and seriously consider all alternatives before deciding that the union may wish to present. If we ultimately conclude that contracting out is the appropriate route to take, then employees in affected job classifications will be able to submit their VSP applications if they wish.

Understood by the company and the union that this general notification is not the formal notification of layoffs required under the collective agreement, which must still be completed and provides an opportunity for the union to suggest alternatives to contracting out. The company will provide formal notification as soon as the business reviews in the affected areas are concluded. Specific contracting out timelines will be provided as part of that formal notification.

Encourage staff, both within and outside these specific areas, to consider the VSP and to take advantage of the decision support services that HR will be providing. The VSP will be open for two weeks starting on November 16, to provide employees with sufficient time to carefully weigh their personal circumstances. I have asked all members of the Star's management team to share information on possible changes with staff during this time, so employees are as informed as possible when they make their decisions on the VSP.

slowpoke - get folks news faster  
ital - star style  
what does this mean? this isn't exactly pinning on what  
LEDES!! - why buried? move up -  
avoid simplistic qualifiers. pair words  
wordy graf - simplify!  
weasel words  
pin down your source  
understand  
formal notice  
When these changes will occur  
both within and outside these specific areas  
to take advantage of the decision support services that HR will be providing  
provide employees with sufficient time to carefully weigh their personal circumstances  
I have asked all members of the Star's management team to share information on possible changes with staff during this time

# RED TEAM

- REVIEW BY TEAM SIMULATING THE SOURCE SELECTION TEAM
- DOES YOUR PROPOSAL FULLY AND COMPLETELY ADDRESS ALL REQUIREMENTS (COMPLIANT)
- IS IT COMPETITIVE, COMPELLING, CONCISE, AND CORRECT?
- GAP ANALYSIS
- AVOID 'WORDSMITHING'

# POST RED TEAM REVISIONS

- SME'S MAKE ANY NEEDED REVISIONS AND THEN PASS TO EDITOR/PUBLISHER
- FINAL FORMATTING AND PAGE LAYOUT
- CONVERT TO PDF OR APPLICABLE FORMAT
- READY FOR GOLD TEAM!







# COST VOLUME

MEANWHILE IN A PARALLEL UNIVERSE

# ESTIMATING METHODOLOGY VS COST VOLUME CONTENTS

- YOU SHOULD ALWAYS ESTIMATE COSTS AND DOCUMENT THE PROCESS USING A CONSISTENT AND REPEATABLE PROCESS
- NOT ALL OF YOUR DATA WILL BE SUBMITTED IN THE COST VOLUME – JUST WHAT’S REQUIRED BY SECTION L OF THE SOLICITATION
- THAT DOES NOT MEAN YOU DON’T GENERATE THE BACK-UP DATA OR CUT CORNERS!





# TOP DOWN AND BOTTOM-UP ESTIMATING

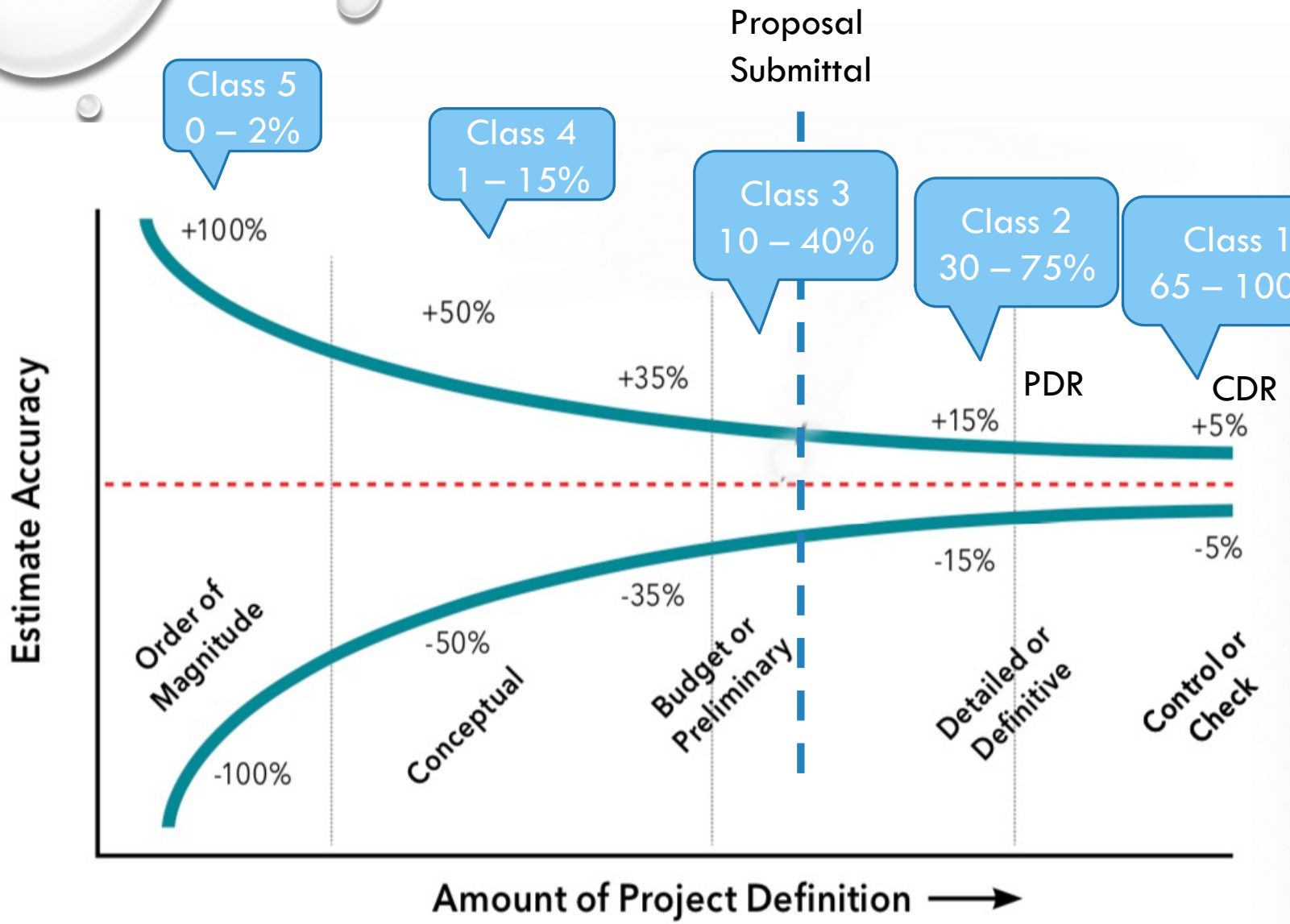
## TOP DOWN

- FAST AND FAIRLY ECONOMICAL TO CREATE
- USUALLY COMPILED BY MANAGERS WHO MAY NOT UNDERSTAND DETAILED PROCESSES
- BASED ON SCALED ESTIMATE OF PREVIOUS WORK OR ESTIMATING ALGORITHM
- MAY BE DECOMPOSED INTO LOWER-LEVEL ESTIMATES FOR SUBSYSTEMS OR COMPONENTS
- ONLY AS ACCURATE AS THE MODEL OR ANALOGY
- USEFUL AS A ROUGH ORDER OF MAGNITUDE OR SANITY TEST.

## BOTTOM UP

- TEDIOUS AND TIME CONSUMING - COSTLY
- USUALLY COMPILED BY SUBJECT MATTER EXPERTS
- BASED ON A WORK BREAKDOWN STRUCTURE
- EACH ELEMENT IS ANALYZED FOR LABOR, MATERIAL, AND OTHER COSTS SUPPORTED BY ESTIMATING RATIONALE (BOE)
- GENERALLY ACCURATE WITHIN 5 – 25%
- DEPENDS ON ESTIMATOR'S EXPERIENCE AND MATURITY OF THE SPECIFICATIONS/DESIGN

Which is best? Why not both!



# ESTIMATING ACCURACY AND UNCERTAINTY

- ESTIMATE ACCURACY DEPENDS ON UNDERSTANDING AND SPECIFICITY OF REQUIREMENTS
- ACCURACY IMPROVES AS MORE INFORMATION IS KNOWN (MORE CERTAIN)
- ASSUMPTIONS = UNKNOWNNS
- UNKNOWNNS = COST RISK

# COST IS NOT A SINGLE POINT

- COST IS MOST ACCURATELY EXPRESSED AS A RANGE OF VALUES
- BEST PRACTICE IS TO CALCULATE THE
  - LEAST LIKELY,
  - MOST LIKELY, AND
  - MAXIMUM EXPECTED COSTS
- COMMON UNBALANCED (SKEWED) SPREAD E.G., -5% +15%\*
- THEN PERFORM AN ANALYSIS TO DETERMINE BID PRICE
- RISK APPETITE WILL DETERMINE YOUR OFFERED COST/PRICE.

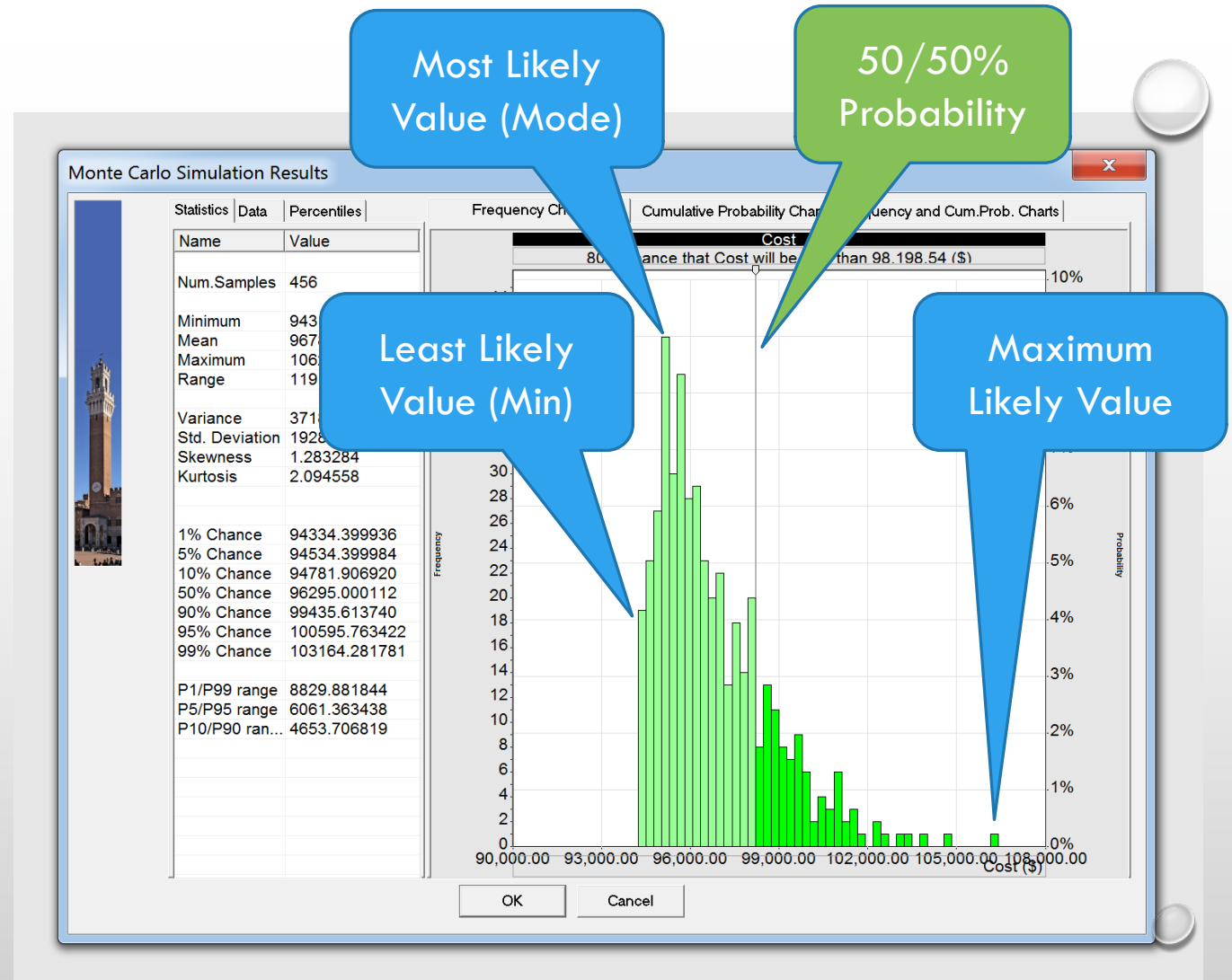


Image Credit: Intevar Institute Risky Project

\* The unbalanced spread is attributable to the nature of the underlying probability distribution which is either Beta or lognormal depending on who you ask

# THE CONTRACT ESTIMATING LIFECYCLE

## Planning / Pre-Award & Changes

- Create / update (Budgetary) estimate
- Create / update Independent Government Estimate
- Create /update Requirements Documents
  - Statement of Work
  - Top Level Work Breakdown Schedule

## Contract Performance

- Establish Contract Performance Baseline and Integrated Baseline Review (EVMS)
- Perform Contract Work
- Perform Cost Reporting (EVMS)
- Submit Invoices (Accounting)
- Submit Performance Data (CPI/SPI) (EVMS)
- Provide Limitation of Funds Notice
- Provide Limitation of Cost Notice
- Identify required contract modifications or proposed changes.

## Proposal (Pre-Award)

- Create / update Detailed Cost Proposal
  - Basis of Estimate
  - Work Breakdown Schedule
  - Proposal Narrative
  - Detailed Cost & Pricing data
  - Integrated Master Schedule
- Submit Cost Proposal
- Submit Certification of C&P data

## Contract Negotiation & Award

- Conduct Discussions
- Conduct Negotiations
- Submit Final Proposal Revision
- Issue Contract / Modification
- Provide First Increment of Funds

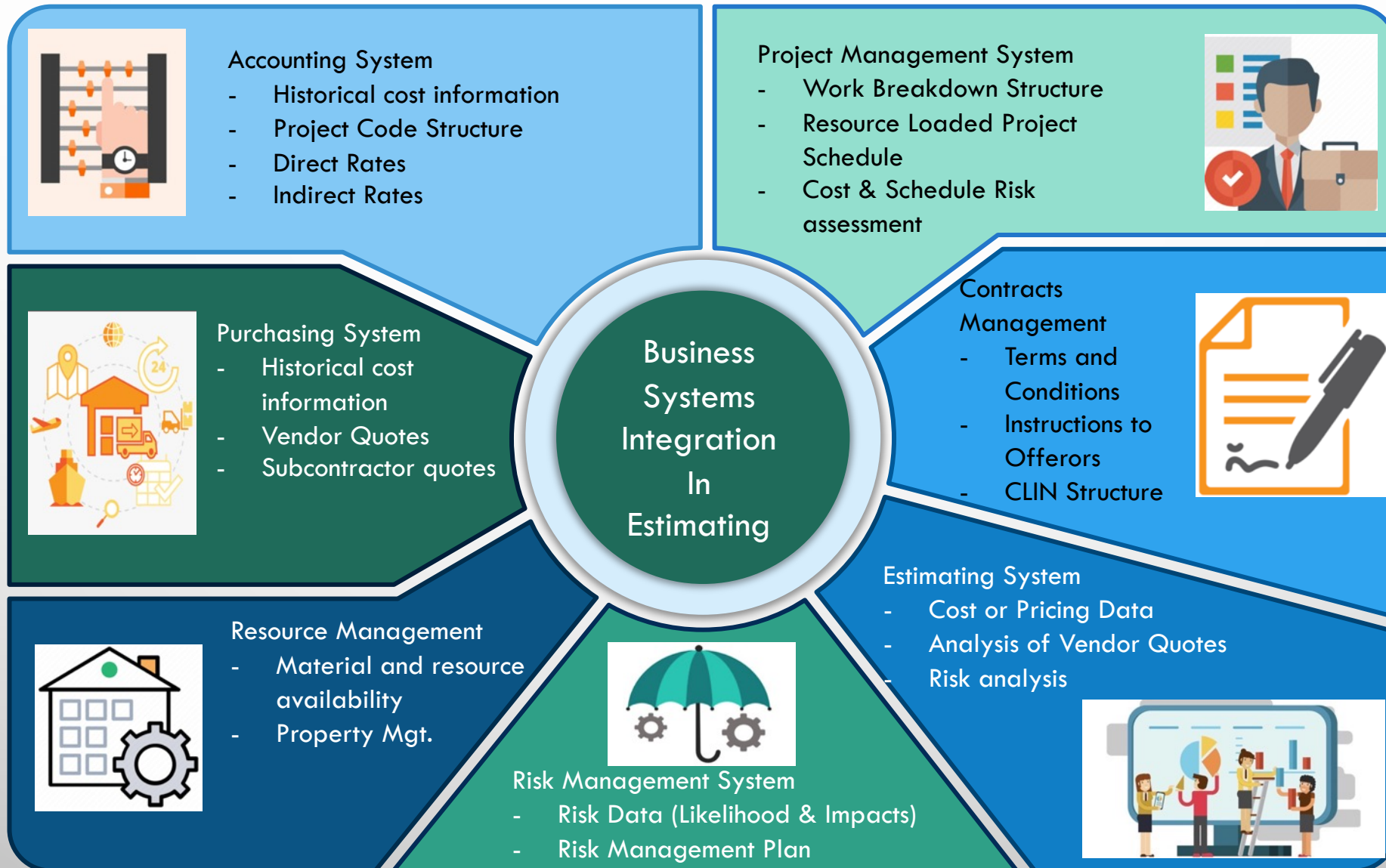


The cost estimate is not a 'once and done' proposition ..

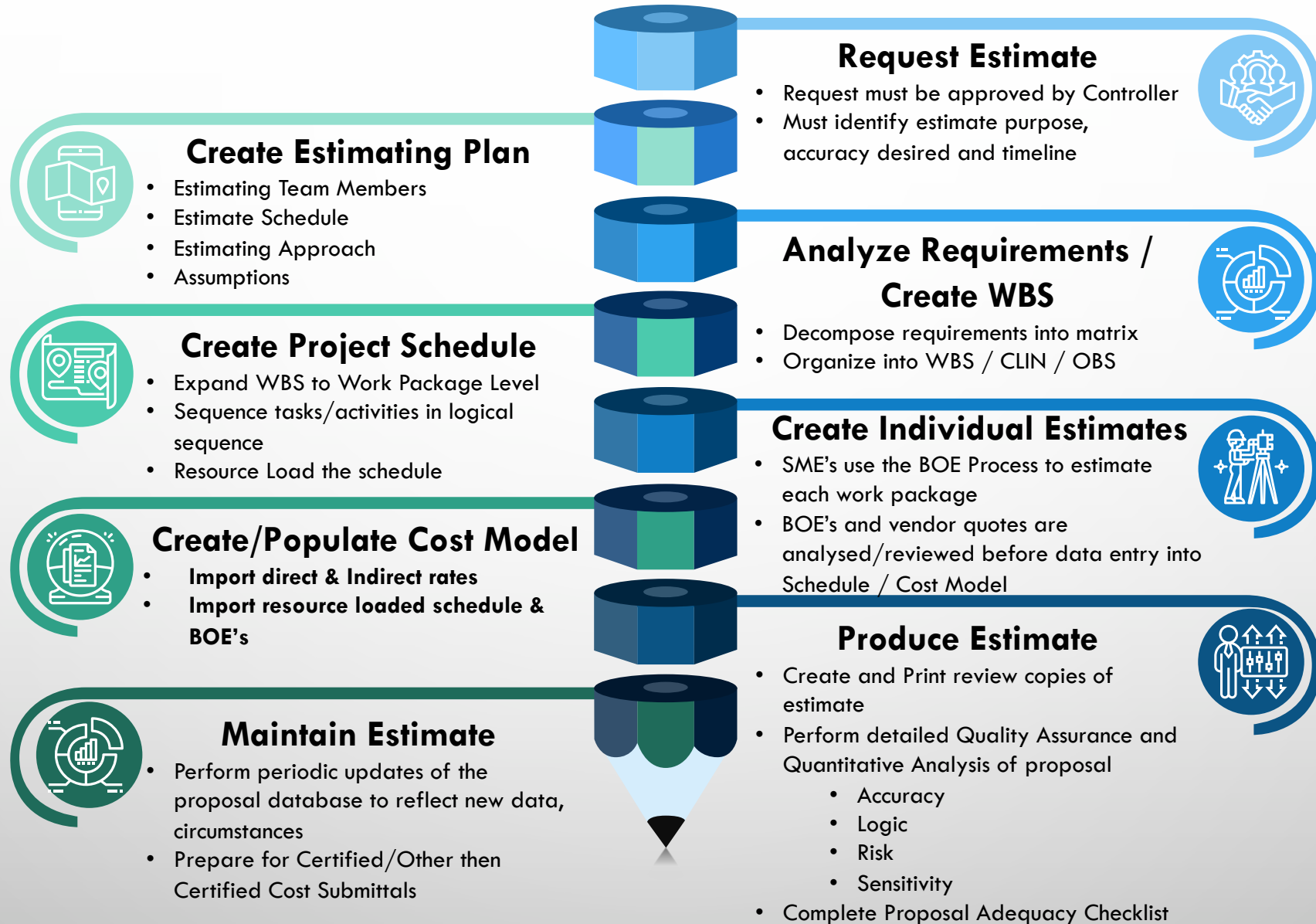


# AUTHORITATIVE DATA SOURCES

## ESTIMATING CONSOLIDATES DATA FROM MULTIPLE SOURCES



# PROPOSAL ESTIMATING PROCESS



# THE ESTIMATING PLAN

- COMPOSITION OF THE ESTIMATING TEAM
- DESCRIPTION OF ESTIMATING APPROACH
- TIMELINE (SHOULD MATCH THE PROPOSAL SCHEDULE)
- ESTIMATING WORKFLOW
  - CREATE WBS
  - DECOMPOSITION OF REQUIREMENTS INTO WORK PACKAGES
  - SCHEDULE CONSTRUCTION
  - ASSIGNMENT OF RESOURCES
  - DETERMINATION OF COSTS
- REVIEW AND APPROVAL

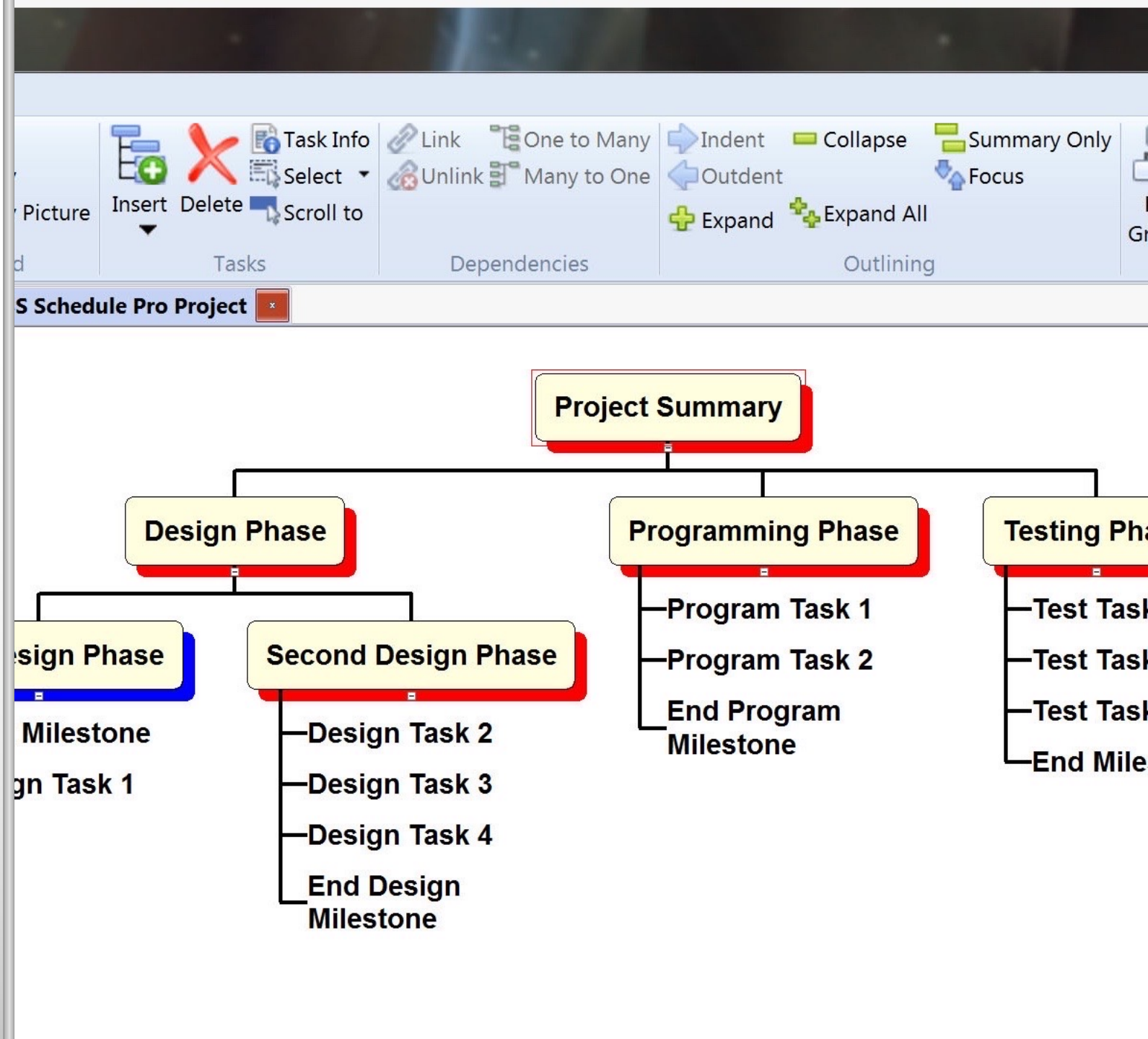


# WORK QUANTIFICATION

- STEP 1 IN ESTIMATING IS TO IDENTIFY WHAT RESOURCES AND IN WHAT QUANTITY WILL BE REQUIRED
- THE PRINCIPAL TOOLS USED ARE
  - THE WORK BREAKDOWN STRUCTURE
  - THE RESOURCE LOADED SCHEDULE
- THESE TOOLS WILL QUANTIFY
  - LABOR
  - MATERIALS
  - OTHER COSTS (TRAVEL, EQUIPMENT LEASE, ETC.)

# CONSTRUCT WORK BREAKDOWN STRUCTURE

- THE WBS IS A TOP-DOWN HIERARCHICAL REPRESENTATION OF THE WORK TO BE PERFORMED ORGANIZED BY CONTRACT DELIVERABLE OR PROJECT PHASE.



# THE WBS ALIGNS WITH AND PARALLELS THE PROJECT SCHEDULE AND THE PROJECT REQUIREMENTS

- EVERY WBS ELEMENT SHOULD TRACK TO A PROJECT (SOLICITATION) REQUIREMENT
- EVERY WBS ELEMENT SHOULD BE ADDRESSED IN THE SCHEDULE
  - REQUIREMENT
  - START DATE FOR WORK
  - COMPLETION DATE FOR WORK
  - RESOURCES (LABOR, MATERIAL ETC.)
  - RELATIONSHIP TO OTHER TASKS (PREDECESSOR OR SUCCESSOR ETC.)

						2019					
						Feb	Mar	Apr	May	Jun	Jul
	Task name	Start date	End date	Time log	Deliverable						
		03/08/...	04/19/...								
1	▼ Task 1 - Project Initiati...	03/08/...	04/30/...	0	⋮	Task 1 - Project Initiation Plann					
1.1	▼ Project Initiation Mee...	03/08/...	04/02/...	0	1	Project Initiation Meeting					
1.1.1	Contract Awarded	03/08/...	03/08/...	0	⋮	Contract Awarded					
1.1.2	Meeting Prep	03/08/...	03/21/...	0	⋮	Meeting Prep					
1.1.3	Attend Meeting	03/22/...	03/25/...	0	⋮	Attend Meeting					
1.1.4	Prepare Technical ...	03/26/...	04/01/...	0	⋮	Prepare Technical Memo					
1.1.5	DeliverTechnical M...	04/02/...	04/02/...	0	⋮	DeliverTechnical Memo/Minutes					
Add a task   Add a milestone											
1.2	▼ Project Management ...	03/08/...	04/16/...	0	2	Project Management Plan, Strategy a					
1.2.1	▼ Develop Project Pl...	03/08/...	03/28/...	0	⋮	Develop Project Plan					
1.2.1.1	Project Org Chart	03/08/...	03/28/...	0	⋮	Project Org Chart					
1.2.1.2	RACI Chart	03/08/...	03/28/...	0	⋮	RACI Chart					
1.2.1.3	Project Manage...	03/08/...	03/28/...	0	⋮	Project Management Review Schedule					
1.2.1.4	System Develop...	03/08/...	03/28/...	0	⋮	System Development Lifecycle (SDLC)					
1.2.1.5	Project Task Lev...	03/08/...	03/28/...	0	⋮	D   Project Task Level (MS Project) Plan					
Add a task   Add a milestone											
1.2.2	Updated Plan	03/26/...	04/05/...	0	⋮	D   Updated Plan					
1.2.3	Deliver Project Plan	04/16/...	04/16/...	0	⋮	Deliver Project Plan					
Add a task   Add a milestone											
1.3	› Data Conversion Plan	03/26/...	04/30/...	0	3	Data Conversion Plan					
Add a task   Add a milestone											
2	▼ Task 2 - Detailed Syste...	04/15/...	07/10/...	0	⋮	Ta					
2.1	› System Design Sessi...	04/15/...	05/06/...	0	4	System Design Sessions					



# ESTIMATING TECHNIQUES

Actual/Historical Data – data derived from accounting system or timecards

Vendor Quotes – FFP Bids or quotations provided by outside source

Parametric Models – mathematical representation associating cost or effort to system characteristics (size, weight, performance)

Analogous data – data from past efforts scaled by a judgement factor to account for differences in project size or complexity

Expert (or Engineering) estimate – data provided by a Subject Matter Expert based on personal experience or judgement.

# QUANTIFYING LABOR

- LABOR GRADE OR SKILL
- LABOR HOURS REQUIRED
- NUMBER OF  
PEOPLE/COMPOSITION OF  
WORKFORCE
- OVERTIME (IF REQUIRED)
- LABOR RATE(S)



# QUANTIFYING MATERIAL

- UNIT OF SUPPLY (SQUARE FOOT, POUNDS, LENGTH, ETC.)
- GRADE OR QUALITY
- SPECIFICATIONS
- SPOILAGE ALLOWANCE (SEE FAR PART 31)





# QUANTIFYING OTHER COSTS

- TRAVEL COSTS (NUMBER OF TRIPS, ORIGIN, DESTINATION, LENGTH OF STAY, NUMBER OF TRAVELERS)
- AIRFARE OR MILAGE
- PER DIEM
- EQUIPMENT RENTAL (INCLUDES RENTAL CARS)
- ROYALTIES
- PERMITS OR FEES



# DON'T FORGET TO DOCUMENT THE BASIS OF ESTIMATE

## Proposal Basis of Estimate (BOE) Rationale & Justification

<b>BOE ID</b>	LPMOX	<b>WBS ID</b>	1.5.2	<b>RFP #</b>	W56HZV-16-R-0024
<b>WBS Title:</b>	Logistic Program Management				
<b>BOE Author:</b>		<b>BOE Date</b> MM/DD/YYYY			
<b>Task Start</b> MM/DD/YYYY		<b>Task Stop</b> MM/DD/YYYY			
<b>Scope of Work (SOW) Reference:</b>	This effort is required in support of the Statement of work or contract requirements located in Section C Paragraph 6.6.1 "Logistics Management and Administration" of the RFP. Work described here will be quoted in CLIN 026X (where x = 1 to 7 based on ordering years 1 thru 7) as a Firm Fixed Price effort on a monthly basis.				

### WBS Task Description:

The Logistics Program Management task includes the supervision and leadership of the logistics support organization and staff, supervision of two key subcontractors, and direct oversight of Training (development and New Equipment Training Presentation), Total Fielding Support, Preparation and delivery of key logistics data and analyses including Provisioning Documentation, FEMECA, etc.

Much of the proposed work will be accomplished by a team of expert logisticians via key subcontracts. However the oversight of subcontractor effort, project management, reporting, and several key logistics activities such as Integrated Project Team leadership and

\_\_\_\_\_ will be performed by an in-house team supervised and directed by the Logistics Program Manager. The effort proposed includes those tasks identified in the below SOW Sections:

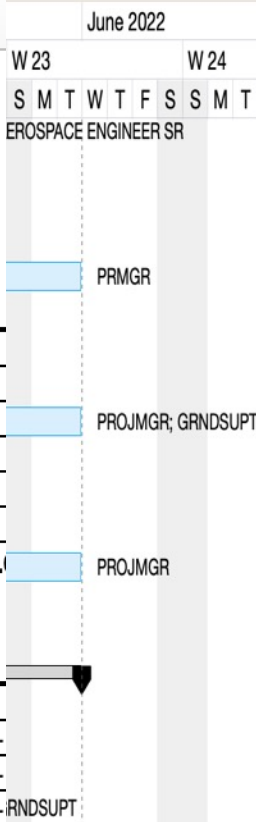
- (C.6.1) The contractor shall designate a Product Support Manager
- The contractor shall conduct monthly IPT meetings
- The contractor shall provide metrics in support of IPT meetings to the Government with respect to logistics products that include the Technical Publication work packages, provisioning data, training data, and packaging data with supporting data.
- The contractor shall provide read-ahead copies of the briefing materials IAW CDRL A001.





# BUILDING THE ESTIMATE – RESOURCE LOADING

WBS-Code	Name	A	B	C	D	E	F	G	H	I	J	K	June 2022
		1											W 23
		2	Project Number										W 24
10.2	Prc	3	Project Name										S M T W T F S S M T
	sys	4	Project Manager										EROSPACE ENGINEER SR
	lau	5	Customer										
	cus	6	Contract Number										
10.3	Prc	7	Fee %	15%									
	lau	8											
	ale	9	Direct Labor Charges		October	November	December	January	February	March	April	May	June
	mis	10	101	CHIEF ENGINEER									
10.4	Sei	11	102	GROUND SUPPORT TEAM LEAD									
	tra	12	103	PROGRAM MANAGER	10.00	9.00	10.00	9.00	10.00				
	we	13	104	SAFETY SYSTEMS TEAM LEAD									
	sup	14	0	0									
10.5	Prc	52	<b>Total</b>		<b>10.00</b>	<b>9.00</b>	<b>10.00</b>	<b>9.00</b>	<b>10.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	NA	53											
	ph:	54											
11	▼ Provi	55											
	moti	56	Direct Labor Charges		October	November	December	January	February	March	April	May	June
		57	101	CHIEF ENGINEER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11.1	Air	58	102	GROUND SUPPORT TEAM LEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11.2	Grc	59	103	PROGRAM MANAGER	\$ 631.70	\$568.53	\$631.70	\$568.53	\$631.70	\$ -	\$ -	\$ -	\$ -
		60	104	SAFETY SYSTEMS TEAM LEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		99	<b>Total</b>		<b>\$ 631.70</b>	<b>\$568.53</b>	<b>\$631.70</b>	<b>\$568.53</b>	<b>\$631.70</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
		100											
		101	Total Project Labor		<b>\$ 3,032</b>								



# BUILDING THE ESTIMATE – RESOURCE LOADING

ProPricer Contractor Express

Estimates

> Home / Proposals / Sample, Ver. 1.0 / Estimates / WBS

+ SOW BOE

	Vendor Prototype Quote 07/2022 - 09/2022	Integrate Software 10/2022 - 02/2023	Procure Materials 04/2022 - 07/2022	Prototype Testing 04/2023	Total
Master Scheduler	80	80	80		240
Material	\$3,500	\$1,500	\$45,000		\$50,000
Subcontractor	\$8,000	\$300			\$8,300
Jr. Engineer	110	66		120	296
QA	35	40		100	175
Logistics Engineer		35		44	79
DevOps		125		60	185
UI Programmer				160	160

Resource: Hours/Unit/Cost

Note: ProPricer Contractor Express software may be obtained from Executive Business Systems as a free trial version (which is illustrated) and limited free usage by small businesses. Please contact EBS for details.

(<https://www.propricer.com/products/contractor-express> )

# COST BUILD-UP

- DIRECT COST = QUANTITY (FROM PREVIOUS) X COST PER UNIT
- INDIRECT COSTS
  - FRINGE (IF NOT INCLUDED IN OVERHEAD)
  - OVERHEAD
  - GENERAL AND ADMINISTRATIVE
- PROFIT OR FEE
- TAXES




# BUILDING THE ESTIMATE – DIRECT COSTS

bls.gov

Occupation code	Occupation title (click on the occupation title to view its profile)	Level	Employment	Employment RSE	Employment per 1,000 jobs	Location quotient	Median hourly wage	Mean hourly wage	Annual mean wage	Mean wage RSE
15-0000	<a href="#">Computer and Mathematical Occupations</a>	major	9,660	3.8%	26.509	0.80	\$37.44	\$41.14	\$85,560	2.3%
15-1211	<a href="#">Computer Systems Analysts</a>	detail	1,300	16.8%	3.579	1.00	\$37.35	\$37.61	\$78,230	6.8%
15-1212	<a href="#">Information Security Analysts</a>	detail	720	16.3%	1.974	1.77	\$57.69	\$57.11	\$118,780	4.3%
15-1221	<a href="#">Computer and Information Research Scientists</a>	detail	330	9.8%	0.907	4.15	\$60.95	\$59.16	\$123,060	1.6%
15-1231	<a href="#">Computer Network Support Specialists</a>	detail	870	9.1%	2.386	1.91	\$29.37	\$29.86	\$62,110	1.8%
15-1232	<a href="#">Computer User Support Specialists</a>	detail	1,630	14.6%	4.481	0.96	\$22.77	\$23.60	\$49,080	2.0%

# BUILDING THE ESTIMATE – INDIRECT COSTS



Global **Indirect Rates – Sample**

- Dashboard ^
- Home
- Sample, Ver. 1.0
- Proposals
- Notifications
- Rate Tables ^
  - Pricing Models
  - Indirect Rates
  - Direct Rates
- Libraries ^
- Resources

Indirect Elements ⋮ ?

**OH**  
Overhead

**G&A**  
General and Admin

**Profit/Fee**  
Profit/Fee

**Tax**  
Sales or Gross Receipts Tax

[Home](#) / [Indirect Rates](#) / [Sample](#)

+

Indirect Pool	2022	2023	2024	2025
Direct Labor <span style="float: right;">⋮</span>	1.224000	1.248480	1.273450	1.298919
Manufacturing <span style="float: right;">⋮</span>	1.530000	1.560600	1.591812	1.623648
Non-labor <span style="float: right;">⋮</span>				

# BUILDING THE ESTIMATE – COST MODEL

ProPricer Contractor Express

Pricing Model – Standard Pricing

<input type="checkbox"/>	P ↑	Element ◇	Description ◇	... ◇	Expression ◇	Pr... ◇	Total ... ◇
<input type="checkbox"/>	1	OH	Overhead	Input	[Direct Cost] * {OH}	Yes	
<input type="checkbox"/>	2	Subtotal	Subtotal	Cost Level	[Direct Cost] + [OH]	Yes	
<input type="checkbox"/>	3	G&A	General and Ad...	Input	[Subtotal] * {G&A}	Yes	
<input type="checkbox"/>	4	TC	Total Cost	Cost Level	[Subtotal] + [G&A]	Yes	
<input type="checkbox"/>	5	Profit/Fee	Profit/Fee	Input	[TC] * {Profit/Fee}	Yes	Profit/Fee
<input type="checkbox"/>	6	TP	Total Price	Cost Level	[TC] + [Profit/Fee]	Yes	Total Price
<input type="checkbox"/>	7	Tax	Sales or Gross ...	Input	[TP] * {Tax}	Yes	
<input type="checkbox"/>	8	Proposed Total	Grand Total	Subtotal	[Tax] + [TP]	Yes	

Dashboard  
Home  
Sample, Ver. 1.0  
Proposals  
Notifications  
Rate Tables  
Pricing Models  
Indirect Rates  
Direct Rates  
Libraries  
Resources



## Fully Disclosed Cost Data – Itemization of all elements of direct and indirect cost

Full Disclosure

Period of Performance: 01/2023 - 12/2023

Fiscal Year: (Jan through Dec)

Fiscal Year 2023

WBS: 3.3 - Construct FA

Resource	Jan		Feb		Mar		Apr		May		Jun	
	Hrs/Units	Cost	Hrs/Units	Cost	Hrs/Units	Cost	Hrs/Units	Cost	Hrs/Units	Cost	Hrs/Units	Cost
<b>Labor</b>												
ELECTRICAL ENGINEER 3					20	1,299	20	1,299				
Fabrication					20	490	20	490				
Junior Engineer					20	870	20	870				
QUALITY INSPECTOR					5	126	5	126				
Total Labor					<u>65</u>	<u>2,786</u>	<u>65</u>	<u>2,786</u>				
<b>Material</b>												
MATERIAL						17,500		17,500				
Total Material						<u>17,500</u>		<u>17,500</u>				
Direct Cost						<u>20,286</u>		<u>20,286</u>				
Labor Overhead						1,608		1,608				
Total Overhead						<u>1,608</u>		<u>1,608</u>				
Subtotal						<u>21,894</u>		<u>21,894</u>				
G&A						733		733				
Total Indirect						<u>2,341</u>		<u>2,341</u>				
Estimated Cost						<u>22,627</u>		<u>22,627</u>				
Profit						3,394		3,394				
Total Cost + Fee						<u>26,021</u>		<u>26,021</u>				
Total Price						<u><u>26,021</u></u>		<u><u>26,021</u></u>				

# FFP, T&M, LABOR HOURS OR OTHER THAN FULLY DISCLOSED DATA

CLIN: 1

Resource	Hrs/Units	2019		Hrs/Units	2020		Hrs/Units	Total	
		Rate	Cost		Rate	Cost		Rate	Cost
<b>Labor</b>									
Blended	637	60.00	38,220	595	60.00	35,700	1,232	60.00	73,920
Total Labor	637		38,220	595		35,700	1,232		73,920
<b>Subcontractor</b>									
SUBCONTRACT LABOR			800			32			832
SUBCONTRACT LABOR			60,606			81,522			142,128
Total Subcontractor			61,406			81,554			142,960
<b>Travel</b>									
Travel			2,432						2,432
Total Travel			2,432						2,432
Direct Cost			102,058			117,254			219,312
Total Price			102,058			117,254			219,312

Fully Burdened Rate - includes all direct costs , indirect costs and profit

# COST DETAIL

- COSTS SHOULD BE REPORTED IN THE FORMAT DESCRIBED IN FAR 15.408 TABLE 2 UNLESS OTHERWISE NOTED IN THE SOLICITATION.
- “CONTRACTOR FORMAT” MAY BE ALLOWED
- BEST PRACTICE IS TO CREATE BOE’S DETAILING THE SOURCE DATA, METHODS, AND ASSUMPTIONS AS ‘BACKUP’

# CERTIFIED COST OR PRICING DATA

- THERE IS A CLEAR DISTINCTION BETWEEN SUBMITTING CERTIFIED COST OR PRICING DATA AND MERELY MAKING AVAILABLE BOOKS, RECORDS, AND OTHER DOCUMENTS WITHOUT IDENTIFICATION.
- THE REQUIREMENT FOR SUBMISSION OF CERTIFIED COST OR PRICING DATA IS MET WHEN ALL ACCURATE CERTIFIED COST OR PRICING DATA REASONABLY AVAILABLE TO THE OFFEROR HAVE BEEN SUBMITTED, EITHER ACTUALLY OR BY SPECIFIC IDENTIFICATION, TO THE CONTRACTING OFFICER OR AN AUTHORIZED REPRESENTATIVE.
- AS LATER DATA COME INTO YOUR POSSESSION, IT SHOULD BE SUBMITTED PROMPTLY TO THE CONTRACTING OFFICER IN A MANNER THAT CLEARLY SHOWS HOW THE DATA RELATE TO THE OFFEROR'S PRICE PROPOSAL.
- THE REQUIREMENT FOR SUBMISSION OF CERTIFIED COST OR PRICING DATA CONTINUES UP TO THE TIME OF AGREEMENT ON PRICE, OR AN EARLIER DATE AGREED UPON BETWEEN THE PARTIES IF APPLICABLE.



# INSPECTION OF RECORDS

- BY SUBMITTING YOUR PROPOSAL, YOU GRANT THE CONTRACTING OFFICER OR AN AUTHORIZED REPRESENTATIVE THE RIGHT TO EXAMINE RECORDS THAT FORMED THE BASIS FOR THE PRICING PROPOSAL.
- THAT EXAMINATION CAN TAKE PLACE AT ANY TIME BEFORE AWARD.
- IT MAY INCLUDE THOSE BOOKS, RECORDS, DOCUMENTS, AND OTHER TYPES OF FACTUAL DATA (REGARDLESS OF FORM OR WHETHER THE DATA ARE SPECIFICALLY REFERENCED OR INCLUDED IN THE PROPOSAL AS THE BASIS FOR PRICING) THAT WILL PERMIT AN ADEQUATE EVALUATION OF THE PROPOSED PRICE.

# PROPOSAL ADEQUACY CHECKLIST

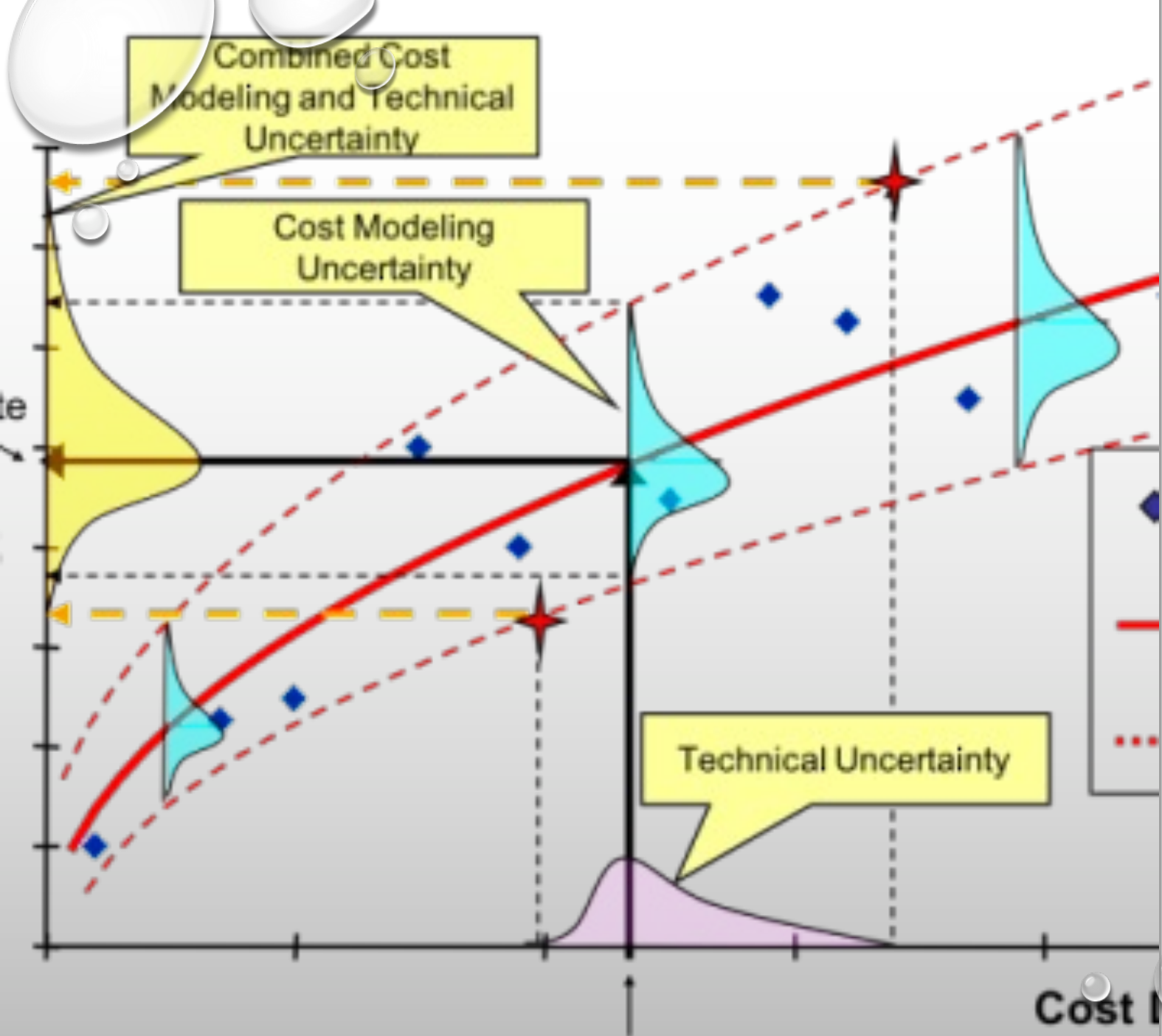
- REQUIRED ON DFARS AND SOME OTHER AGENCIES (NASA)
- QUALITY CONTROL TOOL TO ENSURE SUBMITTED PROPOSAL IS ACCEPTABLE AND PREPARED IAW SOLICITATION INSTRUCTIONS

## Proposal Adequacy Checklist

As Described in DFARS 252.215-7009

Submitted as \_\_\_\_\_ for Proposal \_\_\_\_\_ Date \_\_\_\_\_

Item	References	Submission Item	Proposal Page No	If not provided EXPLAIN (may use continuation pages)
<b>GENERAL INSTRUCTIONS</b>				
1	FAR 15.408, Table 15-2, Section I Paragraph A	Is there a properly completed first page of the proposal per FAR 15.408 Table 15-2 I.A or as specified in the solicitation?		
2	FAR 15.408, Table 15-2, Section I Paragraph <a href="#">A(7)</a>	Does the proposal identify the need for Government-furnished material/tooling/test equipment? Include the accountable contract number and contracting officer contact information if known.		
3	FAR 15.408, Table 15-2, Section I	Does the proposal identify and explain notifications of non-compliance with Cost		



# GREEN TEAM REVIEW

- SENIOR MANAGEMENT REVIEW OF BUSINESS CASE
- INCLUDES DETAILED REVIEW OF PROPOSED COSTS AND PRICING
- RISK ANALYSIS
- POTENTIAL PROFIT OR FEE

# PRICING STRATEGY - FFP

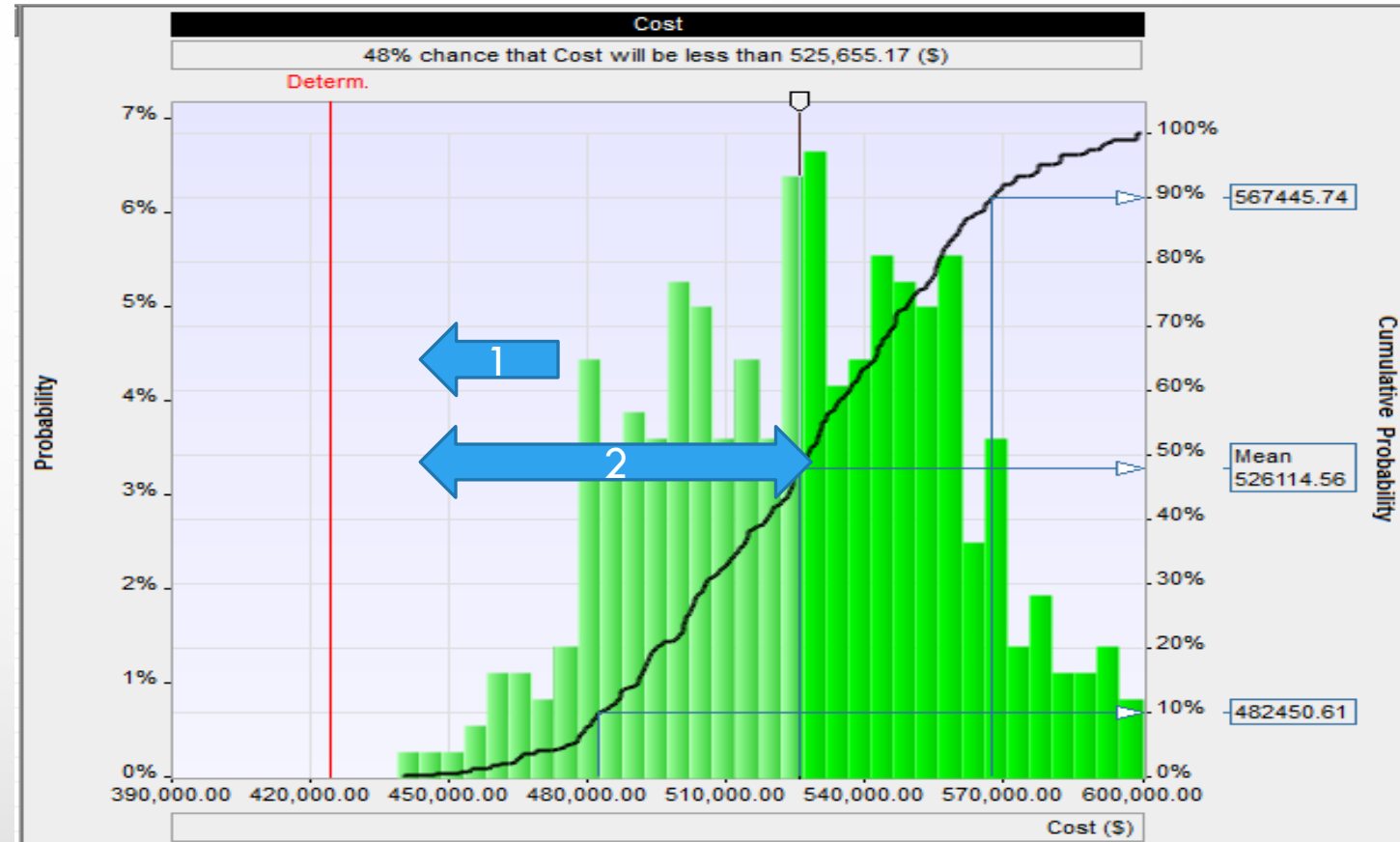
- SELECTION BASED ON PRICE ANALYSIS WHERE ADEQUATE PRICE COMPETITION EXISTS.
- NO-BID IF COST TO EXECUTE EXCEEDS PRICE TO WIN
- CONSIDER COST AND SCHEDULE RISKS – YOU ARE RESPONSIBLE
  - DO NOT INCLUDE LUMP-SUM CONTINGENCIES
  - FACTOR RISK AND UNCERTAINTY INTO ESTIMATES OF LABOR, MATERIALS, AND DURATIONS
- OFFERED PRICE = COST TO EXECUTE + ASSUMED PROFIT
- COST TO EXECUTE WILL BE CLOSE TO THE 80% CONFIDENCE VALUE
- MAY REQUIRE SUBMISSION OF DATA OTHER THAN CERTIFIED COST OR PRICING DATA, AS DEFINED IN FAR 2.101, FROM THE OFFEROR TO THE EXTENT NECESSARY TO DETERMINE A FAIR AND REASONABLE PRICE






# “FFP” STRATEGY

1. THE INITIAL ESTIMATE OF \$424,000 IS OUTSIDE THE RISK ADJUSTED RESULTS. IF YOU WERE TO USE THAT ESTIMATE YOU WOULD ALMOST CERTAINLY BE WRONG.
2. RISK AND UNCERTAINTY ADD ON AVERAGE \$100,000 OR NEARLY 25% TO THE ESTIMATE.
3. DEPENDING ON YOUR COMPETITION, YOU SHOULD BE LOOKING AT TOTAL PROJECT COSTS (LESS PROFIT) BETWEEN
  1.  $P(50) = \$528,000$  AND
  2.  $P(80) = \$548,000$
4. SUGGEST A PRICE OF 548,000 (COST) + 82,200 (PROFIT) = \$630,200
5. THAT VALUE CAN BE ADJUSTED BASED ON ‘PRICE TO WIN’ BUT INVOLVES TRADING PERFORMANCE RISK TO OFFSET COMPETITION RISKS ... **IT’S A BUSINESS DECISION!**
6. IF YOU ACCEPT A FFP CONTRACT FOR LESS THAN  $P(50) +$  PROFIT (\$607,200) YOU ARE AT RISK OF LOOSING \$\$\$



Note: The above simulation includes uncertainty (3- point estimates of each value) and the estimated impact of likely risks added to to the project’s ‘deterministic’ value from a summation of the ‘most likely’ estimates.

# PRICING STRATEGY – COST PLUS FIXED FEE

- SELECTION BASED ON PRICE ANALYSIS WHERE ADEQUATE PRICE COMPETITION EXISTS.
  - OFFERED PRICE = TOTAL COST + FIXED FEE
  - THE TOTAL COST ... OF A CONTRACT IS THE SUM OF THE DIRECT AND INDIRECT COSTS ALLOCABLE TO THE CONTRACT, INCURRED OR TO BE INCURRED ... LESS ANY ALLOCABLE CREDITS. IN ASCERTAINING WHAT CONSTITUTES A COST, ANY GENERALLY ACCEPTED METHOD OF DETERMINING OR ESTIMATING COSTS THAT IS EQUITABLE AND IS CONSISTENTLY APPLIED MAY BE USED.
  - IF PRICE ANALYSIS IS NOT SUFFICIENT, THE COST ESTIMATES OF THE OFFEROR AND THE GOVERNMENT PROVIDE THE BASES FOR NEGOTIATING CONTRACT PRICING ARRANGEMENTS
  - MAY REQUIRE SUBMISSION OF C&P DATA FROM THE OFFEROR TO THE EXTENT NECESSARY TO DETERMINE A FAIR AND REASONABLE PRICE ...
  - RISKS (CONTINGENCIES) SHOULD BE ADDRESSED PER FAR PART 31.205-7
    - THOSE THAT MAY ARISE FROM PRESENTLY KNOWN AND EXISTING CONDITIONS, THE EFFECTS OF WHICH ARE FORESEEABLE WITHIN REASONABLE LIMITS OF ACCURACY; (ALLOWED)
    - THOSE THAT MAY ARISE FROM PRESENTLY KNOWN OR UNKNOWN CONDITIONS, THE EFFECT OF WHICH CANNOT BE MEASURED SO PRECISELY AS TO PROVIDE EQUITABLE RESULTS TO THE CONTRACTOR AND TO THE GOVERNMENT; (NOT ALLOWED)
- 

# WEIGHTED GUIDELINES APPROACH

- FREQUENTLY USED (ESPECIALLY BY DOD) TO ESTABLISH GOVERNMENT NEGOTIATING POSITION
- PROVIDES ANALYSIS OF PROPOSED TOTAL COST AND FEE USING NUMERICAL APPROACH
- COSTS ARE AS PROPOSED (ITEMS 13 - 19) AND MAY BE SUPPORTED BY C&P DATA
- PROFIT (OR FEE) IS CALCULATED BASED ON FACTORS IN ITEMS 21 - 30

Minimum Data Entry in Yellow. (Line 25 and/or 29 may not be required.)

Green cells are calculated from input.

RECORD OF WEIGHTED GUIDELINES APPLICATION							REPORT CONTROL	
1. REPORT NO. <i>complete on printable form tab</i>		2. BASIC PROCUREMENT INSTRUMENT IDENTIFICATION NO.			3. SPIIN <i>complete on printable form tab</i>		4. DATE OF ACTION	
		a. PURCHASING OFFICE <i>complete on printable form tab</i>	b. FY <i>complete on printable form tab</i>	c. TYPE PROC INST CODE <i>complete on printable form tab</i>		d. PRSN	e. YEAR <i>complete on printable form tab</i>	f. MONTH <i>complete on printable form tab</i>
5. CONTRACTING OFFICE CODE <i>complete on printable form tab</i>				ITEM	COST CATEGORY		OBJECTIVE	
6. NAME OF CONTRACTOR <i>complete on printable form tab</i>				13.	MATERIAL		\$ -	
				14.	SUBCONTRACTS			
7. DUNS NUMBER <i>complete on printable form tab</i>		8. FEDERAL SUPPLY CODE <i>complete on printable form tab</i>		15.	DIRECT LABOR		\$ 259,251	
				16.	INDIRECT EXPENSES		\$ 118,083	
9. DOD CLAIMANT PROGRAM <i>complete on printable form tab</i>		10. CONTRACT TYPE CODE <i>complete on printable form tab</i>		17.	OTHER DIRECT CHARGES		\$ 4,354	
				18.	SUBTOTAL COSTS (13 thru 17)		\$ 381,688	
11. TYPE EFFORT <i>complete on printable form tab</i>		12. USE CODE <i>complete on printable form tab</i>		19.	GENERAL AND ADMINISTRATIVE		\$ 50,498	
				20.	TOTAL COSTS (18 + 19)		\$ 432,186	
WEIGHTED GUIDELINES PROFIT FACTORS								
ITEM	CONTRACTOR RISK FACTORS		ASSIGNED WEIGHTING	ASSIGNED VALUE	BASE (Item 20)		PROFIT OBJECTIVE	
21.	TECHNICAL		85%	6.90%				
22.	MANAGEMENT/COST CONTROL		15%	5.00%				
23.	PERFORMANCE RISK (COMPOSITE)			6.62%	\$ 432,186	\$ 28,589		
24.	CONTRACT TYPE RISK			0.50%	\$ 432,186	\$ 2,161		
25.	WORKING CAPITAL		COSTS FINANCED		LENGTH FACTOR	INTEREST RATE		
								\$ -
				CONTRACTOR FACILITIES CAPITAL FINANCED		AMOUNT EMPLOYED		
26.	LAND							
27.	BUILDINGS							
28.	EQUIPMENT						\$ -	
29.	COST EFFICIENCY FACTOR				ASSIGNED VALUE	BASE (Item 20)		
						0.00%	\$ 432,186	\$ -
30.	TOTAL PROFIT OBJECTIVE						\$ 30,750	
NEGOTIATED SUMMARY								
				PROPOSED	OBJECTIVE	NEGOTIATED		
31.	TOTAL COSTS			\$ 432,186	\$ 432,186	\$ 432,186		
32.	FACILITIES CAPITAL COST OF MONEY (DD Form 1861)			\$ -	\$ -	\$ -		
33.	PROFIT			\$ 30,750	\$ 30,750	\$ 30,750		
34.	TOTAL PRICE (Line 31 + 32 + 33)			\$ 462,936	\$ 462,936	\$ 462,936		
35.	MARKUP RATE (Line 32 + 33 divided by 31)			7.115%	7.115%	7.115%		
CONTRACTING OFFICER APPROVAL								
36. TYPED/PRINTED NAME OF CONTRACTING OFFICER (Last, First, Middle Initial) <i>complete on printable form tab</i>			37. SIGNATURE OF CONTRACTING OFFICER			38. TELEPHONE NO.	39. DATE SUBMITTED <i>complete on printable form tab</i>	
OPTIONAL USE								





**REVIEW AND APPROVE**





# GOLD TEAM REVIEW

- FINAL REVIEW OF PROPOSAL (COST AND TECHNICAL)
- SETTING OF OFFERED PRICE (BUSINESS DECISION)
- PROVIDES AUTHORITY TO SUBMIT
- RESPONSIBLE OFFICIAL SIGNS AND DATES PROPOSAL IN THE NAME OF THE COMPANY

25. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN <input type="checkbox"/> ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY CONTINUATION SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.		COPIES TO	26. AWARD OF CONTRACT: YOUR OFFER ON SOLICITATION <input type="checkbox"/> NUMBER SHOWN IN BLOCK 4 INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:		
27. SIGNATURE OF OFFEROR/CONTRACTOR 		28. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER) 			
NAME AND TITLE OF SIGNER (TYPE OR PRINT)		DATE SIGNED	NAME OF CONTRACTING OFFICER		DATE SIGNED
AUTHORIZED FOR LOCAL REPRODUCTION PREVIOUS EDITION NOT USABLE			STANDARD FORM 1447 (REV. 2/2012) Prescribed by GSA - FAR (48 CFR) 53.214(d)		



# WHITE GLOVE REVIEW

- FINAL REVIEW OF ALL PROPOSAL MATERIALS FOR QUALITY AND SUBMITTAL REQUIREMENTS
- SEND IT!!!

# AFTER SUBMITTAL ACTIONS

- LESSONS LEARNED SESSION I.E. “POSTMORTEM”
- QUESTIONS AND ANSWERS WITH GOVERNMENT
- DISCUSSIONS (IF APPLICABLE)
- FINAL PROPOSAL REVISION (IF APPLICABLE)
- AWARD ACTIVITIES



**QUESTIONS**

