



# Cost Proposal



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# What is an RFQ

- ▶ Request for Quote
- ▶ Request for Proposal

# Where can I find an RFQ?

- ▶ Most solicitations found online:
  - ▶ PTAP
  - ▶ FedBizOpps.gov
  - ▶ GSA Schedule Solicitations (GSA.GOV)
  - ▶ Search web for Federal Government Solicitations

# Proposals are broken into:

- ▶ Technical
- ▶ Cost

# Where to begin when completing a cost proposal?

- ▶ Determine the direct costs associated with the job:
  - ▶ Direct Labor
  - ▶ Direct Materials
  - ▶ Direct Subcontractor
  - ▶ Direct Travel

# Direct Labor

- ▶ How many Employees will this take?
- ▶ How many direct hours?
- ▶ How long to complete?

# Direct Labor

**RFP: 123456-789**

**Direct Labor Costs**

<b>EE Type</b>	<b>Labor Rates</b>	<b>Direct Hours</b>	<b>Direct Labor</b>
Engineer # 1	70.00	1,200	84,000.00
Engineer # 2	65.00	1,100	71,500.00
Engineer # 3	55.00	800	44,000.00
		<u>3,100</u>	<u>199,500.00</u>

# Support for Direct Labor

- ▶ Current employees:
  - ▶ Most recent paystubs
- ▶ Non-current employees:
  - ▶ Salary and labor rates based on the job and location. These can be obtained using online sources.



# Direct Materials

- ▶ What materials are required?
- ▶ How much material do I need?
- ▶ When will I need this material?

# Direct Materials

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**Direct Materials**

<u>Date</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
9/1/2016	15	2,000.00	30,000.00
10/1/2016	2	1,500.00	3,000.00
1/1/2017	10	350.00	3,500.00
7/1/2017	8	600.00	<u>4,800.00</u>
			<b><u>41,300.00</u></b>

# Support for Direct Materials

- ▶ Vendor Quotes
- ▶ Past Bills (purchase orders from existing vendors)

# Direct Subcontractors

- ▶ Do I need subcontractors?
- ▶ How many subcontractors?
- ▶ What will their LOE be?
- ▶ What % do I want to give them?

# Direct Subcontractors

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## Direct Subcontracts

<u>Name</u>	<u>NTE</u>	<u>Rate</u>	<u>Costs</u>
John Smith Engineering	120	\$ 130.00	15,600.00
BAE	30	\$ 90.00	\$ 2,700.00
Electrical Impulse LLC	55	\$ 60.00	<u>\$ 3,300.00</u>
			<u><b>\$ 21,600.00</b></u>

# Support for subcontractors

- ▶ Cost proposal from subcontractors
- ▶ Existing bills which shows labor rate

# Direct Travel

- ▶ Is travel required?

  - ▶ Who needs to travel?

  - ▶ How often?

  - ▶ Where?

  - ▶ What purpose?

# Direct Travel

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**Direct Travel**

-	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Flights	720.00	720.00	720.00	800.00
Per Diem: Hotel	450.00	450.00	450.00	450.00
Per Diem Meals	180.00	180.00	180.00	180.00
Car Rental	240.00	240.00	240.00	240.00
	<u>1,590.00</u>	<u>1,590.00</u>	<u>1,590.00</u>	<u>1,670.00</u>



# Support for Direct Travel

- ▶ Print out of Airline quote(s)
- ▶ Rental Car quotes
- ▶ GSA Per Diem Rates

# Indirect Rates

- ▶ Rates calculated from FY budget

# Indirect Rates

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<b>Overhead</b>	70.59%
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Pool	300,000.00
Base	425,000.00

<b>G&amp;A</b>	43.85%
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Pool	285,000.00
Base	650,000.00

<b>Fixed Fee</b>	8.00%
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# Poor Cost Proposal Results ☹️

- ▶ Exceed cost ceilings/funding
- ▶ Audit risk by DCAA
- ▶ Increased stress
- ▶ Increased cost to correct errors
- ▶ Failure to win future contracts

# Great Cost Proposal Results ☺

- ▶ Reuse the proposal template
- ▶ Favorable reputation among government buyers
- ▶ Facilitates contract administration and closeout