

Cost Proposal Instructions

1. In preparing your cost proposal, it is required that you breakout and identify separately for each year of the contract, and on a cumulative basis for all years, the following types of cost elements:

(a) Direct Labor. Identify all of the various labor categories (providing individual names for key personnel) intended for use under this contract including the number of labor hours, hourly labor rates, and total cost for each labor category proposed for each year of the contract. The labor specified under this category shall only be for the prime contractor's direct labor and shall not include any subcontracted labor. (See subcontracted labor below.) The straight time hourly rates shall use a forty-hour week for the conversion of salaried employees to the hourly basis and shall be exclusive of loading factors; i.e., vacation, sick leave, holidays, overhead, G&A, fee, etc. *Explain the basis for the proposed hourly labor rates.*

(b) Fringe Benefits. If applicable and in accordance with your normal accounting procedures, identify the fringe benefit rate(s) and total fringe benefit cost being proposed and identify the cost elements for which the fringe benefit rate is being applied. *Explain the basis for the proposed rate and application base.* Include a copy of your Federal Government negotiated indirect bidding/billing agreement, if applicable.

(c) Overhead. Identify the current and/or projected overhead rate(s) and total overhead cost being proposed under this solicitation and identify the various cost elements for which overhead is being applied. *Explain the basis for the proposed rate and application base.* Include a copy of your Federal Government negotiated indirect bidding/billing agreement, if applicable.

(d) Travel. Identify the following information for each trip: location of origin and destination; number of travelers; duration; airfare cost; rental car cost; per diem (meals and lodging) cost; any other costs.

(e) Direct Materials. Identify proposed **consumable** material items and purchased parts by item name, quantity, and unit price. *Explain the basis for the proposed cost, e.g., engineering estimate, vendor quote, catalog item, etc.* Depending upon the dollar value, the Government may later request that you substantiate the proposed costs with commercial vendor quotes or catalog price listings.

(f) Equipment. Identify proposed **non-consumable** equipment by item name, quantity, and unit price. *Explain the basis for the proposed cost, e.g., engineering estimate, vendor quote, catalog item, etc.* Depending upon the dollar value, the Government may later request that you substantiate the proposed costs with commercial vendor quotes or catalog price listings.

(g) Subcontracts. If subcontractors are proposed, submit the same detailed level of cost information as for the prime contractor.

(h) Other.

(i) **Direct Cost**. Identify any other direct cost elements being proposed which are not included above but are applicable to your cost proposal, e.g., royalties, Facilities Capital Cost of Money, special tooling, computer usage, etc. *Explain the basis for the proposed amount.*

(ii) **Indirect Cost**. Identify any other indirect cost element being proposed which has not been included above and identify the various cost elements for which the rate is applied.

(i) General and Administrative Expense. Identify the G&A rate(s) and the total G&A cost proposed and identify the various cost elements for which the G&A is being applied. *Explain the basis for the proposed rate and application base.* Include a copy of your Federal Government negotiated indirect bidding/billing agreement, if applicable.

(j) Fee. Identify the fee rate and total amount proposed and identify the various cost elements for which the fee is being applied, if applicable.

2. Submit your cost proposal in Portable Document Format (PDF). Aside from the online cost form, this cost proposal will allow for more detail and an opportunity to include explanatory notes which explain the basis for each cost element. The cost proposal should be combined with the technical proposal in a single PDF file.
3. If known, identify your cognizant Defense Contract Audit Agency or other Federal Government audit agency and provide a point of contact name, address, e-mail, and telephone number.
4. If known, identify your cognizant Federal Government contract administration office and provide a point of contact name, address, e-mail, and telephone number.