

Cost/Price Proposal Overview



Cargo Mission Contract 4 (CMC4)

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Agenda

- **SEB Pricing Process**
- **Proposed Resources (PR)**
- **Specified Resources (SR)**
- **Cost/Price Forms Templates Overview**
 - Workbook Process Flowchart
 - Workbook Technical Templates
 - Workbook Cost Templates
 - Workbook Other Templates
- **Common Volume III, Cost and Price Factor Errors**

The SEB Pricing Process



- **What does the SEB do with your cost/price proposal?**
 - Read all narrative portions of Cost Volume
 - Validate all Offerors' Cost/Price Forms
 - Integrate Cost/Price Forms of the prime and major subs
 - Test Cost/Price Forms
 - Make probable cost/cost realism adjustments (if necessary)
 - Error Corrections/Reconciliations
 - Direct Labor Rate and/or Indirect Rate Adjustments

The SEB Pricing Process (Con't)



- Examples of probable cost/cost realism adjustments:
 - **Error Corrections/Reconciliations**
 - Mathematical corrections
 - Formula error corrections
 - Linking error corrections
 - Subcontractor Fully Burdened Rates (FBRs) utilized by the Prime Offeror do not match the FBRs proposed by the Subcontractor
 - Government Mandated Specified Resources not utilized

The SEB Pricing Process (Con't)



- Examples of probable cost/cost realism adjustments:
 - **Direct Labor Rate Adjustments**
 - Adjustments are most likely when:
 - Offeror proposed data is not reasonable and realistic
 - RFP required supporting data is not provided (Third Party Salary Data) or adequately referenced
 - Offeror referenced documents cannot be verified:
 - » Forward Pricing Rate Agreement (FPRA)
 - » Forward Pricing Rate Recommendation (FPRR)
 - » It is required that FPRAs and FPRRs be included with the Cost/Price Volume.
 - Labor escalation is not adequately supported and/or is not reasonable and realistic.

The SEB Pricing Process (Con't)



- Examples of probable cost/cost realism adjustments:
 - **Indirect Rate Adjustments**
 - RFP required supporting data is not provided (FPRA/FPRR Agreements)
 - Use information contained on the Offeror's Overhead and G&A templates and Cost Narrative:
 - Historical Indirect Data does not reconcile with proposed indirect data and no explanation and/or supporting narrative is provided
 - Insufficient information on the forecasts and assumptions used (cost pool and base of application) for each indirect rate, if no FPRA or FPRR is in effect or does not cover the entire period of performance
 - Use Audit or ACO indirect rate information, where available

The SEB Pricing Process (Con't)



- **Develop Pricing Charts for Presentation to the Source Evaluation Board (SEB) & the Source Selection Authority (SSA)**
 - Proposed Cost vs. Probable Cost and Delta
 - Rationale for Probable Cost Adjustments
 - Risk Assessment

Proposed Resources Estimate (PRs)



- **What are Proposed Resources (PRs)?**
 - Proposed Resources (labor hours and non-labor resources) are to be bid by the Offeror for each Contract Year and are applicable to the SOW
 - Offerors must bid the number of WYEs and skill mix required to accomplish the SOW effort based on their unique technical and management approach
 - Offerors are strongly cautioned not to regurgitate the Government Resource Estimate (GRE) back to the SEB without adequate Basis of Estimate (BOE) support. BOEs are to be included in Volume I.

Specified Resources Estimate (SRs)



- **What are Specified Resources (SRs)?**
 - Specified Resources (labor hours and non-labor resources) are provided by the Government for each Contract Year and are applicable to the cost reimbursable SOW
 - SR Hours assigned to each Standard Labor Category (SLC) indicates anticipated labor distribution for typical projects based primarily on historical data
 - SR Non-Labor Resources (NLRs) are based primarily on historical data
 - Offerors **shall not** change the Government provided SRs

Cost/Price Forms Templates Overview



- **Workbook Technical Templates***
 - Technical Summary Resources Template (TRST)
 - Identifies WYEs proposed by Standard Labor Categories (SLCs), by SOW paragraph, and in total
 - Requires Offeror Input and Excel links
 - Not utilized in support of Volume III, Cost and Price Factor
 - Functions as a link between Volume I, Mission Suitability Factor and Volume III, Cost and Price Factor

*Template is required from the Prime Offeror only

Cost/Price Forms Templates Overview (Con't)



- **Workbook Cost Templates**
 - Cost Reimbursable Pricing Template
 - Summarizes the price for SRs, PRs
 - Requires Offeror Input and Excel links
 - Total Cost Summary Template
 - Phase-In Template
 - Cost by WBS Templates**
 - Rates and Factors Template**
 - Fully Burdened Labor Rate List Template (FBR)**
 - Fringe Rate Build-Up Template**
 - Overhead Rate Build-Up Template**
 - G&A Build-Up Template**
 - Total Compensation Rate Build-Up Template**
 - Additional Rate Build-Up Template**
 - Equipment Template**
 - Cognizant Federal Agency and Audit Office Template (CFAOT)**

*Template is required from the Prime Offeror only

**Template is required from Prime Offeror and each Major Subcontractor (\$30M value or greater over the contract period of performance)

Cost/Price Forms Templates Overview (Con't)



- **Workbook Cost Templates**
 - IDIQ Template*
 - This template includes government provided plug numbers for hours.
 - Requires Offeror Input and Excel links

*Template is required from the Prime Offeror only

Common Volume III, Cost and Price Factor Errors



- **Proposals with omissions:**
 - Lack of detail on Overhead, G&A and Other Indirect Rates
 - Lack of narrative supporting rationale
- **Logic Issues:**
 - Inconsistent content within the proposal
- **Failure to follow template instructions:**
 - Using hard numbers instead of formulas and/or links where appropriate
 - Proposed FBRs in Cost/Price Volume do not match the Section B FBRs identified in the Model Contract

Common Volume III, Cost and Price Factor Errors (Con't)



- **Discrepancies and/or Lack of reconciliation between different areas of the Offeror's proposal**
 - Technical Approach
 - Management Approach
 - Cost and Price Factor
 - Major Subcontractor data submitted to the Government versus Major Subcontractor data utilized in the Prime's Proposal
 - Basis of Estimate (BOE) not provided or inadequate
 - BOE should be specific, clear, and detailed



Volume III, Cost and Price Factor

Questions

Submit in writing to
email: jsc-cmc4@mail.nasa.gov
no later than January 5, 2024.