# How to Prepare a DCAA-Compliant Cost or Price Proposal

*Co-hosted by GRF CPAs & Advisors and SYMPAQ*

CPAs & ADVISORS

SYMPAQ


Paul H. Calabrese
*Principal*
*GRF CPAs & Advisors*

G. Chris Brown
*President*
*Aldebaron Inc. (SYMPAQ)*

Yevgeniy Sukhenko
*Supervisor*
*GRF CPAs & Advisors*

# Housekeeping

*CPE Credit/Technical Support*

- **Important:** Three (3) CPE words will be provided during the presentation. Please write them down – **we will not provide them again via GoToWebinar or email (no exceptions)**.
- Please complete the electronic survey that will appear automatically at the **end of the webinar**.
- Attendees seeking CPE for this presentation must complete the survey and **enter all three CPE words**. You cannot claim CPE unless we receive a completed evaluation with the correct words.
- This presentation will be recorded and made available to download at *www.grfcpa.com/webinars*.
- Technical questions about the survey can be addressed to Dominic Acosta at *dacosta@grfcpa.com*.

# Housekeeping

## *Additional Information*

| | |
|---|---|
| **Learning Objective**<br>To provide attendees with a better understanding of the submission requirements as well as the DCAA audit process. | **Instructional Delivery Methods**<br>Group Internet-based |
| **Recommended CPE**<br>1.5 CPE Credits | **Recommended Fields of Study**<br>Accounting |
| **Prerequisites**<br>None required | **Advance Preparation**<br>None |
| **Program Level**<br>Basic | **Course Registration Requirements**<br>None |
| **Refund Policy**<br>No fee is required to participate in this session. | **Cancellation Policy**<br>In the event that the presentation is cancelled or rescheduled, participants will be contacted immediately with details. |
| **Complaint Resolution Policy**<br>GRF CPAs & Advisors is committed to our seminar participants' 100% satisfaction and will make every reasonable effort to resolve complaints as quickly as possible. Please contact kdavis@grfcpa.com with any concerns. | |
| **Disclaimer**<br>This webinar is not intended as, and should not be taken as, financial, tax, accounting, legal, consulting or any other type of advice. Readers and users of this webinar information are advised not to act upon this information without seeking the service of a professional accountant. | |

# Presenters

*Meet the Instructors*

**Paul H. Calabrese**

*Principal*

*GRF CPAs & Advisors*

**G. Chris Brown**

*President*

*Aldebaron Inc. (SYMPAQ)*

grf CPAs & ADVISORS

SYMPAQ

# Sources

- DCAA Current Initiatives, slide 17
- DFARs 252.215-7009 Proposal Checklist
- DCAA Manual No. 7641.90, dtd June 26, 2012, Information for Contractors: Enclosure 3 on Price Proposals
  *http://www.dcaa.mil/DCAAM_7641.90.pdf*
- FAR 15.4 and Table 15-2

# Overview

- Understanding the importance of cost or pricing data and "defective pricing"
- DCAA's List of Common Proposal Findings
- Proposal submission requirements
- DCAA proposal audit
- Automating your proposal
- DCAA proposal template

# Polling Question #1

## What are your organization's biggest challenges with regard to preparing DCAA compliant cost proposals?

*A. Understanding what defective pricing is and where it applies*

*B. Knowing the types of cost or pricing data that are required*

*C. Having enough detailed historical data for cost estimating*

*D. The DCAA requirements for price proposal adequacy*

# Cost or Pricing Data

- Cost or pricing data is **more than** historical accounting data,
- They are **all the facts** that can be reasonably expected to contribute to the soundness of estimates of future costs and to the validity of determinations of costs already incurred.
- Cost or pricing data includes:
  - Vendor quotations.
  - Non-recurring costs.
  - Information on changes in production methods and in production or purchasing volume.
  - Data supporting projections of business prospects and objectives and related operation costs.
  - "Make or buy" decisions.
  - Estimated resources to attain business goals.
  - Unit-cost trends such as those associated with labor efficiency.
  - **Information on management decisions that could have a significant bearing on costs.**

# Cost or Pricing Data

*Continued*

- Cost or pricing data does not:
  - Indicate contractor's accuracy or judgment of future costs or projects,
  - **Includes the *basis* for that judgment.**
- The Truth In Negotiations Act (TINA) though still referenced is renamed as Truthful Cost or Pricing Data via Positive Law Codification of Title 41

# Truth In Negotiations Act (TINA)

- Purpose of TINA is to put the government and contractor on an equal basis when negotiating contracts with cost or pricing data.
- Submission of current, accurate, and complete cost or pricing data.
- Price reduction remedy if there is non-compliance with interest and penalties.
    - Referred to as "defective pricing"
- Applies to all **negotiated** prime contracts, modifications, subcontracts with cost or pricing data. FAR 15.403-4.
- Except if under **$2 million Deviation per DAR Tracking Number: 2018-O0015, Effective 01 July 2018**.

# Truth In Negotiations Act (TINA)

*Continued*

- **Except under:** Deviation per DAR Tracking Number: 2018-O0009, 15.403(1)(b), Effective 09 January 2018 until 01 October 2020, or otherwise rescinded.
    - 15.403-1(b) Pilot Program for Streamlining Awards for Innovative Technology Projects
    - (1)
    - (b) The list of exceptions to certified cost or pricing data requirements at Federal Acquisition Regulation (FAR) 15.403(1)(b) is expanded to include contracts, subcontracts, or modifications of contracts or subcontracts valued at less than $7.5 million awarded to small business concern or nontraditional defense contractor pursuant to-
    - (1) A technical, merit-based selection procedure, such as a broad agency announcement (see FAR 35.016(b)(2));
    - (2) The small Business Innovation Research Program; or
    - (3) The small Business Technology Transfer program.

# Certification of Current Cost or Pricing Data

This is to certify that, to the best of my knowledge and belief, the cost or pricing data (as Defined in Section 15.401 of the Federal Acquisition Regulation (FAR) and required under FAR Subsection 15.403-4) submitted, either actually or by specific identification in writing, to the contracting officer or to the contracting officer's representative in support of [THIS PROPOSAL] are accurate, complete, and current as of [THE DATE OF AGREEMENT UPON PRICE]. This certification includes the cost or pricing data supporting any advance agreements and forward pricing rate agreements between the offeror and the government that are part of the proposal.

# Truth In Negotiations Act (TINA)

*Continued*

- The price reduction remedy takes effect when:
  - Contractor does not submit current, accurate, or complete cost or price data,
  - Government has relied on the defective data in determining the contract price.

# Government's Logic Model

- If there is defective pricing
  - There are problems with estimating system
  - Cost/price proposal does not have adequate or any supporting documentation
- If no adequate estimating system, there are no adequate cost/price proposals
  - Bad estimating = inaccurate or overstated fixed price invoicing: progress payments, payments based on deliverables, milestones
  - If invoices are incorrect = **false claims**

*-DCAA List of Common Proposal Problems*
*-DFARs 252.215-7009 Proposal Adequacy Checklist*

grf CPAs & ADVISORS

SYMPAQ

# Polling Question #2

## Who is most responsible in your organization for understanding proposal submission requirements?

*A. Capture Managers and Business Development personnel*

*B. Contract Managers*

*C. Accounting and Finance personnel*

*D. Technical and Operations personnel*

*E. CEO or other C-Level personnel*

# DCAA Proposal Adequacy

*Top Reasons for Inadequate Contractor Proposals*

- Significant variances between proposed amounts and basis of estimate/supporting documentation (proposed amounts not supported)
- Significant variances between prior buy actual cost data and proposed amounts without supporting justification/explanation
- Lack of consolidated Bill of Material
- Unsupported additive factors applied to various elements of costs often leading to duplicate costs proposed
- Rates not based on contract budgetary or trend data
- Inadequate Support for Subcontract Proposals
    - Inadequate prime contractor cost or price analysis
    - Inadequate subcontract proposal
- Proposal does not reflect anticipated cost accounting changes
- Lack of adequate support for commercial item pricing

# 252.215-7009 Proposal Adequacy Checklist

*As prescribed in 215.405(5), use the following provision:*

**PROPOSAL ADEQUACY CHECKLIST (JAN 2014)**

The offeror shall complete the following checklist, providing location of requested information, or an explanation of why the requested information is not provided. In preparation of the offeror's checklist, offerors may elect to have their prospective subcontractors use the same or similar checklist as appropriate.

| | REFERENCES | SUBMISSION ITEM | PROPOSAL PAGE No. | If not provided EXPLAIN (may continuation pages) |
|---|---|---|---|---|
| 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(7) | Does the proposal identify the need for Government-furnished material/tooling/test equipment? Include the accountable contract number and contacting office contact information if known. | | |
| 3. | FAR 15.408, Table 15-2, Section I Paragraph A(8) | Does the proposal identify and explain notifications of noncompliance with Cost Accounting Standards Board or Cost Accounting Standards (CAS); and inconsistencies with your established estimating and accounting principles and procedures? | | |

# Proposal Submission Requirements

# Things to Consider

- Mandatory completion of DFARs checklist *www.acq.osd.mil/dpap/dars/dfars/html/current/252215.htm#252.215-7009*
- If certified cost and pricing data, consider the TINA disclosure implications
  - **$2,000,000** pricing action, contract or mod
  - FAR 15.408, Table 15-2
- If other than cost or pricing data
  - Follow solicitation requirements under Section "L", noting the format in Section "B"

# Things to Consider

*Continued*

- Adapt your proposal to solicitation format
  - Section "F" is period of performance
  - Section "G" is admin/billing requirements such as CLIN/SLIN/ACRN fund tracking
  - Section "H" limitations on cost
  - Section "I" lists defective pricing clause
  - Section "B" is pricing sheet format which may make it non-compliance with your acctg. sys.
    - Propose 3 years together
    - Propose two different firm's T&M rates blended together

# Things to Consider

*Continued*

- If Section "B" or "L" proposal formats are not consistent with your cost accounting practices
  - Prepare in RFP format
  - Prepare in Compliant cost accounting format
  - Explain in the first section text of proposal volume the reasons why there are differences and why the need for the compliant version/format/pricing schedules
- Make sure your pricing team is working together:
  - Contacts (solicitation, terms and conditions)
  - Pricing group get cost inputs from technical
  - Finance (forward pricing-indirect and labor rates, establish procedures, CAS D/S)
  - TINA disclosures, sweeps, table of assumptions relating to each part of the price proposal and each change/update

# DCAA Audit

# Proposal Audit

- DCAA reviews the proposal package for adequacy
  - Identify the type of data required
  - Meet with contractor and walk-through data
  - Gain an understanding of the proposal and the supporting documentation
- Contractor must have a complete file of supporting documentation for each proposal item and assumption

# Proposal Audit

*Best Practices for Estimating*

- Do not wait until the last moment to prepare your proposal, errors may result
- Bid team prepare a synched timeline
- Develop a formal estimating system
    - Must be a working process/in operation
    - Must have communication among personnel
    - The gov't provides best practices – located in DoD-FAR 252.215-7002 Estimating System
    - Pre-established processes will help you to avoid mistakes and defective pricing if FFP

# Proposal Audit

*Continued*

- DCAA will determine if the proposal is adequate and if not, and return it to firm
  - FAR 15.408, Table 15-2 format
- Contractor is responsible for adequate supporting data
  - Contractor has burden of proof that the costs are reasonable
  - Fully-supported and well-organized/prepared
  - Basis and rationale of proposed costs as current, accurate, complete-government reliance

# Proposal Audit

*Continued*

- DCAA requests supporting documentation to support a proposal assertion
  - Assertion, assumption, estimating method
  - Each assertion should already be documented and readily available to DCAA
- Support could involve:
  - Access to personnel for explanation
  - Cost records
  - Policies and procedures
  - Management reports
  - Emails or correspondence

# Proposal Audit

*Best Practices*

- "Auditors will generally need to obtain supporting documentation directly from the person responsible for the information."
- Contractor should have 1 liaison w/DCAA
    - All responses to DCAA's inquiries should go through the liaison/compliance officer
    - Liaison could accompany DCAA when they want to talk to contractor personnel

# Proposal Audit

*Continued*

- What happens if contractor does not provide timely response, denial of access to records
  - DCAA will report denial of access to records to the appropriate government officials after 1 week
  - PCO may cancel proposal audit
  - Contractor may not be awarded contract
- DCAA wants proposal and supporting data in electronic format

# Proposal Audit

*Exit Conference*

- Exit conference addresses "factual" aspects of the proposal audit – which will be disclosed to contractor
    - Math errors, missing out-year rates, lack of docs
- "Judgmental" aspects are not disclosed to contractor as they are given to PCO for negotiation: rationale & items questioned
    - Assumptions are estimating methods that DCAA does not agree and questioned cost

# Automating Your Proposed Labor and Indirect Rates

# Polling Question #3

## Does your internal IT systems provide the following information in support of historical cost or forward pricing data?

A. *Indirect rate calculations*

B. *Historical weighted average labor category billing rates*

C. *Fully burdened job cost ledgers with contract inception-to-date totals*

D. *Wrap rates by labor category using indirect rates*

E. *Labor Distribution*

# Selected Reports From SYMPAQ Accounting Software to Support Cost Proposals

- Analysis of Indirect Rates
- Direct Labor - Weighted Average Labor Categories
- Job Cost Ledger

# Direct Labor/Forward Pricing

Does the proposal include a time phased (i.e., monthly, quarterly, etc.,) breakdown of labor hours, rates and cost by category or skill level? If labor is the allocation base for indirect costs, the labor cost must be summarized in order that the applicable overhead rate can be applied.

# Indirect Rates/Forward Pricing

Does the proposal include all rates and factors by year utilized in the development of the proposal and the basis for these rates and factors (forward pricing rate proposal, FPRA/FPRP)? In the absence of any agreements on the use of forward pricing rates/factors, does the proposal show how indirect rates were computed and applied? Support for the indirect rates could consist of cost breakdowns, trends, and budgetary data.

# Analysis of Indirect Rates

07/31/2013
06/25/2013 6:54:12 PM

**XYZ Corporation, Inc**



**Analysis of Indirect Rates**
For Period 12-2011

**Tier: Overhead** **Pool/Base: Overhead**

| CC | Account ID | Account Name | PTD Actual | PTD Budgeted | YTD Actual | YTD Budgeted |
|---|---|---|---|---|---|---|
| 00 | 7000.00 | Labor - Overhead | $0.00 | $0.00 | $400.60 | $0.00 |
| 00 | 7001.00 | Training Labor - Overhead | $0.00 | $629.37 | $1,099.53 | $7,133.88 |
| 00 | 7010.00 | Overtime Labor - Overhead | $0.00 | $0.00 | $110.51 | $0.00 |
| 00 | 7140.00 | Parking-Employee's | $176.25 | $200.00 | $1,494.25 | $2,400.00 |
| 00 | 7210.00 | Telephone | $0.00 | $0.00 | ($14.19) | $0.00 |
| 00 | 7220.00 | Supplies | ($751.43) | $227.59 | $1,201.57 | $2,730.64 |
| 00 | 7230.00 | Postage/Shipping | $0.00 | $1.11 | $37.35 | $13.65 |
| 00 | 7300.00 | Travel | $0.00 | $52.98 | $199.02 | $635.43 |
| 00 | 7310.00 | Meetings & Conferences | $118.16 | $6.62 | $610.92 | $78.89 |
| 00 | 7320.00 | Equip Lease | $0.00 | $3.86 | $0.00 | $46.76 |
| 00 | 7330.00 | Dues and Memberships | $0.00 | $12.88 | $0.00 | $155.00 |
| 00 | 7340.00 | Reference Materials | $0.00 | $3.90 | $0.00 | $47.24 |
| 00 | 7350.00 | Training Fees | $0.00 | $191.63 | $0.00 | $2,300.00 |
| 00 | 7360.00 | Recruitment Fees | $2,050.99 | $432.72 | $7,193.99 | $5,193.30 |
| 00 | 7365.00 | Relocation Expense | $0.00 | $0.00 | $0.00 | $0.00 |
| 00 | 7370.00 | Repair & Maintenance | ($106.50) | $0.00 | $0.00 | $0.00 |
| 00 | 7505.00 | Depreciation - Computer | $0.00 | $49.25 | $382.67 | $772.20 |
| 00 | 7600.00 | Network/Computer | $0.00 | $47.21 | $0.00 | $566.41 |
| 00 | 7700.00 | Outside Services | $19.95 | $0.00 | $99.75 | $0.00 |
| 00 | 7900.00 | Miscellaneous | $29.22 | $0.00 | $326.07 | $0.00 |
| 01 | 7000.00 | Labor - Overhead | $1,600.48 | $445.70 | $29,212.68 | $5,178.00 |
| 01 | 7001.00 | Training Labor - Overhead | $0.00 | $1,037.83 | $555.53 | $11,569.68 |
| 01 | 7010.00 | Overtime Labor - Overhead | $4.57 | $0.00 | $1,080.23 | $0.00 |
| 01 | 7110.00 | Rent | $10,932.66 | $11,072.72 | $125,889.34 | $132,873.30 |
| 01 | 7130.00 | Insurance | $133.55 | $104.25 | $1,513.36 | $1,251.00 |
| 01 | 7140.00 | Parking-Employee's | $627.50 | $730.00 | $7,432.50 | $8,760.00 |
| 01 | 7210.00 | Telephone | $480.02 | $1,133.50 | $21,085.55 | $13,602.11 |
| 01 | 7220.00 | Supplies | $872.81 | $1,136.52 | $7,208.65 | $13,638.57 |
| 01 | 7230.00 | Postage/Shipping | ($21.59) | $38.39 | $1,473.52 | $461.01 |
| 01 | 7300.00 | Travel | $159.14 | $157.69 | $4,442.87 | $1,892.28 |
| 01 | 7310.00 | Meetings & Conferences | $0.00 | $63.53 | $818.58 | $762.91 |
| 01 | 7320.00 | Equip Lease | $1,333.02 | $2,389.70 | $27,864.39 | $28,676.29 |

# Analysis of Indirect Rates

*Continued*

07/31/2013
06/25/2013 6:54:12 PM

**XYZ Corporation, Inc**

Page 4

**Analysis of Indirect Rates**
For Period 12-2011

**Tier: Overhead** **Pool/Base: Overhead**

| CC | Account ID | Account Name | PTD Actual | PTD Budgeted | YTD Actual | YTD Budgeted |
|---|---|---|---|---|---|---|
| 01 | 7330.00 | Dues and Memberships | $0.00 | $108.37 | $770.00 | $1,300.00 |
| 01 | 7340.00 | Reference Materials | $14.95 | $16.15 | $348.10 | $194.35 |
| 01 | 7350.00 | Training Fees | $0.00 | $68.16 | $350.00 | $817.70 |
| 01 | 7360.00 | Recruitment Fees | $1,276.00 | $1,016.53 | $4,436.53 | $12,198.03 |
| 01 | 7365.00 | Relocation Expense | $0.00 | $0.00 | $5,187.26 | $0.00 |
| 01 | 7370.00 | Repair & Maintenance | $138.00 | $150.22 | $1,113.00 | $1,802.42 |
| 01 | 7505.00 | Depreciation - Computer | $55.34 | $194.22 | $2,599.81 | $3,433.09 |
| 01 | 7515.00 | Depreciation - Office | $0.00 | $83.33 | $332.50 | $823.18 |
| 01 | 7525.00 | Depreciation - Furn & Fix | $125.10 | $125.13 | $4,388.83 | $4,374.69 |
| 01 | 7535.00 | Amortization - Software | $0.00 | $0.00 | $126.00 | $125.99 |
| 01 | 7600.00 | Network/Computer | $724.37 | $1,885.93 | $10,515.81 | $22,631.27 |
| 01 | 7700.00 | Outside Services | $0.00 | $1,190.94 | $11,024.45 | $14,291.72 |
| 01 | 7900.00 | Miscellaneous | $0.00 | $0.00 | ($25.00) | $0.00 |
| | | Unadjusted Pool Total | $19,992.56 | $25,007.93 | $282,886.53 | $302,730.99 |
| | | Fringe Allocation | $41,553.09 | $27,170.14 | $291,356.33 | $300,053.67 |
| | | Adjusted Pool Total | $61,545.65 | $52,178.07 | $574,242.86 | $602,784.66 |
| 00 | 5000.00 | Labor - Direct | $24,956.82 | $28,339.00 | $303,376.31 | $288,677.67 |
| 00 | 5000.BP | Labor - B&P | $2,393.25 | $3,321.99 | $33,156.88 | $49,084.63 |
| 00 | 5010.00 | Overtime Labor - Direct | $0.00 | $0.00 | $221.00 | $0.00 |
| 00 | 5010.BP | Overtime Labor - B&P | $0.00 | $0.00 | $127.50 | $0.00 |
| 01 | 5000.00 | Labor - Direct | $28,095.02 | $40,684.36 | $427,191.02 | $464,028.91 |
| 01 | 5000.BP | Labor - B&P | $848.70 | $816.33 | $21,349.62 | $9,481.91 |
| 01 | 5010.00 | Overtime Labor - Direct | $9.14 | $0.00 | $3,260.17 | $0.00 |
| | | Unadjusted Base Total | $56,302.93 | $73,161.68 | $788,682.50 | $811,273.12 |
| | | Fringe Allocation | $0.00 | $0.00 | $0.00 | $0.00 |
| | | Adjusted Base Total | $56,302.93 | $73,161.68 | $788,682.50 | $811,273.12 |
| | | Rate | 109.31% | 71.32% | 72.81% | 74.30% |

# Historical Data Considerations

Are the Basis of Estimates (BOEs) included for all labor hours with detailed rationale (i.e. historical experience, engineering estimates, learning curves, basis for cost estimating relationships (CERs)) to support the estimates?

# Direct Labor

*Weighted Average Labor Categories*

07/31/2013
06/25/2013 2:41:52 PM

**XYZ Corporation, Inc**

Page 1

**Weighted Average Category Rates - Direct Effort**

Listing from Contract: 00112 Task: 00001 to Contract: 00112 Task: 00001
As Of GL Period 12, 2011

| Contract.Task / Labor ID | Name | Current Period Hours | Current Period Dollars | Current Period Rate | Historical Weighted Average Year to Date Hours | Year to Date Dollars | Year to Date Rate | Inception to Date Hours | Inception to Date Dollars | Inception to Date Rate |
|---|---|---|---|---|---|---|---|---|---|---|
| 00112.00001 | | | | | | | | | | |
| P0027 | Project Assistant | 0.00 | $0.00 | $0.00 | 80.00 | $2,704.00 | $33.80 | 160.00 | $5,162.18 | $32.26 |
| P0077 | Close Out Administrator | 88.00 | $2,785.37 | $31.65 | 1,649.40 | $51,680.87 | $31.33 | 2,162.40 | $67,420.93 | $31.18 |
| P0079 | Database Developer | 0.00 | $0.00 | $0.00 | 0.00 | ($214.17) | $0.00 | 0.00 | ($214.17) | $0.00 |
| P0080 | Project/Meeting Manager | 0.00 | $0.00 | $0.00 | 23.50 | $560.05 | $23.83 | 29.50 | $692.63 | $23.48 |
| P0097 | Assistant Close Out | 0.00 | $0.00 | $0.00 | 80.50 | $2,533.67 | $31.47 | 80.50 | $2,533.67 | $31.47 |
| | Task Total | 88.00 | $2,785.37 | $31.65 | 1,833.40 | $57,264.42 | $31.23 | 2,432.40 | $75,595.24 | $31.08 |
| | Contract Total | 88.00 | $2,785.37 | $31.65 | 1,833.40 | $57,264.42 | $31.23 | 2,432.40 | $75,595.24 | $31.08 |
| | Company Total | 88.00 | $2,785.37 | $31.65 | 1,833.40 | $57,264.42 | $31.23 | 2,432.40 | $75,595.24 | $31.08 |

# Historical Data Considerations

Does the proposal include labor categories, task descriptions, Statement of Work (SOW) reference, applicable CLIN, Work breakdown Structure (WBS), BOE rationale, and applicable history?

# Job Cost Ledger

07/31/2013
06/25/2013 3:08:19 PM

Page 1

**XYZ Corporation, Inc**

**(Company Level)**

**Job Cost Ledger**

Period 12-2011
Listing from 00112.00001 to 00112.00001
Using Provisional Rates
Printing Contract Status: All
Printing Task Status: All

| | | | |
|---|---|---|---|
| **Customer** | SAMHSA | **Type** | CPFF |
| **Task** | 00112.00001 | **Leader** | FLORES, CHRISTOPHER N. |
| **Name** | Tax Specialist (0526) | **Rate** | Provisional |

| | MTD | | | YTD | | | ITD | | |
|---|---|---|---|---|---|---|---|---|---|
| **Element of Cost** | **Hours** | **Amount** | **%** | **Hours** | **Amount** | **%** | **Hours** | **Amount** | **%** |
| **Direct Cost** | | | | | | | | | |
| Direct Labor-39 | 88.00 | $2,785.37 | 45.84% | 1,833.40 | $57,264.42 | 45.84% | 2,432.40 | $148,290.41 | 52.74% |
| **Direct Cost Subtotal** | | $2,785.37 | 45.84% | | $57,264.42 | 45.84% | | $148,290.41 | 52.74% |
| **Total Direct** | 88.00 | $2,785.37 | 45.84% | 1,833.40 | $57,264.42 | 45.84% | 2,432.40 | $148,290.41 | 52.74% |
| Fringe Benefits | .0000% | $0.00 | 0.00% | | $0.00 | 0.00% | | $0.00 | 0.00% |
| Overhead | 75.5000% | $2,102.95 | 34.61% | | $43,234.64 | 34.61% | | $84,933.56 | 30.21% |
| **Total Excluding G&A** | | $2,102.95 | 34.61% | | $43,234.64 | 34.61% | | $84,933.56 | 30.21% |
| G&A | 24.5000% | $1,187.40 | 19.54% | | $24,411.82 | 19.54% | | $47,956.52 | 17.06% |
| **Total Indirect** | | $3,290.35 | 54.16% | | $67,646.46 | 54.16% | | $132,890.08 | 47.26% |
| **Grand Total** | | $6,075.72 | 100.00% | | $124,910.88 | 100.00% | | $281,180.49 | 100.00% |

# Key Pricing Metrics

- Forward Pricing Model
- Historical access to cost and budget data that illustrates “like kind” projects
- Labor Category Rates: Median and Weighted Averages
- Wrap Rates
- Indirect Expense Rates By Year

# Sample Price Proposal

*From Pages 24 to 32 of Encl. 3 – Information for Contractors*

# Polling Question #4

## Are you interested in having a webinar about a Contractor Purchasing System Review?

*A. Yes*

*B. No*

# Questions?

*Contact Us*


## Paul H. Calabrese

Principal

*pcalabrese@grfcpa.com* | *301-951-9090*

## G. Chris Brown

President

gcb@aldebaron.com | *301-670-0858*


CPAs & ADVISORS

SYMPAQ

Maryland | DC | New York

877-437-4771 | www.grfcpa.com

# Disclaimer

*This webinar is not intended as, and should not be taken as, financial, tax, accounting, legal, consulting or any other type of advice. While we use reasonable efforts to furnish accurate and up-to-date information, we do not warrant that any information contained in or made available in this webinar is accurate, complete, reliable, current or error-free. We assume no liability or responsibility for any errors or omissions in the content of this webinar.*

*The use of the information provided in this webinar does not establish any contractual or other form of client engagement between GRF CPAs & Advisors, SYMPAQ and the reader or user. Any U.S. federal tax advice contained in this webinar is not intended to be used for the purpose of avoiding penalties under U.S. federal tax law. Readers and users of this webinar information are advised not to act upon this information without seeking the service of a professional accountant.*