

16.1 SBIR Phase I Cost & Pricing Proposal Instructions

Overview

The Offeror is responsible for estimating the types, quantities, and prices of all resources required to perform the activities described in the statement of work. The Cost and Pricing Proposal workbook is found under Appendix C. Instructions on how to submit your completed Appendix C are found at the end of these instructions.

Schedules A through H are provided in Appendix C to facilitate cost and pricing proposal preparation. Please note:

- Schedules A through H are linked and contain formulas to facilitate preparation.
- Offeror input is required in the grayed cells on all applicable schedules.
- No entries can be made in the white cells, which are populated from other cells or contain formulas.
- The **Cost and Pricing Proposal Checklist** is provided under Appendix C which must be completed and submitted as part of the proposal package. Use the Checklist and these instructions to submit a complete proposal package. The Offeror must indicate which sections in the checklist are complete by marking it with an “X” in the right column.

In addition to completing Schedules A-H where applicable, the Offeror must prepare a narrative in Schedule I, Narrative, describing its approach to estimating each cost element.

Schedule A- Summary of Cost & Pricing:

Schedule A summarizes the direct costs from Schedules B through H. All direct costs from Schedules B-H automatically populate Schedule A. The Offeror must enter fringe benefit, overhead, General & Administrative expense (G&A), and profit rates in the format specified on Schedule A.

Indirect Rates

The indirect rate structure embedded in the formula under Schedule A is:

1. fringe benefits - allocated on labor;
2. overhead - allocated on direct labor and fringe benefits; and
3. general and administrative expense (G&A) - allocated on total cost input (TCI).

(An Offeror without a separate fringe benefit rate may insert zero and the build-up will still calculate correctly.)

Please include a narrative explanation of your proposed rates in Schedule I of the cost proposal.

As part of Appendix C, please include the following when applicable:

- If you have an approved provisional indirect rate proposal from DCAA, include the approved rate documentation and use those rates in your cost proposal. If you have an approved accounting system from DCAA, include a copy of the audit. Even if DCAA has not reviewed your indirect rates recently, if your company has an approved accounting system, it will provide additional support to your proposed rates.
- Provide your provisional and any available actual indirect rate history for the last three years. This will provide support for the rates you submit in Schedule I of Appendix C.
- Provide your company's financial statement showing the direct and indirect costs and indirect rate calculations, if available.

If your company does not have approved indirect rates nor an approved accounting system, you must provide detailed costs showing your companies direct and indirect costs. Include the calculations showing how you came to the indirect rates you used in the cost proposal.

In addition, please consider the following guidelines and include this information as attachments to Appendix C when appropriate:

- The rates should be based on a full accounting year.
- If this is the company's first year of doing business, the rate should be based on projected costs that include all of the company's other work.
- If the company has previously performed other Government contracts, please provide the last year's historical indirect rates.
- An Excel spreadsheet (saved as a PDF and attached to Appendix C) may be submitted to show the detailed indirect rate calculation.
- Include what the base is for the indirect costs. (In other words, what will the rate consistently be applied to.)
- **All direct and indirect costs must comply with the Federal Acquisitions Regulation (FAR) 31.205. The offeror must ensure that that all unallowable costs as listed in the FAR are not included in any calculations. *Examples of Unallowable Costs are: advertising, alcohol, bad debts, charitable gifts/donations, entertainment, fines and penalties, interest, lobbying, federal taxes, and travel costs over government per diem rates. See FAR 31.205 for the complete list at <https://www.acquisition.gov/far>.**

Other Direct Costs except Subcontracts and Consultants

The attached schedules provide for the inclusion of many typical other direct costs, though most proposals may use only a few of them. The following types of costs are accommodated:

Schedule C - Materials

Schedule D - Standard Commercial Items and Royalties

Schedule E – Special Testing and Equipment

Schedule F – Subcontracts and Consultants

Schedule G – Travel

Schedule H – Other Direct Costs for any other type of direct costs an Offeror needs aside from those listed above.

For most schedules, the Offeror enters the description, unit price, and quantity, and the worksheet calculates the total. The total is then automatically populated to the correct line on Schedule A.

The Offeror is responsible for estimating the quantities required.

The Offeror shall submit documentation to support the proposed cost for each item description proposed under Schedules C, D, E and H. Supporting documentation consists of vendor quotes, invoices for recent purchases, internet quotes, etc.

Schedule F- Subcontracts and Consultants:

The Offeror enters Vendor Names and Descriptions, hourly rates, and number of hours. The Offeror shall submit documentation for each item proposed to support the proposed cost. Supporting documentation consists of subcontract/consultant quote(s) or proposal(s). The subcontractor/consultant quote(s)/proposal(s) must contain the proposed hourly rates and the estimated number of hours. The Offeror shall also provide a justification in Schedule I for the proposed hourly rates and submit salary documentation (provided by the subcontractor) to support the subcontractor proposed hourly rates.

Schedule G- Travel:

The Offeror enters the number of people and unit airfare cost, and the worksheet calculates the total airfare. The Offeror then enters the per diem, number of people, number of days, and the worksheet calculates the total per diem costs. There is an Other/miscellaneous travel expense item where the Offeror provides a description and amount, if needed. The worksheet then calculates the total trip cost. When all trips are entered, the worksheet calculates the total travel cost, and that automatically populates the travel cost on Schedule A.

Other Resources

Federal Acquisition Regulation (FAR): <http://farsite.hill.af.mil/vffara.htm>

Transportation Acquisition Regulation (TAR): <http://www.dot.gov/administrations/assistant-secretary-administration/transportation-acquisition-regulation-tar>

Transportation Acquisition Manual (TAM):

<https://one.dot.gov/ost/m1/m60/Shared%20Documents/Transportation%20Acquisition%20Manual/tam.htm>

In addition to the Federal Acquisition Regulation, Transportation Acquisition Regulation, and Transportation Acquisition Manual, the Defense Contract Audit Agency (DCAA) website has useful information (www.dcaa.mil). There are a number of useful topical areas under the Guidance and Checklists & Tools tabs including the Contract Audit Manual, audit programs for various audit types, audit office locator instructions, and FAQs. The DCAA website is a valuable resource for prospective contractors.

How to Save Appendix C

Please fill out the spreadsheets as directed. If you do not have supporting documentation for the cost proposal, please save Appendix C in the excel format provided. **If you are submitting supporting information (e.g., price quotes or subcontractor commitments) then save the entire workbook as a PDF. To do this, click on the ‘Acrobat’ tab in the main ribbon of Excel, then choose “entire Workbook” from Conversion Range option at top of window.** If you have any trouble accessing the Appendix C spreadsheet or saving it as a PDF please contact the U.S. DOT SBIR Program Office at 617-494-2051 between the hours of 8:00 am and 5:00 pm ET no later than December 9, 2015.