

# Northrop Grumman *Supplier Proposal Adequacy Resource Materials*

Disclaimer: These resource materials are for information purposes only and should not be construed as contractual or legal advice or guidance. Suppliers are encouraged to consult with their legal counsel to obtain legal advice or guidance to comply with procurement laws and regulations

**November 2022**

# Supplier Proposal Resource Materials

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# Responding To A Request For Proposal (RFP)

- Effective proposals are comprehensive, well organized, and respond to the RFP and/or Statement of Work (SOW)
- A common template with defined structure can be an effective starting point to respond to any RFP
- Ensure RFP requirements are understood, and required elements are included or addressed in the Cost Volume response
- Subcontracts less than \$2M, commercial/catalog items and procurements based on adequate price competition are generally exempt from certified cost or pricing data
- Requires that all proposed prices must be determined fair and reasonable (FAR 15.404-1) by the prime contractor
- Supplier proposals requiring Certified Cost or Pricing Data (CCoPD)
  - The threshold for obtaining certified cost or pricing data is \$750,000 for prime contracts awarded before July 1, 2018, and \$2 million for prime contracts awarded on or after July 1, 2018
  - Must ensure adequate and compliant proposal through C-P014 (Northrop Grumman Proposal Pricing Compliance Checklist) or DFARS Proposal Adequacy Checklist (252.215-7009)

**Adequate proposals reduce RFIs and enable fast awards!**



# Proposal Adequacy Requirements

# General Requirements

- The Subcontractor is responsible for providing sufficient and adequate supporting data to enable the prime contractor to establish reasonableness of proposed costs or price
- The basis and rationale for all proposed costs, including all supporting documentation used in the development of the price/cost proposal should be provided as part of the proposal response
- All data must be current, accurate and complete

# What Is The Supplier Proposal Adequacy Checklist?

GLOBAL SUPPLY CHAIN PROPOSAL PRICING COMPLIANCE CHECKLIST Form C-P014 (01/2023)		NORTHROP GRUMMAN					
ITEM #	ITEM DESCRIPTION	FAR REFERENCE	Yes	No	N/A	PROVIDE EXPLANATION IF EITHER "NO or N/A" (use continuation page if necessary)	PROP PG #
4.	Does the proposal disclose any other known activity that could materially impact the costs? This may include, but is not limited to, such factors as: 1. Vendor quotations; 2. Nonrecurring costs; 3. Information on current / anticipated changes in production methods and in production or purchasing volume; 4. Data supporting projections of business prospects and objectives and related operations costs; 5. Unit-cost trends such as those associated with labor efficiency; 6. Make-or-buy decisions; 7. Estimated resources to attain business goals; and 8. Information on management decisions that could have a significant bearing on costs.	FAR 15.408 Table 15-2, IC(1); FAR 2.101, "Cost or Pricing Data"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
5.	Is an Index of all certified cost or pricing data and information accompanying or identified in the proposal provided and appropriately referenced?	FAR 15.408 Table 15-2, C	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
6.	Are there any exceptions to submission of certified cost or pricing data pursuant to FAR 15.403-1(b)? If so, is supporting documentation included in the proposal? (See items 18-20.)?	FAR 15.403-1(b)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<b>Note</b>	<i>If the total price of the proposal meets or exceeds the threshold for certified cost or pricing data, this Subcontract Proposal Compliance Checklist is required even if a portion of that total value qualifies as an exception. Address exception(s) with the Buyer prior to submittal of your proposal.</i>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
7.	Does the proposal disclose the judgmental factors applied and the mathematical or other methods used in the estimate, including those used in projecting from known data?	FAR 15.408 Table 15-2, Sec. 1 C(2)(i)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
8.	Does the proposal disclose the nature and amount of any contingencies included in the proposed price?	FAR 15.408 Table 15-2, Sec. 1 C(2)(ii)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

## NG Form C-P014\* (Proposal Pricing Compliance Checklist)

- Based on DFARS Proposal Adequacy Checklist ([252.215-7009](#)) but includes several additional clarifying questions developed by NG (includes relevant FAR/DFARS references)
- Required to be completed by the supplier and submitted with proposal
- Helps to ensure supplier provides adequate proposal and supporting documentation

Note: Defense Federal Acquisition Regulation Supplement (DFARS) supplements requirements of FAR under authority of Secretary of Defense

\*customer-based equivalent form may be used as directed

# Appropriate Response For Each Question | Yes, No, or N/A

**"Yes"** answer is confirming this **requirement was met and fulfilled in this proposal submittal**. A page number/reference of the location in the proposal must be identified

**"No"** answer is confirming this **requirement was NOT met and NOT fulfilled in this proposal**. An explanation as to why the requirement was NOT included must be provided

**"N/A"** answer is confirming that the **item specified is NOT Required for this proposal effort**. An explanation must be included why requirement is NOT required prior to proposal submittal

# Supplier Proposal Adequacy Requirements Summary

1. Properly completed first page called cover sheet of pricing proposal in accordance with all requirements of FAR 15.408, Table 15-2, Section I Paragraph A
2. Index/table of contents of all certified cost or pricing data
3. Completed C-P014, Proposal Pricing Compliance Checklist
4. Pricing Reports - summary of total cost by element and cross reference to the supporting cost or pricing data
5. Labor hour and material basis of estimates and all supporting/referenced documentation including quotes, purchase orders, factors(escalation, attrition, etc.) and rates (including direct labor, indirect, G&A), commercial determinations, other direct costs
6. Sub-tier proposals over the CCoPD threshold: Cost analyses, or schedule for completion of cost analyses for sub-tier proposals over the threshold, or documented exception to CCoPD
7. Consolidated Bill of Material (CBOM) and individual Bill of Materials if applicable
8. For inter-organizational transfers (IWO) proposed at cost, ensure the entire proposal is included in the supplier's submitted proposal (regardless of IWO value)
9. Cost of Money Forms (CASB-CMF) or US Government Form DD 1861
10. Include working Excel model of proposal pricing or wrap rate equivalent of pricing.
11. If the supplier intends to subcontract more than 70% of the total cost of work to be performed, include in the proposal a description of the added value provided by the supplier's proposed contractor as related to the work they will perform
12. Rationale for proposed profit/fee

**Additional Resource:** FAR [Part 15.408](#), Table 15-2 (Instructions for submitting cost/price proposals)





# Compliant Proposal Basics

# Updated CCoPD Is Required Up Until Price Agreement

## Certified Cost or Pricing Data (FAR 2.101)

- Are cost and pricing data that were required to be submitted in accordance with FAR 15.403-4 and 15.403-5 and have been certified, or are required to be certified, in accordance with FAR 15.406-2. This certification states that, to the best of the person's knowledge and belief, the cost or pricing data are accurate, complete and current as of a date certain before contract award

## FAR 2.101 defines Cost or Pricing Data:

- All facts existing up to the time of price agreement which prudent buyers and sellers would reasonably expect to affect price negotiations significantly

# Compliant Proposal Basics

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Properly completed first page, known as cover sheet or Contract Pricing Proposal Cover Sheet

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Identify and explain notifications of noncompliance with Cost Accounting Standards (CAS), if applicable

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Disclose known activity that could materially impact the costs

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Submit all judgmental factors applied and the mathematical or other methods used in the estimate, including those used in projecting from known data

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Include an index, appropriately referenced, of all the certified cost or pricing data and information accompanying or identified in the proposal

# Proposal Pricing Cover Sheet

- Cover sheet is the *first* page of compliant pricing proposal
- Identifies solicitation, company name, contract type, whether Government furnished property is required
- Includes total cost, fee/profit, and the price in response to the RFP
- Defines proposed total price and breakdown by Contract Line-Item Number, CLIN, and/or part number
- Status of CASB Disclosure Statement, if applicable, CAS Compliance, and estimating system (identify any adequacy issues or inconsistencies)
- Date of submission
- Name, title, date, and signature of authorized representative
- Ensure that FAR 15-2 required items are included in the form, including required statement

## Required Statement:

This proposal is submitted in response to the solicitation, contract, modification, etc. and reflects our estimates and/or actual costs as of this date and conforms with the instructions in FAR 15.403-5(b)(1) and Table 15-2. By submitting this proposal, the Offeror, if selected for negotiation, grants Northrop Grumman and the Contracting Officer and authorized representative(s) the right to examine, at any time before award, those records, which include books, documents, accounting procedures and practices, and other data, regardless of type or form, or whether such supporting information is specifically referenced or included in the proposal as the basis for pricing, that will permit an adequate evaluation of the proposed price.

# Basis of Estimate (BOE) *Fundamentals*

- A credible basis of estimate provides estimating methodology and rationale, using relevant verifiable source data
- Should tie to RFP/RFQ or SOW
- BOEs document the task description and narrate all judgmental factors applied and the mathematical formulas or other methods used in development of the estimate, including those used in projecting from known data (“data-driven/fact based”)

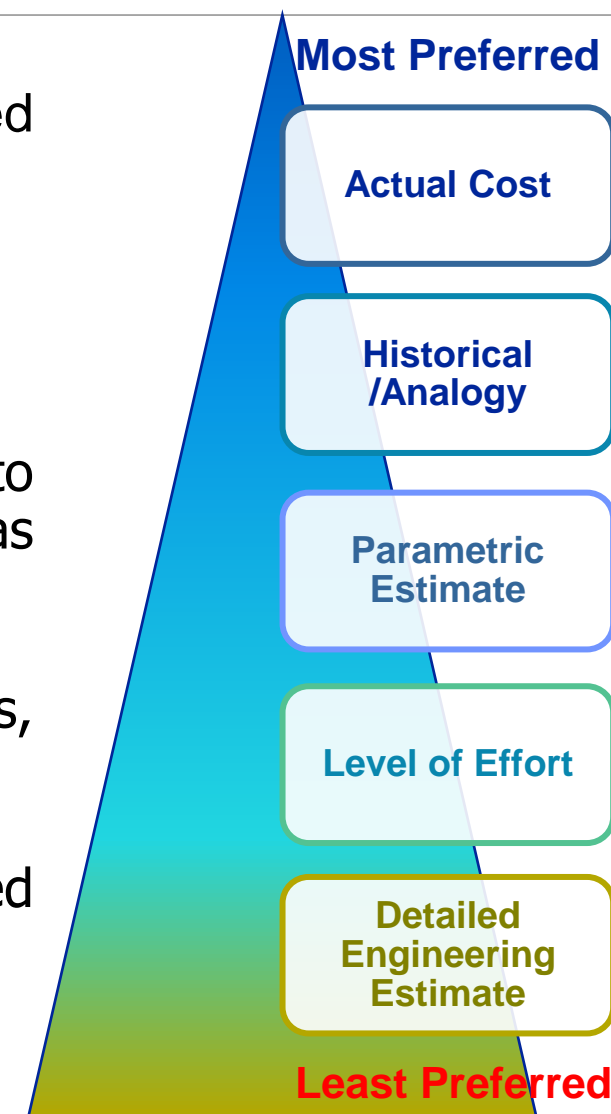
# What should your BOE address?

- **Who** will perform the work? – Supplier or Supplier's Subcontractors
- **What** tasks are to be performed? - Statement of Work, Work Breakdown Structure (WBS), and Task Description Details
- **Where** will the work be performed? – Internal Facility or elsewhere?
- **When** will the work be performed? - Specify the period of performance
- **Why** was this source data selected for use? – Relevance of data used (similarities / differences between the referenced (analogous) programs(s) and the effort you are estimating)
- **How** were estimates adjusted to reflect similarities / differences between data used and planned efforts? - If no adjustments were made explain why

# Estimating Methodologies

- **Actual Cost** Most preferred and defensible basis of estimates are based on actuals from current program execution
- **Historical/Analogy** Similar effort with defined similarities adjusted for differences that estimates the resources of the new effort
- **Parametric Estimates** uses a statistical relationship to relate cost to one or several technical or programmatic attributes (also known as independent variables)
- **Level of Effort** primarily used for specific staff support type activities, not impacted by quantity, for a defined period of performance
- **Detailed Engineering Estimates** detailed cost estimate developed from the bottom up by estimating the cost of every activity

***Adjustment Factors can be used to augment each of the above estimating methodologies***



## BOE Top Tips

- Basis of Estimates (BOEs) and related task descriptions should identify the sources of data, estimating methods, and rationale considered (i.e., DFARS 252.215-7002(d)(4)) and be included in the proposal response
- BOEs and related Task Descriptions must demonstrate that the company has a firm understanding of the proposal SOW and requirements
- The company submitting the bid must be able to demonstrate the reasonableness and realism of proposed costs



# Proposal Cost Element Basics

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- Direct Labor
  - Indirect Rates (Including Facilities Capital Cost of Money)
  - Material
  - Other Direct Costs (ODC)
  - Subcontracts/ Suppliers
  - Profit/fee

# Direct Labor

An adequate proposal shall include (Reference 15.408, Table 15-2)

Direct Labor: Provide a time-phased (e.g., monthly, quarterly, etc.) breakdown of labor hours, rates, and cost by appropriate defined labor category, and furnish basis for estimates

## Hours:

- The basis of proposed labor hours, comparisons of proposed hours to experienced hours for production of similar items
- Any adjustment based on learning curves or similarities

## Rates:

- All proposed labor rates should correspond to the budgeted rates for that period
- For direct labor rates based on salaried workers categorized as direct labor, salary shall be converted to hourly rates
- If overtime is included in the proposed rate, it must be addressed discretely, ensuring that the same methodology used to account for overtime pay in the base rate is used in the proposed rates
- Supporting documentations for direct labor rates may include pay stubs, Data indices, collective bargained agreements, or company historical wage increases to support escalation factors utilized for out-year direct labor rates

# Material

- As required by FAR 15.408 Table 15-2.1(C.2), explanations of the offeror's estimating processes detailing how the proposed material quantities and pricing were derived for material and subcontracted items must be submitted as part of the proposal
- An adequate proposal should include a consolidated priced summary of individual material quantities as specified
  - \*Materials should be easily identified with a particular product or deliverable
- In addition, the consolidated bill of material (CBOM) should provide:
  - The basis for pricing (vendor quotes, purchase prices, competitive bids, etc.) – see next page for sample
  - Include raw materials, parts, components, assemblies, and services to be produced or performed by others
  - Identify the item and show the source, quantity, unit price
  - Clearly define any factors such as quantity adjustment, material variance, and supplier services including the source data, rationale, and estimating methods to derive such factors
  - References to the sources of any projected factors should also be explained and detailed references and source data should be provided (i.e., material attrition and price escalation should be supported with factual evidence)

# Consolidated/ Bill of Materials

## SAMPLE

### CBOM and BOMs shall identify:

1. Part number
2. Original Equipment Manufacturer part number (if different than part number)
3. Description
4. Supplier name
5. Pricing source (i.e., purchase order history, vendor quotes, etc.)
6. Basis of source (i.e., competitive or single source)
7. Unit quantity
8. Unit cost
9. Factors applied to pricing source (attrition, escalation, etc.)
10. Extended cost
11. Ordering restrictions (minimum order quantities, lot multipliers, etc.)

BILL OF MATERIALS (BOM)

DESCRIPTION	RE/NRE	Supplier Name	IWO-SC- GP	ESC - Type	BOE	UM	Qty	Total Qty	Unit Price	Extended Unit Price	Base Year	Esc	Unit Price W/Esc
Eng Services	RE	ACME CORP	SUB	SC	SQ	EA	1	1	\$ 22,999	\$ 22,999	2022	1.000	\$ 22,999
Eng Services COM	RE	ACME CORP	SUB	SC	SQ	EA	1	1	\$ 66	\$ 66	2022	1.000	\$ 66
FSR Mobilization	RE	ACME CORP	GP	SC	SQ	EA	1	1	\$ 145,999	\$ 145,999	2022	1.000	\$ 145,999
FSR Mobilization COM	RE	XYZ ENGINEERING	GP	SC	SQ	EA	1	1	\$ 567	\$ 567	2022	1.000	\$ 567
FSR Labor	RE	XYZ ENGINEERING	GP	SC	SQ	EA	1	1	\$ 222	\$ 222	2022	1.000	\$ 222
FSR Labor COM	RE	TRAVEL4 ME	GP	SC	SQ	EA	1	3	\$ 1,123	\$ 1,123	2022	1.000	\$ 1,123
FSR Travel/ ODC	RE	TRAVEL4 ME	SUB	SC	SQ	EA	1	2	\$ 111	\$ 111	2022	1.000	\$ 111
FSR Travel/ ODC COM	RE	TRAVEL4 ME	SUB	SC	SQ	EA	1	4	\$ 111,135	\$ 111,135	2022	1.000	\$ 111,135
FSR Mgr Support	RE	ACME CORP	SUB	SC	SQ	EA	1	1	\$ 444,444	\$ 444,444	2022	1.000	\$ 444,444
FSR Mgr Support COM	RE	ACME CORP	SUB	SC	SQ	EA	1	5	\$ 3,323	\$ 3,323	2022	1.000	\$ 3,323
Program Office	RE	ACME CORP	SUB	SC	SQ	EA	1	5	\$ 22,222	\$ 22,222	2022	1.000	\$ 22,222
Program Office COM	RE	XYZ ENGINEERING	SUB	SC	SQ	EA	1	1	\$ 21	\$ 21	2022	1.000	\$ 21
Travel	RE	TRAVEL4 ME	SUB	SC	SQ	EA	1	6	\$ 444	\$ 444	2022	1.000	\$ 444
Travel COM	RE	TRAVEL4 ME	SUB	SC	SQ	EA	1	22	\$ 3	\$ 3	2022	1.000	\$ 3
Eng Services	RE	HHH CORPORATIONS	GP	SC	SQ	EA	1	3	\$ 25,130	\$ 25,130	2022	1.000	\$ 25,130
Eng Services COM	RE	HHH CORPORATIONS	GP	SC	SQ	EA	1	1	\$ 92	\$ 92	2022	1.000	\$ 92
FSR Attrition	RE	HHH CORPORATIONS	GP	SC	SQ	EA	1	1	\$ 310,351	\$ 310,351	2022	1.000	\$ 310,351
FSR Attrition COM	RE	HHH CORPORATIONS	GP	SC	SQ	EA	1	1	\$ 48	\$ 48	2022	1.000	\$ 48
FSR Labor	RE	HHH CORPORATIONS	GP	SC	SQ	EA	1	4	\$ 381,932	\$ 381,932	2022	1.000	\$ 381,932
FSR Labor COM	RE	ACME CORP	SUB	SC	SQ	EA	1	77	\$ 411	\$ 411	2022	1.000	\$ 411
FSR Travel/ ODC	RE	ACME CORP	SUB	SC	SQ	EA	1	44	\$ 1,011,246	\$ 1,011,246	2022	1.000	\$ 1,011,246
FSR Travel/ ODC COM	RE	XYZ ENGINEERING	GP	SC	SQ	EA	1	1	\$ 157	\$ 157	2022	1.000	\$ 157

Consolidated Bill of Material is the combination of all individual BOMs by line item/part number

# Subcontracts

- An adequate proposal includes the basis of proposed subcontract costs
- For subcontractors or material suppliers having total proposed pricing that exceeds the threshold for certified cost or pricing data:
  - If requiring certified Cost of Pricing Data: Submit the subcontractor's certified cost or pricing data as part of your own certified cost or pricing data, as well as your analysis of the subcontractor's cost or pricing data per FAR 15.403-4 and FAR 15.403-1(b) and price and/or cost analysis (see next page for additional information on Cost Analysis)
  - For competitive subcontractors/suppliers: Include data showing the degree of adequate price competition. If non-competitive the rationale for non-competitive sourcing and price reasonableness
  - For commercial determinations: Include support for commercial item determinations and the basis for establishing the commerciality and price reasonableness
- The contractor and first-tier subcontractors are responsible for managing its subcontractors per FAR 42.202(e)(2)
- If supporting documentation is not available at the time of proposal submittal, a schedule/plan of action must be included (proposal submittal date, completion of fact-finding, completion of cost analysis or exception documentation date)

# Price and/or Cost Analyses

- Conduct price analyses of all subcontractor proposals
- Conduct cost analyses for all subcontracts when Certified Cost or Pricing Data are submitted by the subcontractor
- Per FAR 15.408, Table 15-2, Copies of Price and/or Cost Analyses must be provided for all subcontract/material items exceeding the Truthful Cost or Pricing Data Act Threshold
- FAR 15.404-1(a)(2,3,4):
  - Price analysis shall be used when certified cost or pricing data are not required
  - Cost analysis shall be used to evaluate the reasonableness of individual cost elements when certified cost or pricing data are required. Price analysis should be used to verify that the overall price offered is fair and reasonable
  - Cost analysis may also be used to evaluate data other than certified cost or pricing data to determine cost reasonableness or cost realism when a fair and reasonable price cannot be determined through price analysis alone

# Other Direct Costs

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- Other Direct Costs where applicable shall be submitted as part of the offeror's proposal and may include the following (but not limited to) special tooling, outside services, packaging, travel, etc.
- Uncommon costs include test equipment purchases, capacity expansion, increased labor headcount to meet demand, licensing, and legal expenses
- Provide a description of other direct costs, including justification and supporting data (vendor quotes, invoice prices, competitive bids, etc.)
- Travel related estimates must include explanation, methodology, calculations and supporting cost documentation to calculate each trip:
  - a. Estimated travel dates including duration
  - b. Reason for trip
  - c. Departure and arrival locations
  - d. Method of travel (air, train, etc.)
  - e. Number of people per trip
  - f. Per Diem allowances for lodging meals, etc.
  - g. Number of rental cars (if applicable)
  - h. Any additional costs included

# Indirect Costs

- An adequate proposal includes the basis/narrative of the proposed indirect expense rates, as well as supporting documentation clearly showing the cost bases and pools for all indirect rates and factors
- Required support includes:
  - Current year detailed operating budget and if applicable, a long-range forecast/strategic plan covering all the periods of performance
  - Comparisons by year of projected overhead expenses by account to prior years' incurred amounts (typically prior 2 years). Out-year projections should be supported by the contractor's analysis of the impact on its rates based on its long-range forecast/strategic plan
  - Verification of the exclusion of Unallowable Costs per FAR 31.205
  - Mathematical calculations used to arrive at each proposed indirect rate or factor
- The operating budget should be at the department/pool level with expense item detail supporting anticipated contract performance
- The budget should detail indirect expenses and show the relationship of direct labor (or other indirect expense allocation basis) to sales projections



## Cost of Money (If Applicable)

- FAR part 15.408 Table 15-2.II(F): the offeror must submit Form CASB-CMF or US Government Form DD 1861
- Show the calculation of the proposed amount of any facilities capital cost of money.

# Profit/Fee

- Explanation of the proposed profit/fee should be submitted as part of your proposal
- FAR part 15.404-4, indicates a structured approach must be utilized when determining profit/fee
- It should be noted that for cost type and fixed price type contracts, fee/profit is calculated as a percentage of total cost, less cost of money factors (if applicable and proposed), and not as a percentage of total price
- For time and material type contracts, profit can only be applied to labor and not other direct costs or material:
  - Material may get applied a handling fee (16.603)
- Cost Plus Fixed Fee contract type has statutory limitations on the fee that can be proposed (refer to FAR 15.404-4(c)(4))
- For cost reimbursable type contracts, you must have an approved Gov't Accounting system or letter from Gov't auditing agency (DCMA/DCAA) stating your accounting system is adequate for collecting allowable/allocable costs. Use of private accounting firms attesting to your accounting system adequacy does meet the requirement. NG Form –get form C-P012
- Profit/fee percentages and amounts must be clearly stated in the narrative and must be supported by a logical structure
- Recommendation: use of Weighted Guidelines (DD Form 1547) to assess risk and develop appropriate profit/fee

# Denial Letter

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- If any elements of cost are considered proprietary and cannot be shared with NG, a formal denial letter must be provided
- Denial letter must be on a company letterhead signed by an authorized company agent and should include the following:
  - Specific identification of each element of cost to which Northrop Grumman is being denied access
  - Assertion that the Government will have full access to the supporting data to which Northrop Grumman is being denied access and that a pricing review can be supported at this time
  - Local DCMA/DCAA representative's name and contact information
  - A release statement allowing for Northrop Grumman to view the results of any audit completed at the same level of detail provided in the initial sanitized proposal

# Compliant Proposal Cost Reports

- Adequate proposals will contain several cost breakdown reports
- Cost Element Break-out (for each part number/CLIN, in each year, at each cost or pricing data quantity as requested in the RFP, and if applicable, a roll up summary of maximum quantities in each year)
- FAR 15.408, Table 15-2
- Summary Cost Breakdown:
  - Cost and price build up by task ID/WBS and/or CLIN
- Annual Cost Breakdown (ACB):
  - Cost build up by cost element by calendar or government fiscal year (GFY) rolling up to price
- Termination liability (if required):
  - Proposal broken down by total per month

FAR Table 15-2 Cost Summary

RFQ AT-MXY-565

QTY 62

Cost Element	2023
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Summary of Labor Hours

Optical Fabrication-Department 4123	1134.41
Coating-Department 4500	302.26
Assembly & Test-Department 5000	558.57
Machine Shop-Department 2200	12.19
<b>Total Labor Hours</b>	<b>2007.43</b>

Summary of Dollars

Direct Labor	\$ 54,039
Material	\$ 161,282
Services	\$ 42,728
Inter-Divisional	\$ -
Other Direct Costs	-
<b>Total Direct Cost</b>	<b>\$ 258,050</b>
Overheads	\$ 342,971
G&A	\$ 141,180
<b>Total Direct and Indirect Cost</b>	<b>\$ 742,200</b>
Cost of Money	\$ 5,284
<b>Profit or Fee</b>	<b>\$ 133,596</b>

Total Price	\$ 881,081
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Cost Element	Labor	Services	Material	Total
Direct Labor	\$ 54,039	-	-	\$ 54,039
Material	-	-	\$ 161,282	\$ 161,282
Services	-	\$ 42,728	-	\$ 42,728
Inter-Divisional	-	-	-	\$ -
Other Direct Costs	-	-	-	\$ -
<b>Total Direct Cost</b>	<b>\$ 54,039</b>	<b>\$ 42,728</b>	<b>\$ 161,282</b>	<b>\$ 258,050</b>
Overheads	\$ 342,971	-	-	\$ 342,971
G&A	\$ 93,258	\$ 10,037	\$ 37,885	\$ 141,180
Cost of Money	\$ 5,284	-	-	\$ 5,284
<b>Profit or Fee</b>	<b>\$ 88,248</b>	<b>\$ 9,498</b>	<b>\$ 35,850</b>	<b>\$ 133,596</b>
<b>Total Price</b>	<b>\$ 583,801</b>	<b>\$ 62,262</b>	<b>\$ 235,018</b>	<b>\$ 881,081</b>

## IMPORTANT

# Must Disclose All Facts That Could Materially Impact Proposed Costs

- Include information regarding forward pricing rate agreements (FPRA), forward pricing rate proposals (FPRP), and any recommended rate packages reviewed by DCAA or DCMA in the proposal
- Disclose current state of accounting, earned value management, estimating, material, property management, and purchasing systems
- Identify if exempt or compliant with applicable cost accounting standards
- Cost accounting standards board (CASB) disclosure statement status (if applicable)
- Disclose all factual information that a reasonable buyer may want to know even if it is not part of the BOE – example: disclose historical cost information even if BOE for the proposal is a parametric estimate or a detailed engineering estimate

# Wrap Up

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- Compliant and adequate proposals are necessary and required to be considered for award
- Ensure that all requirements from the RFP/SOW are addressed
- Use C-P014 (Proposal Pricing Compliance Checklist) or DFARS Proposal Adequacy Checklist to ensure your proposal and those of your subcontractors are compliant prior to submission



**Questions ?**

**Contact NGC buyer/SCA or POC**

# Cost Report Examples



# Time Phased Labor Report

Proposal:	Advanced Tech ver. 0	ACME Business Systems			Proposal Number:	ADTech 11		
RFQ Ref:	AT-MXY-565				Date:	9/22/2021		
Proposal Manager:	A. Davis	<b>Detail Cost Breakdown Report</b>			Time:	10:22:44 AM		
Rate Table:	RATEXYZ.2022 Jan				Page:	1		
		Full Disclosure			Period of Performance:	1/2022 - 6/2024		
SUMMARY: Total - Total								
	2022		2023		2024		Total	
Resource	Hrs Units	Cost	Hrs Units	Cost	Hrs Units	Cost	Hrs Units	Cost
Labor								
Assembly	50000	\$ 3,350,000	51222	\$ 3,534,318	24000	\$1,680,000	125222	\$ 8,564,318
Engineering Aide	22000	\$ 1,100,000	25444	\$ 1,323,088	14000	\$ 742,000	61444	\$ 3,165,088
Fabricator	1123	\$ 86,471	1500	\$ 117,000	600	\$ 48,000	3223	\$ 251,471
Associate Engineer	8214	\$ 361,416	10000	\$ 460,000	500	\$ 23,000	18714	\$ 844,416
Scientist	4526	\$ 543,120	5420	\$ 672,080	902	\$ 113,652	10848	\$ 1,328,852
Metallurgist	1258	\$ 113,220	1822	\$ 165,802	900	\$ 82,800	3980	\$ 361,822
Program Manager	5900	\$ 501,500	6000	\$ 516,000	3200	\$ 281,600	15100	\$ 1,299,100
Quality Engineer	8000	\$ 480,000	8800	\$ 536,800	4500	\$ 283,500	21300	\$ 1,300,300
Systems Engineer	45888	\$ 4,405,248	20000	\$ 1,960,000	20000	\$1,980,000	85888	\$ 8,345,248
Technical Programmer	22658	\$ 2,016,562	18900	\$ 1,682,100	14250	\$1,296,750	55808	\$ 4,995,412
Total Labor	169,567	\$ 12,957,537	149,108	\$ 10,967,188	82,852	\$6,531,302	401,527	\$ 30,456,027

Time Phased labor identifies each labor category total by month, quarter, or year

# Summary Cost Breakdown report- by task ID

Proposal:	Advanced Tech ver. 0	ACME Business Systems		Proposal Number:	ADTech 11
RFQ Ref:	AT-MXY-565			Date:	9/22/2021
Proposal Manager:	A. Davis	<b>Summary Cost Breakdown Report</b>		Time:	11:32:44 AM
Rate Table:	RATEXYZ.2022 Jan			Page:	1
			Direct Cost - Standard	Period of Performance: 1/2022 - 6/2024	
Task ID: ADTech 001-01 - Technical Publications					
WBS: 2.5					
CLIN: 2022 A					
Statement of work:					
Basis of Estimate					
Element	Element Description		Hours	Units	Cost
Labor					
Engineering Aide	Engineering Adie and Technician		14,000		\$ 1,260,000
Technical Writer	Technical Writer		36,890		\$ 2,877,420
Total Labor			50,890		\$ 4,137,420
Subcontractor					
Subcontract Assemblies	Subcontract assembly				\$ 1,100,000
Total Subcontracts					\$ 1,100,000
Travel					
Total Travel					\$ 42,000
Interdivisional					
Interdivisional at Cost	Interdivisional				\$ 1,500,000
Total Interdivisional					\$ 1,500,000
TOTALS			50,890		\$ 6,779,420
Task ID: ADTech 001-02 - Management					
WBS: 2.5 B					
CLIN: 2022 AA					
Statement of work:					
Basis of Estimate					
Element	Element Description		Hours	Units	Cost
Labor					
Program Manager	Program Managers and Deputy DMs		45,000		\$ 4,050,000
Technical Writer	Technical Writer		45,000		\$ 3,510,000
Total Labor			90,000		\$ 7,560,000
TOTALS			90,000		\$ 7,560,000

Summary cost breakdown relates cost by WBS, CLIN, or Task

# Annual Cost Breakdown

Proposal:	Advanced Tech ver. 0	ACME Business Systems		Proposal Number:	ADTech 11				
RFQ Ref:	AT-MXY-565			Date:	10/11/2022				
Proposal Manager:	A. Davis	<b>Annual Cost Breakdown</b>		Time:	11:59:44 AM				
Rate Table:	RATEXYZ.2022 Jan			Page:	1				
		Full Disclosure		Period of Performance:	1/2022 - 12/2024				
				Fiscal Year (Jan thru Dec)					
CLIN 010-Program Office									
		2022		2023			2024		
Resource	Hrs Base	Rate	Cost	Hrs Base	Rate	Cost	Hrs Base	Rate	Cost
Labor									
Assembly	4500	\$ 43.66	\$ 196,470	5000	\$ 44.78	\$ 223,900	5800	\$ 45.43	\$ 263,494
Contract Admin	2200	\$ 56.66	\$ 124,652	2500	\$ 57.89	\$ 144,725	2900	\$ 59.44	\$ 172,376
Customer Support	1050	\$ 56.55	\$ 59,378	1100	\$ 58.03	\$ 63,833	1500	\$ 60.33	\$ 90,495
Program Manager	7200	\$ 112.45	\$ 809,640	7500	\$115.33	\$ 864,975	7500	\$ 120.12	\$ 900,900
Scientist	4526	\$ 145.44	\$ 658,261	5560	\$150.33	\$ 835,835	6500	\$ 150.90	\$ 980,850
Metallugist-2	1258	\$ 123.66	\$ 155,564	1450	\$130.22	\$ 188,819	1400	\$ 133.50	\$ 186,900
Prog Cost Analyst 3	1400	\$ 96.55	\$ 135,170	1500	\$ 98.34	\$ 147,510	1600	\$ 99.88	\$ 159,808
Qual Eng 2	2000	\$ 86.55	\$ 173,100	2300	\$ 89.44	\$ 205,712	2350	\$ 90.78	\$ 213,333
Sys Eng 4	3000	\$ 134.57	\$ 403,710	3000	\$136.11	\$ 408,330	3100	\$ 139.35	\$ 431,985
Technical Programmer	1450	\$ 112.65	\$ 163,343	1550	\$114.02	\$ 176,731	1500	\$ 115.37	\$ 173,055
Total Labor	28,584		\$ 2,879,288	31,460		\$3,260,370	34,150		\$3,573,196

CLIN/WBS/Task by Cost Element is broken out by year

# Detail Cost Breakdown -Summary Cost Elements

Proposal:	Advanced Tech ver. 0		ACME Business Systems	Proposal Number:	ADTech 11
RFQ Ref:	AT-MXY-565			Date:	10/21/2022
Proposal Manager:	A. Davis		<b>Detail Cost Breakdown Report</b>	Time:	8:01:54 AM
Rate Table:	RATEXYZ.2022 Jan			Page:	10
SUMMARY			Full Disclosure	Period of Performance:	1/2022 - 12/2024
				Fiscal year	Jan - Dec
<b>Resource</b>	<b>Hrs Base</b>	<b>Rate</b>	<b>Cost</b>		
<b>Material</b>					
General Procurement			\$ 2,156,328		
Raw Material			\$ 1,546,951		
Total Material			\$ 3,703,279		
<b>Subcontractor</b>					
Subcon			\$ 3,100,000		
Total Subcontractor			\$ 3,100,000		
<b>Other</b>					
ODC			\$ 351,891		
Total Other			\$ 351,891		
<b>Travel</b>					
Trvl			\$ 196,258		
Total Travel			\$ 196,258		
<b>Direct Cost</b>					
Fringe	\$ 18,760,000	0.70568	\$ 13,238,536		
Overhead	\$ 18,760,000	0.45877	\$ 8,606,448		
Material Handling	\$ 3,703,279	0.06544	\$ 242,338		
Total Overhead			\$ 22,087,322		
Subtotal			\$ <b>48,198,750</b>		
G&A	\$ 48,198,750	0.14569	\$ 7,022,028		
Estimated Cost			\$ <b>55,220,778</b>		
Profit	\$ 55,220,778	0.15	\$ 8,283,117		
Total Cost + Fee			\$ 63,503,895		
Total FCCM			\$ 864,757		
<b>Total Price</b>			\$ <b>64,368,652</b>		

Summary Cost report show each cost element for program PoP

# Example Report-Rate Buildup

Proposal:	Advanced Tech ver. 0	ACME Business Systems				Proposal Number:	ADTech 11	
RFQ Ref:	AT-MXY-565					Date:	8/2/2022	
Proposal Manager:	A. Davis	<b>Detail Cost Breakdown Report</b>					Time:	12:34:44 PM
Rate Table:	RATEXYZ.2022 Jan					Page:	5	
				Rate Detail				
Resource	Year	Avg Rate	Fringe	Subtotal	G&A	Profit	Total FCCM	Total Rate
Assembler	2022	\$ 17.86	\$ 8.93	\$ 26.79	\$ 4.29	\$ 4.15	\$ 0.29	\$ 35.52
Assembler	2023	\$ 18.59	\$ 9.30	\$ 27.89	\$ 4.46	\$ 4.32	\$ 0.31	\$ 36.98
Assembler	2024	\$ 19.77	\$ 9.89	\$ 29.66	\$ 4.74	\$ 4.60	\$ 0.33	\$ 39.32
Contract Admin	2022	\$ 62.33	\$ 31.17	\$ 93.50	\$ 14.96	\$ 14.49	\$ 1.03	\$ 123.97
Contract Admin	2023	\$ 64.23	\$ 32.12	\$ 96.35	\$ 15.42	\$ 14.93	\$ 1.06	\$ 127.75
Contract Admin	2024	\$ 65.22	\$ 32.61	\$ 97.83	\$ 15.65	\$ 15.16	\$ 1.08	\$ 129.72
Program Manager	2022	\$ 75.66	\$ 37.83	\$ 113.49	\$ 18.16	\$ 17.59	\$ 1.25	\$ 150.49
Program Manager	2023	\$ 76.78	\$ 38.39	\$ 115.17	\$ 18.43	\$ 17.85	\$ 1.27	\$ 152.72
Program Manager	2024	\$ 78.01	\$ 39.01	\$ 117.02	\$ 18.72	\$ 18.14	\$ 1.29	\$ 155.16

Rate Buildup shows each category by each year of PoP



**NORTHROP**  
**GRUMMAN**

The logo graphic consists of a thick black horizontal line extending from the end of the word "NORTHROP" to the right, and a thick black vertical line extending downwards from the end of the word "GRUMMAN" to the right, forming an L-shaped corner.