

Welcome



HUMAN HEALTH AND PERFORMANCE CONTRACT (HHPC)

Cost /Price Overview

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Agenda



- SEB Pricing Process
- Government Resources Estimate (GRE)
- IDIQ Process Flowchart
- Workbook Templates Overview
 - Technical and IDIQ Templates
- Common Cost Volume Errors



The SEB Pricing Process

What does the SEB do with your cost/price proposal?

- May request a DCAA audit for all prime and major subcontractor proposals
- Read all narrative portions of Cost Volume
- Validate all offerors' excel models
- Integrate pricing models of prime and major subs
- Test models
- Make probable cost adjustments/cost realism (**only if necessary**)
 - Error Corrections/Reconciliations
 - Labor and/or Indirect Rates Adjustments
 - Work Year Equivalent (WYE) People/Skill Mix
 - Non-labor Resources
 - DCAA/DCMA input, as applicable

The SEB Pricing Process_(Continued)



SOME EXAMPLES:

- **Error Corrections/Reconciliations**
 - Correct for math, linking or formula errors
 - Prime's proposed major subcontractor FBRs do not match major subcontractor proposed FBRs

The SEB Pricing Process (Continued)



Example:

- **Labor Rates Adjustments**

- Incumbent Labor Rates

- An incumbent is defined as the “current person performing same or similar function on current contract.”
- Scenario 1: Offeror proposes to hire all incumbents and pay their prevailing wages, however proposal doesn’t reflect offeror’s intent. (Average composite labor rates will be available in technical library)
- Scenario 2: Offeror’s proposed percentage (%) of Incumbents to be paid at current wages [e.g. If Offeror is proposing to pay only 90% of the incumbents at their current wages and proposed rates don’t reflect actuals, the SEB will adjust only 90% of proposed direct labor rate(s) using the incumbent labor rates by SLC. The remaining 10% of proposed labor rate(s) will not be adjusted if the SEB determines rate(s) are reasonable based on current labor market data]

The SEB Pricing Process (Continued)



SOME EXAMPLES:

- **Direct Labor Rates Adjustment**
 - Use latest Department of Labor (DOL) wage determination for non-exempt labor categories, other current labor market surveys and indices
- **Indirect Rates Adjustment**
 - Use current audit reports, forward pricing indirect rates recommendations from DCMA, etc
- **Technical/Management Evaluation [WYE and Non-Labor Resources (NLR) Adjustments]**
 - Based on all technical or management weaknesses related to resources (WYEs/Skill Mix or NLRs)

The SEB Pricing Process (Continued)



SOME EXAMPLES:

- **DCAA/DCMA input, as applicable**
 - DCAA audit report of Offerors' cost proposals, if audits are requested
 - DCMA rates information, such as latest incurred cost audits, billing rates, etc
- **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

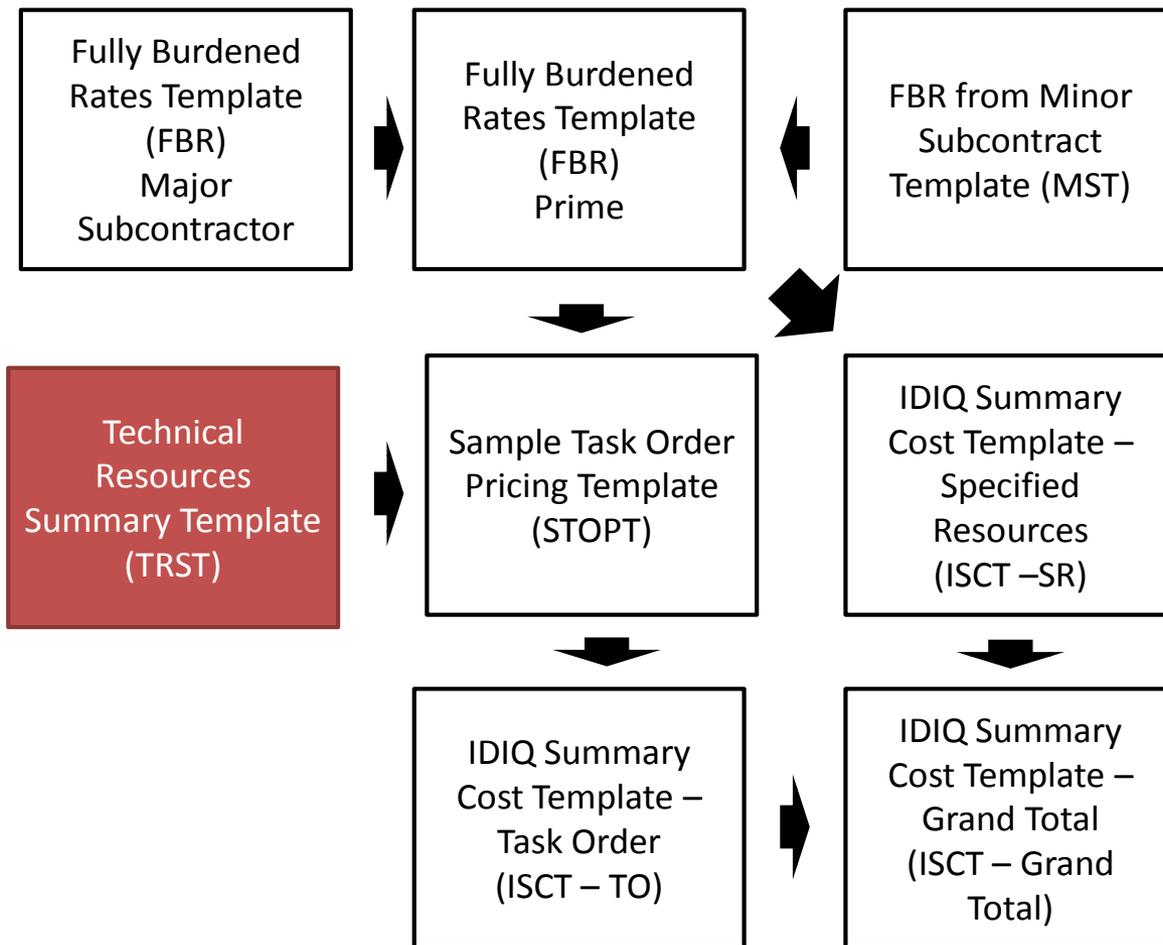


Government Resources Estimate(GRE)

- What is the GRE?
 - Grass roots estimate, not budgetary
 - Government's best estimate of resources (WYE)
 - Assists in assessing the general overall scope of the statement of work
 - GRE is provided in Attachment L-4 as four tables
 - First table GRE represents RFP task orders individually
 - Second table GRE represents overall staffing by SLC of RFP task orders
 - Third table GRE represents overall staffing for entire SOW by SLC
 - Fourth table GRE represents difference between overall staffing and RFP task orders; these are the specified resources corresponding to ISCT – SR worksheet tab in cost templates file
 - Contract Year 1 only
- The GRE is not intended to influence the offeror's proposed estimates. Offerors shall develop their own estimates that are:
 - Consistent with Management Approach
 - Consistent with Technical Approach



IDIQ Flowchart



Workbook Templates



■ Technical Templates

- Technical Resources Templates (TRT TO RFP 01 through 08)
- *Technical Resources Summary Template Cost Reimbursable (TRST)*
- To be provided by the prime contractor only



Workbook Templates

- ***IDIQ Workbook Templates**
 - **FBR** - Fully Burdened Rates Template (P&MS)
 - **MST** - Minor Subcontractor Template (P)
 - **STOPT** – Sample Task Order Pricing Template Cost Reimbursable (P)
 - **ISCT – TO** - IDIQ Summary Cost Template – Task Order (P)
 - **ISCT – SR** - IDIQ Summary Cost Template – Specified Resources (P)

***Not required of Minor Subcontractors**

(P) – Prime

(MS) – Major subcontractor



Workbook Templates (Cont.)

- **OHT** - Overhead Template (P&MS)
- **GAT** - G&A Template (P&MS)
- **TC (a) through TC (e)** - Total Compensation Templates (P&MS)
- **CAOT** – Cognizant Audit Office Template (P&MS)
- **PIT** - Phase-in Template (P)

***Not required of Minor Subcontractors**



Common Cost Volume 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 cost proposal

■ **Failure to follow template instructions:**

- Fully burdened rates in cost proposal do not match proposed Section B rates (Very, very common)
- Fully Burdened Labor Rates placed where Straight Time Direct Labor Rates are Required
- Placing hard numbers instead of formulas/links where appropriate

Common Cost Volume Errors (Cont.)



- **Lack of reconciliation between different areas of the proposal:**
 - Technical
 - Management
 - Staffing
 - Cost

- **Basis of any estimate needs to be explained:**
 - Specific
 - Clear
 - Detailed

Questions and Answers



Thank you for attending!



A copy of this presentation will be posted on the HHPC website:

Please visit:

<http://procurement.jsc.nasa.gov/hhpc/>