



Cost Volume

Instructions

Complete the Cost Volume Excel template provided so you can compile your cost information before entering it into DSIP. The Cost Volume provides the Government a reasonable estimate of your costs to execute the Phase I feasibility study and customer discovery effort. These costs are used by contracting personnel to determine if your costs are fair and reasonable prior to award. If you are awarded a contract, it will be firm fixed price, meaning you will not be audited to ensure you are spending in accordance with this cost volume.

Revise the excel to include your own labor categories and rates; however, we do recommend around 59.5% for G&A and 7% for profit. These rates have been found to be fair and reasonable in the past. Any travel costs must have a separate breakout showing all trip costs. In this example, G&A was only applied to direct labor, not ODCs. When you are finished, you will add these numbers into the DSIP site under Volume 3: Cost Volume.

Below are a few things to keep in mind while filling it out, as well as some definitions of the components.

- Base \$150,000 and 6 month PoP (5 months of technical, 1 month for Final Reporting)
- No option period
- No Technical and Business Assistance (TABA) allowed
- Involvement of a research institution in the project is **required** and the institution should be identified and described according to the Cost Breakdown Guidance. A minimum of 40% of the research and/or analytical work in Phase I, as measured by direct and indirect costs, must be conducted by the proposing firm, unless otherwise approved in writing by the Contracting Officer.

Direct Labor: List all key personnel by name/labor category. The number of hours, labor overhead and/or fringe benefits and actual hourly rates for each individual are also necessary. Also list non-key personnel by position/skill set along with estimated hours.

Direct Materials: Present costs for materials, parts, and supplies in an itemized list containing types, quantities, price, and, where appropriate, purposes. If proposing direct material costs, this

justifying information can be included in the Volume 5 'Supplemental Cost Information' with vendor quotes, historical costs, etc.

Special Tooling and Equipment: While special tooling and test equipment and material cost may be included under Phases I, the inclusion of equipment and material will be carefully reviewed relative to need and appropriateness for the work proposed. The purchase of special tooling and test equipment must, in the opinion of the Component Contracting Officer, be advantageous to the Government and should be related directly to the specific topic. These may include such items as innovative instrumentation or automatic test equipment. Title to property furnished by the Government or acquired with Government funds will be vested with the DoD Component, unless it is determined that transfer of title to the contractor would be more cost effective than recovery of the equipment by the DoD Component.

Other Direct Costs: This category of costs includes specialized services such as machining or milling, special testing or analysis, costs incurred in obtaining temporary use of specialized equipment. Proposals which include leased hardware, must provide an adequate lease vs. purchase justification. If proposing other direct costs, this additional information can be included in the 'Supplemental Cost Information' in Volume 5.

- **Travel:** Cost for travel funds must be justified and related to the needs of the project. Travel costs must relate to the needs of the project. Break out travel cost by trip, with the number of travelers, airfare, per diem, lodging, etc. The number of trips required, as well as the destination and purpose of each trip should be reflected.
- **Subcontractors:** All subcontractor costs and consultant costs must be detailed at the same level as prime contractor costs with regards to labor, travel, equipment, etc. Provide detailed substantiation of subcontractor costs in your cost proposal. Enter this information in the Explanatory Material section of the on-line cost proposal form. The Supporting Documents Volume (Volume 5) may be used if additional space is needed. Involvement of a research institution is required in the project. Involvement of other subcontractors or consultants may also be desired. Describe in detail the tasks to be performed in the Technical Volume and include information in the Cost Volume for the research institution and any other subcontractors/consultants. The proposed total of all consultant fees, facility leases or usage fees, and other subcontract or purchase agreements may not exceed 60 percent of the total contract price or cost, unless otherwise approved in writing by the Contracting Officer. The STTR offeror's involvement must equate to not less than 40 percent of the overall effort and the research institutions must equate to not less than 30 percent.
- **Consultants:** Provide a separate agreement letter for each consultant. The letter should briefly state what service or assistance will be provided, the number of hours required, and hourly rate.

When a proposal is selected for award, you must be prepared to submit further documentation to the Component Contracting Officer to substantiate costs (e.g., an explanation of cost estimates for equipment, materials, and consultants or subcontractors). For more information about cost proposals and accounting standards, see the DCAA publication called "Information for Contractors" available at <http://www.dcaa.mil>.

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