

INNOVATION & OPPORTUNITY CONFERENCE

ADVANCING AEROSPACE AND DEFENSE
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Proposal Budget

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Contracting Officer's Responsibility



- ✓ Federal Acquisition Regulations (**FAR**)
- ✓ NASA FAR Supplement (**NFS**)
- ✓ NASA Policy Directives (**NPD**) & NASA Procedural Requirements (**NPR**)
- ✓ Procurement Information Circular (**PIC**)
- ✓ Procurement Notices (**PN**)
- ✓ Small Business Administration (**SBA**) Policy Directives
- ✓ Policy Law (**PL**)
- ✓ Executive Orders

Contracting Officer's Responsibility

- FAR 1.602-2 Responsibilities.
- Contracting officers are responsible for ensuring performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract, and safeguarding the interests of the United States in its contractual relationships.



Budget Form Overview

- Key items include:
 - Direct Labor – we may request employee names if not clear in proposal
 - Description
 - Hours (NTE 1040 for six months or 2080 for each year)
 - Rates
 - Totals
 - Numbers of employees
 - Rates
 - Fringe Benefits
 - Overhead
 - G&A
 - Other Direct Costs (ODC's)
 - Materials
 - Supplies
 - Equipment
 - Other
 - Travel
 - Subcontractors/Consultants
 - Profit
 - Government Facilities or Equipment
 - Audit Information



Direct Labor and Indirect Rates



- **Level of Effort Per Person**

- The maximum number of proposed hours for each person for SBIR Phase I is 1040 or (2,240 hours if STTR) annually. This applies for the same person with an SBC across multiple proposals.
- If the SBC proposes two SBIR Phase I's with same PI, the maximum number of proposed hours for that PI for both efforts would be 1040. For example:
 - SBIR A: 520 hours and SBIR B: 520 hours, or
 - SBIR A: 400 hours and SBIR B: 640 hours, etc.

- **Key Personnel**

- The key personnel listed in the proposal should be listed under direct labor unless the time is being donated.

- **Questionable Items**

- Personnel proposed under Direct Labor should be employees of the SBC.
- Administrative Personnel under Direct Labor – why not G&A.
- PI proposed hours are substantially less than all others – CO may ask for clarification / justification.

- **Indirect Rates**

- SBC should submit a copy of its latest DCMA/Cognizant Agency audit and negotiated rate agreement.
- If for some reason it is not received, the Contracting Officer (CO) will request a copy.
- If SBC has no negotiated rate agreement, the CO will request actual computations/basis used to compute the rates provided by the firm. May also request additional information.

Other Direct Costs (ODC's)



Equipment and Materials

- The purchase of equipment, instrumentation, or facilities under SBIR/STTR must be justified by the offeror and approved by the government during contract negotiations.
- Any purchase of equipment or products under an SBIR/STTR contract using NASA funds should be American-made to the extent possible.
- “Material” means property that may be consumed or expended during the performance of a contract, component parts of a higher assembly, or items that lose their individual identity through incorporation into an end-item. Material does not include equipment, special tooling, and special test equipment or real property.
- Material costs should be detailed by individual items including the price, quantity and reason it is required. All copies of quotes provided should be current.
- Firms should be prepared to justify all material costs during negotiations when applicable.

Other Direct Costs (ODC's)

SUBCONTRACTS AND CONSULTANTS

Work must be performed in the United States with rare exceptions.

Required: Statement of Work and detailed budget including rate agreements.

SBIRs Phase I Threshold 33%: The proposed subcontracted business arrangements including consultants, must not exceed 33 percent of the research and/or analytical work. This is determined by the total cost of the proposed subcontracting effort (to include the appropriate OH and G&A) in comparison to the total effort (total contract price including cost sharing, if any, less profit if any).

STTR Phase I Threshold 30%: A minimum of 40 percent of the research or analytical work must be performed by the proposing SBC and minimum of 30 percent must be performed by the RI. Any subcontracted business effort other than that performed by the RI, shall not exceed 30 percent of the research and /or analytical work. This is determined by the total cost of the proposed subcontracting effort (to include the appropriate OH and G&A) in comparison to the total effort (total contract price including cost sharing, if any, less profit if any).



Other Direct Costs (ODC's)



Sample of subcontracts/Consultants percentage of work performed:

Example: Total price to include profit - \$99,500

Profit - \$3,000

Total price less profit - $\$99,500 - \$3,000 = \$96,500$

Subcontractor cost - \$29,500

G&A - 5%

G&A on subcontractor cost - $\$29,500 \times 5\% = \$1,475$

Subcontractor cost plus G&A - $\$29,500 + \$1,475 = \$30,975$

Percentage of subcontracting effort – **subcontractor cost plus G&A / total price less profit** - $\$30,975/\$96,500 = 32.1\%$

For an SBIR Phase I this is acceptable since it is below the limitation of 33%.

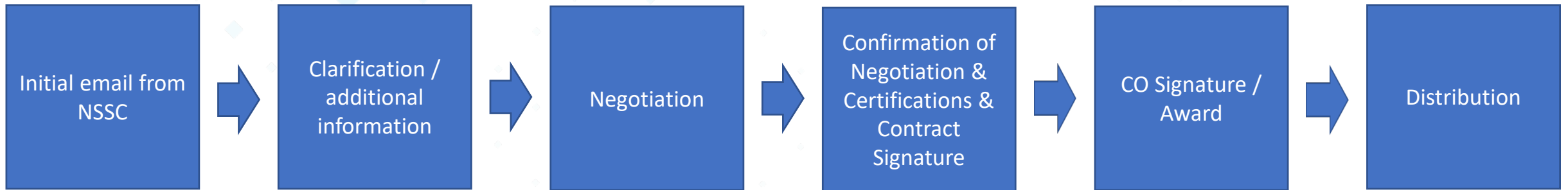
For an STTR Phase I, where there is a subcontract with a company other than the RI, this is unacceptable since it is above 30% limitation.

Panel Discussion/Questions



?

NASA Shared Services Center (NSSC)



Direct Labor

Direct labor

Labor Costs and Information








- Enter the labor description and cost for each person who will be working on the proposed research effort.
- Note that each employee's contribution to the project must be identified in the technical Proposal.
- Do not include labor costs for employees who are not directly contributing to the project. Costs for these should be included in the Overhead or G&A sections of this proposed budget.

Please detail the labor used for each year of the proposed research effort separately below.

Budget Allocated
\$120,784.19 / \$125,000.00

Direct Labor: \$63,574.00

Add Another Role

Principal Investigator	Aerospace Engineer	\$33,915.00	 
Sr Technical Staff	Electrical Engineer	\$13,034.00	  
Engineer	Computer Hardware Engineer	\$16,625.00	  

Direct Labor

Labor Category *

Aerospace Engineer

What's their level of education? *

PhD

Master's Degree

Bachelor's Degree

Associate's Degree

Some College

High School

How many years of experience do they have? *

6

Now let's calculate the direct labor cost. Is there a fringe rate? *

Yes

No

Employee Hours *

425

X

Employee Rate *

\$60

X

Employee Fringe Rate *

33

%

=

Total Cost *

33,915.00

Are the labor rates detailed above fully loaded? *

Yes

No

Please explain any costs that apply. *

Costs Explanation *

Fringe elements

15 / 200

Provide any additional information and cost support data related to the nature of the direct labor detailed above. *

Labor charges that do not compare favorably to state averages at <http://www.bls.gov> require additional documentation supporting the proposed salaries.

Additional Information *

Comps

5 / 200

If you have any necessary labor rate documentation, you can upload it below.

Drag & Drop File(s) here to Upload





or

Select File(s) to Upload

NOTE: The maximum file size permitted is 2 MB. The allowed file format(s): xls, doc, docx, pdf, xlsx.

Other Direct Costs (ODC's)

ODC Type	Total Cost	Actions
ODC-Materials	\$420.00	
ODC-Supplies	\$550.00	
ODC-Equipment	\$15,000.00	
ODC-Travel	\$1,500.00	
ODC-Other	\$1,000.00	

Ceramic Electrodes \$ 420  

Description *

Ceramic Electrodes

Vendor *

Dave's Electrodes

Quantity *

20

Total Cost *

\$420

Exclusive for this contract? *

Yes

No

Competitively Sourced? *

Yes

No

Consumable? *

Yes

No

Do you have supporting documents for this ODC? *

Yes

No

Drag & Drop File(s) here to Upload



Rates – Overhead and G&A

PROPOSAL BUDGET

Overhead

- Specify current rate and base.
- Use current rate(s) negotiated with the cognizant federal negotiating agency, if available, OR
- Provide a number for total estimated overhead costs to execute the project.

Budget Allocated
\$66,304.11 / \$125,000.00

Overhead: \$10,798.27

So far so good. Now let's take a look at your Overhead. * ⓘ



Rate (%)

Cost (\$)

23 %

Please specify the different cost sources below from which your company's Overhead costs are calculated.

Overhead elements...

20 / 4000

Back

Save

Save & Continue

General and Administration Cost

- Enter rate or total cost for the General and Administrative expenses for this Proposal.
- Specify current rate and base. Use current rate(s) negotiated with cognizant federal negotiating agency, if available, OR
- Provide a number for total estimated G&A costs to execute the project.
- Specify the different cost sources below from which your company's General and Administrative costs are calculated.
- Please detail the labor used for each year of the proposed research effort separately below.

Budget Allocated
\$96,135.16 / \$125,000.00

General and Administration Cost: \$14,481.28

Making progress. Now let's take a look at your G&A. * ⓘ



Rate (%)

Cost (\$)

19 %

Please specify the different cost sources below from which your company's General and Administrative costs are calculated.

G&A Elements...

15 / 4000

Back

Save

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Profit and Audit Documentation

Profit Rate/Cost Sharing

See [Section 5.10](#).

- Profit to be added to total budget, shared costs to be subtracted from total budget, as applicable.
- For Cost Sharing, please enter rate or cost as a negative number.

Budget Allocated

\$96,135.16 / \$125,000.00

Profit: \$5,441.61 | Cost Sharing: -\$5.00

Cost Sharing

-\$

Please provide details below on cost-sharing calculations if desired.

Costs-Sharing Explanation.

This is a free online calculator which counts the number of characters or letters in a text, useful for your tweets on Twitter, as well as a multitude of other applications.

2039 / 4000

Profit Rate

5 %

Please provide details below on profit calculations if desired.

Profit Explanation.

0 / 4000

Back

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Save & Continue

Audit Information

Note: This is entered with the Firm Certifications so that you only need to update it once regardless of # of proposals submitted.

Has a Federal agency ever audited your accounting system? (Yes/No)

If Yes:

Agency Name: Provide the name of the Agency which performed the audit (such as Defense Contract Audit Agency – DCAA).

Office Location:

POC First Name/POC Last Name:

POC Phone:

POC Email:

Was your accounting system approved by the auditing agency? (Yes/No)

If Yes, provide: Date of approval.

Was a rate agreement negotiated with the auditing agency? (Yes/No)

If Yes, provide: Date of rate negotiation.

Was an overhead and/or cost audit performed? (Yes/No)

If yes, provide: Date of overhead audit and/or Date of cost audit.

Drag and Drop to upload a copy of the audit information.

Are the rates from the audit agreement used for this firm's proposals? (Yes/No)