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Customer Success Is Our Mission

Supplier Proposal Adequacy Guidelines

Purpose of This Guideline

- This guideline explains the basic requirements for proposals submitted to Raytheon when cost or pricing data are required.

- This guideline does not apply to proposals that are:
  - Valued at less than the cost or pricing threshold set in FAR 15.403-4.
  - Based on competition.
  - Based on commercial pricing.

- Questions regarding these requirements should be addressed to your Raytheon Supply Chain contact.

Table of Contents

- When cost or pricing data is required, the supplier's proposal needs to include the following sections:

- Summary cost element breakdowns and consolidated Bills of Material (BOM) are the two most frequently missed items in supplier proposals.
- Additional areas of proposal support, which are not applicable to most proposals:

Supplier Proposal Adequacy Checklist

- Raytheon Policy requires suppliers to complete a Raytheon Supplier Proposal Adequacy Checklist (sent with the RFP) for all proposals that exceed $2,000,000.
  - Additionally, Raytheon requests the cost element breakdown, bill of material and labor detail in Excel format.

- The purpose of this form is as follows:
  - To provide the supplier with a checklist to help ensure that all the supporting documentation has been included so the proposal will be deemed adequate by Raytheon, our customer and the DCAA.
  - To provide Raytheon with a tool to more quickly verify where the supporting documentation can be found in the proposal.

- An example is provided on the next slide and under the commercial justification section of this module.

Supplier Proposal Adequacy Checklist Example

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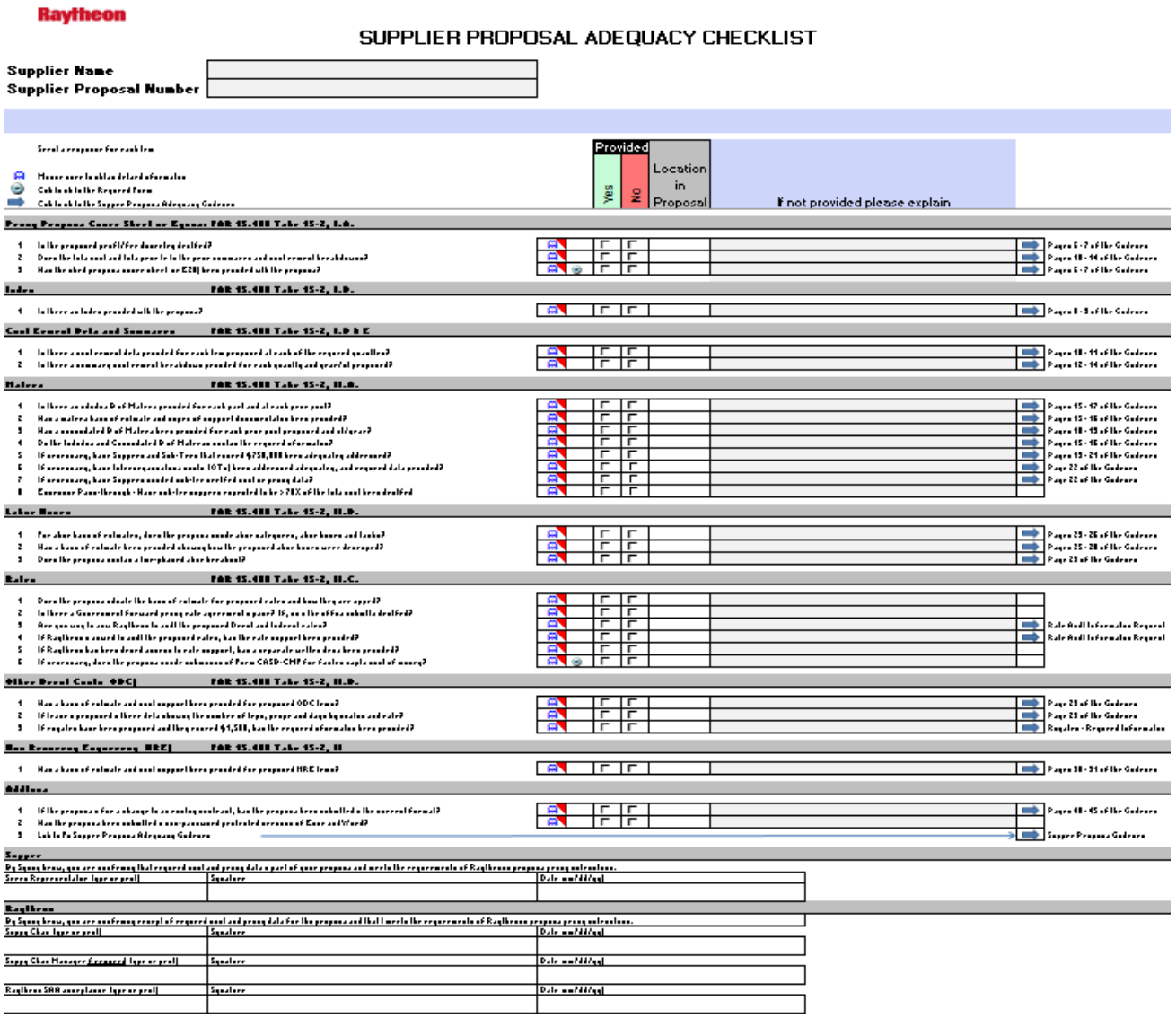

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SUPPLIER PROPOSAL ADEQUACY CHECKLIST

Supplier Name	
Supplier Proposal Number	

	Provided			
	Yes	No	Location in Proposal	If not provided please explain
Proposal Cover Sheet or Equivalent FAR 15.408 Table 15-2, I.A.				
1 Is the proposal prepared for date/req developed?				
2 Does the date used and data prior to the proposal agree and used consistently throughout?				
3 Has the cover proposal cover sheet or ESBI been provided with the proposal?				
Index FAR 15.408 Table 15-2, I.B.				
1 Is there an index provided with the proposal?				
Cost General Data and Summaries FAR 15.408 Table 15-2, I.B & C				
1 Is there cost general data provided for each item proposed at each of the required quantities?				
2 Is there a summary cost general breakdown provided for each quantity and year/at proposed?				
Matrix FAR 15.408 Table 15-2, II.A.				
1 Is there an adequate Bill of Matrix provided for each part and at each year part?				
2 Has a matrix been of rationale and support documentation been provided?				
3 Has a consolidated Bill of Matrix been provided for each year part proposed and all years?				
4 Do the Individual and Consolidated Bill of Matrix contain the required information?				
5 If necessary, have Suppers and Sub-Tiers that exceed $750,000 been adequately addressed?				
6 If necessary, have Interorganizations made 10 Tables been addressed adequately, and required data provided?				
7 If necessary, have Suppers needed sub-tier verified and or proxy data?				
8 Customer Pass-through - Have sub-tier suppers equated to be > 70% of the Total used been developed				
Labor Hours FAR 15.408 Table 15-2, II.B.				
1 Per shop hours of rationale, does the proposal match shop categories, shop hours and Totals?				
2 Has a base of rationale been provided showing how the proposed shop hours were developed?				
3 Does the proposal contain a time-phased shop breakout?				
Rates FAR 15.408 Table 15-2, II.C.				
1 Does the proposal identify the base of rationale for proposed rates and how they are applied?				
2 Is there a Government forward pricing rate agreement in place? If, are the offer numbers developed?				
3 Are you using in your Raytheon Indirect and the proposed Direct and Indirect rates?				Rate Audit Information Request
4 If Raytheon is used in audit the proposed rates, has the rate support been provided?				Rate Audit Information Request
5 If Raytheon has been denied access to rate support, has a separate written been provided?				
6 If necessary, does the proposal match submission of Form CASB-CMF for Facilities capital cost of money?				
Other Direct Costs (ODC) FAR 15.408 Table 15-2, II.D.				
1 Has a base of rationale and cost support been provided for proposed ODC items?				
2 If lease is proposed is there data showing the number of trips, proper and days by location and rate?				
3 If regulars have been proposed and they exceed $1,500, has the required information been provided?				
Non Recurring Engineering (NRE) FAR 15.408 Table 15-2, II				
1 Has a base of rationale and cost support been provided for proposed NRE items?				
Additions				
1 If the proposal is for a change to an existing contract, has the proposal been submitted in the current format?				
2 Has the proposal been submitted in non-password protected versions of Excel and Word?				
3 Link to Supplier Proposal Adequacy Guidance				Supplier Proposal Guidance

Supplier

By Signing below, you are confirming that required cost and pricing data is part of your proposal and meets the requirements of Raytheon proposal preparation.

Name Representative (type or print)	Signature	Date mm/dd/yy

Raytheon

By Signing below, you are confirming receipt of required cost and pricing data for the proposal and that it meets the requirements of Raytheon proposal preparation.

Supply Chain (type or print)	Signature	Date mm/dd/yy
Supply Chain Manager Reviewer (type or print)	Signature	Date mm/dd/yy
Raytheon SME name/phone (type or print)	Signature	Date mm/dd/yy

SPAC File

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Cover Sheet

- Include a cover sheet that includes the following information:
  - Solicitation number, contract and/or modification number.
  - Name and address of offeror.
  - Name and telephone number of point of contact.
  - Name of contract administration office (if available).
  - Type of contract action (that is, new contract, change order, price revision/redetermination, letter contract, unpriced order or other).
  - Proposed cost, profit or fee, and total price – maximum proposal value.
  - If you will require the use of government property.
  - Whether your organization is subject to cost accounting standards (CAS) – see details in FAR 15.408, Table 15-2, I.A. (8).
  - The statement designated in FAR 15.408, Table 15-2, I.A. (9).
  - Date of submission.
  - Name, title and signature of authorized representative.
- Most contractors use the Government Form 1411.
- An example is provided on the next slide.

FAR 15.408, Table 15-2, I.A.

Cover Sheet Example

Solicitation/Mod No.

Point of Contact

Proposed Cost

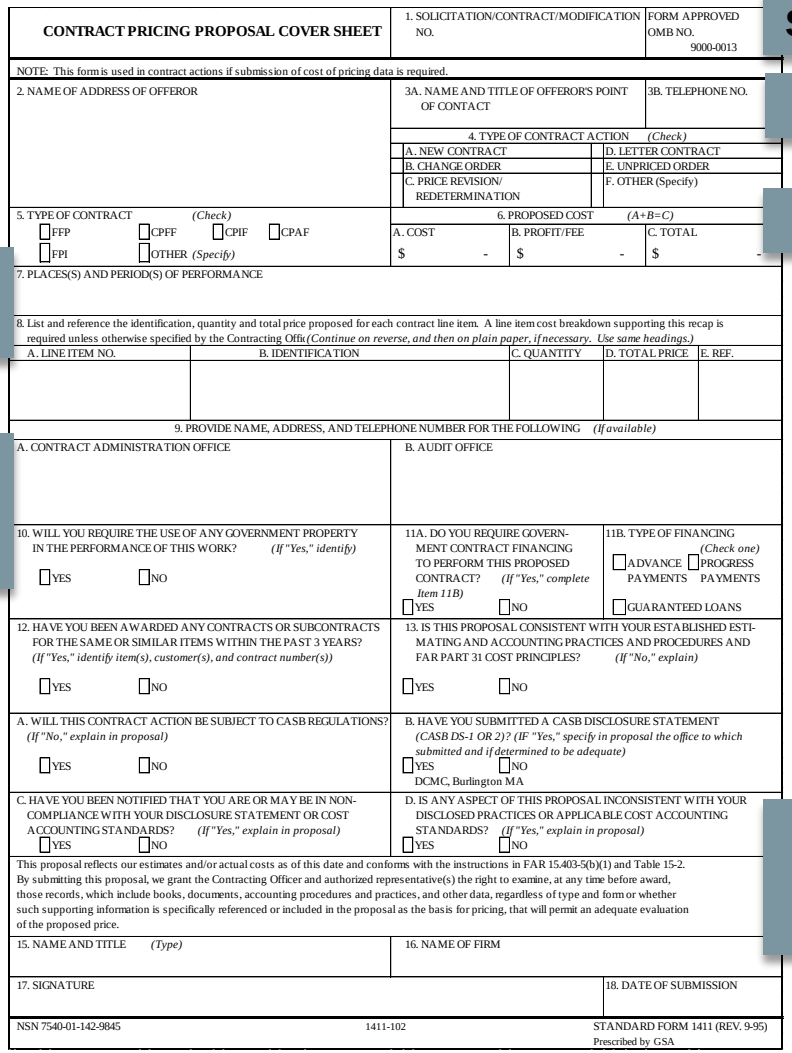
Period of Performance

Name of contract administration office

Include Statement from FAR 15.408, Table 15-2, I.A. (9)

Additional Examples

Good **Bad**



CONTRACT PRICING PROPOSAL COVER SHEET

1. SOLICITATION/CONTRACT/MODIFICATION NO.

FORM APPROVED OMB NO. 9000-0013

NOTE: This form is used in contract actions if submission of cost of pricing data is required.

2. NAME OF ADDRESS OF OFFEROR

3A. NAME AND TITLE OF OFFEROR'S POINT OF CONTACT

3B. TELEPHONE NO.

4. TYPE OF CONTRACT (Check)

A. NEW CONTRACT | D. LETTER CONTRACT
B. CHANGE ORDER | E. UNPRICED ORDER
C. PRICE REVISION/ REDETERMINATION | F. OTHER (Specify)

5. TYPE OF CONTRACT (Check)

☐ FFP ☐ CPFF ☐ CPIF ☐ CPAF
☐ FPI ☐ OTHER (Specify)

6. PROPOSED COST (A+B=C)

A. COST	B. PROFIT/FEE	C. TOTAL
$ -	$ -	$ -

7. PLACES(S) AND PERIOD(S) OF PERFORMANCE

8. List and reference the identification, quantity and total price proposed for each contract line item. A line item cost breakdown supporting this recap is required unless otherwise specified by the Contracting Offi (Continue on reverse, and then on plain paper, if necessary. Use same headings.)

A. LINE ITEM NO.	B. IDENTIFICATION	C. QUANTITY	D. TOTAL PRICE	E. REF.

9. PROVIDE NAME, ADDRESS, AND TELEPHONE NUMBER FOR THE FOLLOWING (If available)

A. CONTRACT ADMINISTRATION OFFICE

B. AUDIT OFFICE

10. WILL YOU REQUIRE THE USE OF ANY GOVERNMENT PROPERTY IN THE PERFORMANCE OF THIS WORK? (If "Yes," identify)

☐ YES ☐ NO

11A. DO YOU REQUIRE GOVERNMENT CONTRACT FINANCING TO PERFORM THIS PROPOSED CONTRACT? (If "Yes," complete Item 11B)

☐ YES ☐ NO

11B. TYPE OF FINANCING (Check one)

☐ ADVANCE PAYMENTS ☐ PROGRESS PAYMENTS ☐ GUARANTEED LOANS

12. HAVE YOU BEEN AWARDED ANY CONTRACTS OR SUBCONTRACTS FOR THE SAME OR SIMILAR ITEMS WITHIN THE PAST 3 YEARS? (If "Yes," identify item(s), customer(s), and contract number(s))

☐ YES ☐ NO

13. IS THIS PROPOSAL CONSISTENT WITH YOUR ESTABLISHED ESTIMATING AND ACCOUNTING PRACTICES AND PROCEDURES AND FAR PART 31 COST PRINCIPLES? (If "No," explain)

☐ YES ☐ NO

A. WILL THIS CONTRACT ACTION BE SUBJECT TO CASB REGULATIONS? (If "No," explain in proposal)

☐ YES ☐ NO

B. HAVE YOU SUBMITTED A CASB DISCLOSURE STATEMENT (CASB DS-1 OR 2)? (IF "Yes," specify in proposal the office to which submitted and if determined to be adequate)

☐ YES ☐ NO

DCMC, Burlington MA

C. HAVE YOU BEEN NOTIFIED THAT YOU ARE OR MAY BE IN NON-COMPLIANCE WITH YOUR DISCLOSURE STATEMENT OR COST ACCOUNTING STANDARDS? (If "Yes," explain in proposal)

☐ YES ☐ NO

D. IS ANY ASPECT OF THIS PROPOSAL INCONSISTENT WITH YOUR DISCLOSED PRACTICES OR APPLICABLE COST ACCOUNTING STANDARDS? (If "Yes," explain in proposal)

☐ YES ☐ NO

This proposal 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, we grant 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 and 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.

15. NAME AND TITLE (Type)

16. NAME OF FIRM

17. SIGNATURE

18. DATE OF SUBMISSION

NSN 7540-01-142-9845 1411-102 STANDARD FORM 1411 (REV. 9-95) Prescribed by GSA

Form 1411 or equivalent

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Index Requirements

- Index of Certified Cost or Pricing Data
  - Include an index that references where the supporting data for your estimate is located in the proposal.
    - It should include the following:
      - Title of information being referenced (summary cost element breakdown, material, labor, etc.).
      - Location in the proposal (page number or file name and page if located in a separate file).
      - Cost element supporting

Example: FAR Index of Certified Cost or Pricing Data
Index should list all types of cost data included in the proposal submittal.

Cost Data Provided	Location of Data	Cost Element Supporting
Cost Elemental Breakdown	Proposal Section 1	Total Cost/Price
Consolidated Bill-of-Material (CBOM)	Proposal Section 2	Material
Vendor Quotations	Proposal Section 2	Material
PO History	Proposal Section 2	Material
Time-Phased Labor	Proposal Section 3	Labor
Labor BOEs	Proposal Section 3	Labor
Labor Actuals	Proposal Section 3	Labor
Travel Details	Proposal Section 4	ODC
Travel Calculations	Proposal Section 4	ODC
Travelocity Quotes	Proposal Section 4	ODC
Interdivisional Cost Elemental Breakdown	Proposal Section 5	IWO
Interdivisional Quote	Proposal Section 5	IWO
Interdivisional CBOM	Proposal Section 5	IWO
Interdivisional Labor BOE	Proposal Section 5	IWO
Interdivisional Travel Details	Proposal Section 5	IWO

Additional Examples
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Cost Element Breakdown by Line Item

- Cost Element Breakdown by Line Item
  - Cost elements include:
    - Direct labor hours and cost by category
    - Material [inclusive of any IOT (Interorganizational Transfer) and subtiers greater than $2,000,000]
    - Subcontracts
    - Other Direct Costs (ODC)
    - Direct and Indirect Rates
  - A cost element breakdown is required for each proposed line item. If the proposal covers multiple price points or multiple years, a cost element breakdown will be required for each price point for each year.

- For example, assume your proposal includes the following three line items:
- The supplier would need to provide separate cost element breakdowns for Parts ABC, ABB and the NRE (reference example slide 11)
- There may be slight differences due to rounding

Part Number	Quantity	Unit Price	Total Price
Part ABC	50	$ 24,721	$1,236,030
Part ABB	75	$ 20,509	$1,538,159
NRE	1		$ 286,750
Total			**$3,060,939**

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Cost Element Breakdown by Line Item Example

Cost Element Detail - Part ABC (Qty 50)

Cost Element	Rate	Hours	Total $
Assembly	$18.25	4,050	$ 73,913
Machinist	$24.00	550	$ 13,200
Quality Assurance	$22.00	1,270	$ 27,940
Engineer 1	$32.00	238	$ 7,616
Total Direct Labor		6,108	$ 122,669
Production Support	$38.46	3,128	$ 120,308
Labor Overhead	225%		$ 546,696
Sub-Total Labor & OH			$ 789,673
Material			$ 94,624
ODC			$ 7,500
Total Mfg Exp			$ 891,797
G&A	26%		$ 231,867
Total Cost			$1,123,664
Profit/Fee	10%		$ 112,366
Total Price			$1,236,030

Cost Element Detail - Part ABB (Qty 75)

Cost Element	Rate	Hours	Total $
Assembly	$18.25	4,200	$ 76,650
Machinist	$24.00	500	$ 12,000
Quality Assurance	$22.00	800	$ 17,600
Engineer 1	$32.00	363	$ 11,613
Total Direct Labor		5,863	$ 117,863
Production Support	$38.46	4,692	$ 180,462
Labor Overhead	225%		$ 671,231
Sub-Total Labor & OH			$ 969,556
Material			$ 130,727
ODC			$ 9,500
Total Mfg Exp			$ 1,109,783
G&A	26%		$ 288,543
Total Cost			$ 1,398,326
Profit/Fee	10%		$ 139,833
Total Price			$ 1,538,159

Cost Element Detail - NRE

Cost Element	Rate	Hours	Total $
Assembly	$18.25	250	$ 4,563
Machinist	$24.00	-	$ -
Quality Assurance	$22.00	-	$ -
Engineer 1	$32.00	500	$ 16,000
Total Direct Labor		375	$ 20,563
Production Support	$38.46	500	$ 19,231
Labor Overhead	225%		$ 89,535
Sub-Total Labor & OH			$129,328
Material			$ 77,562
ODC			$ -
Total Mfg Exp			$206,890
G&A	26%		$ 53,791
Total Cost			$260,682
Profit/Fee	10%		$ 26,068
Total Price			$286,750

Additional Examples
Good Bad
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Summary Cost Element Breakdown

- When more than one contract line item (Part number, NRE etc.) is proposed, you must provide summary total amounts covering all items for each element of cost. If the proposal covers a high, mid and low point, the summary needs to only be for those points, not all the different combinations that can result from range pricing. **If the proposal is for multiple years there needs to be a summary for each of the years.**

Part Number	Quantity	Unit Price	Total Price
Part ABC	50	$ 24,721	$1,236,030
Part ABB	75	$ 20,509	$1,538,159
NRE	1		$ 286,750
Total			**$3,060,939**

  - You would need to provide a summary by cost element that includes the total proposed value of $3,060,939. See the next slide for an example showing the three individual cost elements being combined into a summary.

    - Slight differences due to rounding.

FAR 15.408, Table 15-2, I.E.

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Summary Cost Element Breakdown Example

Cost Element Detail - Part ABC (Qty 50)

Cost Element	Rate	Hours	Total $
Assembly	$18.25	4,050	$ 73,913
Machinist	$24.00	550	$ 13,200
Quality Assurance	$22.00	1,270	$ 27,940
Engineer 1	$32.00	238	$ 7,616
Total Direct Labor		6,108	$ 122,669
Production Support	$38.46	3,128	$ 120,308
Labor Overhead	225%		$ 546,696
Sub-Total Labor & OH			$ 789,673
Material			$ 94,624
ODC			$ 7,500
Total Mfg Exp			$ 891,797
G&A	26%		$ 231,867
Total Cost			$1,123,664
Profit/Fee	10%		$ 112,366
Total Price			$1,236,030

Cost Element Detail - Part ABB (Qty 75)

Cost Element	Rate	Hours	Total $
Assembly	$18.25	4,200	$ 76,650
Machinist	$24.00	500	$ 12,000
Quality Assurance	$22.00	800	$ 17,600
Engineer 1	$32.00	363	$ 11,613
Total Direct Labor		5,863	$ 117,863
Production Support	$38.46	4,692	$ 180,462
Labor Overhead	225%		$ 671,231
Sub-Total Labor & OH			$ 969,556
Material			$ 130,727
ODC			$ 9,500
Total Mfg Exp			$1,109,783
G&A	26%		$ 288,543
Total Cost			$1,398,326
Profit/Fee	10%		$ 139,833
Total Price			$1,538,159

Cost Element Detail - NRE

Cost Element	Rate	Hours	Total $
Assembly	$18.25	250	$ 4,563
Machinist	$24.00	-	$ -
Quality Assurance	$22.00	-	$ -
Engineer 1	$32.00	500	$ 16,000
Total Direct Labor		375	$ 20,563
Production Support	$38.46	500	$ 19,231
Labor Overhead	225%		$ 89,535
Sub-Total Labor & OH			$ 129,328
Material			$ 77,562
ODC			$ -
Total Mfg Exp			$ 206,890
G&A	26%		$ 53,791
Total Cost			$ 260,682
Profit/Fee	10%		$ 26,068
Total Price			$ 286,750

Cost Element Summary - Total Proposal

Cost Element	Rate	Hours	Total $
Assembly	$18.25	8,500	$ 155,125
Machinist	$24.00	1,050	$ 25,200
Quality Assurance	$22.00	2,070	$ 45,540
Engineer 1	$32.00	1,101	$ 35,229
Total Direct Labor		12,721	$ 261,094
Production Support			$ 320,000
Labor Overhead	225%		$1,307,462
Sub-Total Labor & OH			$1,888,557
Material			$ 302,913
ODC			$ 17,000
Total Mfg Exp			$2,208,469
G&A	26%		$ 574,202
Total Cost			$2,782,671
Profit/Fee	10%		$ 278,267
Total Price			$3,060,939

Additional Examples
Good Bad

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Summary Cost Element Breakdown

- If the proposal is for a base year plus option years, there needs to be a summary Cost Element Breakdown for each of the years at the points in the RFP requiring Cost or Pricing.

Cost Element Detail - Year 1

Cost Element Detail - Part ABC (Qty 50)

Cost Element	Rate	Hours	Total $
Assembly	$18.25	4,050	$ 73,913
Machinist	$24.00	550	$ 13,200
Quality	$22.00	1,270	$ 27,940
Engineer 1	$32.00	238	$ 7,616
Total Direct Labor		6,108	$ 122,669
Prod. Support	$38.46	3,128	$ 120,308
Overhead	225%		$ 546,696
Sub-Total			$ 789,673
Material			$ 94,624
ODC			$ 7,500
Total Mfg Exp			$ 891,797
G&A	26%		$ 231,867
Total Cost			$1,123,664
Profit/Fee	10%		$ 112,366
Total Price			$1,236,030

Cost Element Detail - Part ABB (Qty 75)

Cost Element	Rate	Hours	Total $
Assembly	$18.25	4,200	$ 76,650
Machinist	$24.00	500	$ 12,000
Quality	$22.00	800	$ 17,600
Engineer 1	$32.00	363	$ 11,613
Total Direct Labor		5,863	$ 117,863
Prod. Support	$38.46	4,692	$ 180,462
Overhead	225%		$ 671,231
Sub-Total			$ 969,556
Material			$ 130,727
ODC			$ 9,500
Total Mfg Exp			$1,109,783
G&A	26%		$ 288,543
Total Cost			$1,398,326
Profit/Fee	10%		$ 139,833
Total Price			$1,538,159

Cost Element Summary - Year 1

Cost Element	Rate	Hours	Total $
Assembly	$18.25	8,250	$ 150,563
Machinist	$24.00	1,050	$ 25,200
Quality	$22.00	2,070	$ 45,540
Engineer 1	$32.00	601	$ 19,229
Total Direct Labor		11,971	$ 240,532
Prod. Support	$38.46	7,820	$ 300,769
Overhead	225%		$1,217,928
Sub-Total			$1,759,229
Material			$ 225,351
ODC			$ 17,000
Total Mfg Exp			$2,001,579
G&A	26%		$ 520,411
Total Cost			$2,521,990
Profit/Fee	10%		$ 252,199
Total Price			$2,774,189

Cost Element Detail - Year 2

Cost Element Detail - Part ABC (Qty 50)

Cost Element	Rate	Hours	Total $
Assembly	$18.80	4,050	$ 76,130
Machinist	$24.72	550	$ 13,596
Quality	$22.66	1,270	$ 28,778
Engineer 1	$32.96	119	$ 3,922
Total Direct Labor		5,989	$ 122,426
Prod. Support	$39.62	3,128	$ 123,917
Overhead	225%		$ 554,272
Sub-Total			$ 800,616
Material			$ 97,463
ODC			$ 7,500
Total Mfg Exp			$ 905,578
G&A	26%		$ 235,450
Total Cost			$1,141,029
Profit/Fee	10%		$ 114,103
Total Price			$1,255,131

Cost Element Detail - Part ABB (Qty 75)

Cost Element	Rate	Hours	Total $
Assembly	$18.80	4,200	$ 78,950
Machinist	$24.72	500	$ 12,360
Quality	$22.66	800	$ 18,128
Engineer 1	$32.96	363	$ 11,962
Total Direct Labor		5,863	$ 121,399
Prod. Support	$39.62	4,692	$ 185,875
Overhead	225%		$ 691,368
Sub-Total			$ 998,643
Material			$ 134,648
ODC			$ 9,500
Total Mfg Exp			$1,142,791
G&A	26%		$ 297,126
Total Cost			$1,439,917
Profit/Fee	10%		$ 143,992
Total Price			$1,583,909

Cost Element Summary - Year 2

Cost Element	Rate	Hours	Total $
Assembly	$18.80	8,250	$ 155,079
Machinist	$24.72	1,050	$ 25,956
Quality	$22.66	2,070	$ 46,906
Engineer 1	$32.96	482	$ 15,884
Total Direct Labor		11,852	$ 243,826
Prod. Support	$39.62	7,820	$ 309,792
Overhead	225%		$1,245,640
Sub-Total			$1,799,258
Material			$ 232,111
ODC			$ 17,000
Total Mfg Exp			$2,048,369
G&A	26%		$ 532,576
Total Cost			$2,580,945
Profit/Fee	10%		$ 258,095
Total Price			$2,839,040

FAR 15.408, Table 15-2, I.E.

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Material

- Include a BOM for each individual part proposed. A BOM is a list of the raw materials, subassemblies, etc., needed to manufacture a product.
  - Provide your BOMs in Excel format.
  - The consolidated and individual BOMs need to identify the following for each line item:
    - Part number and description.
    - Supplier.
    - Quantity.
    - Unit price – Unit pricing on the BOM should tie to the support.
    - Total price.
    - Basis for pricing (vendor quotes, purchase orders).**

    **Source of pricing (PO, quote, etc.) must be referenced in the BOM.
  - Raytheon will require copies of the support (i.e., quotes, purchase orders) for a sample of the items on the BOM during the cost analysis.

FAR 15.408, Table 15-2, II.A

Material

- If attrition/yield or scrap are added to your material, you will need to submit adequate basis of estimates and support as appropriate.
- There are times when your BOM may be impacted by minimum buys or NRE that is passed along from your supplier. If this happens, make sure this is clearly identified on the BOM and the supporting quotes or POs.
- In addition to the individual BOMs, FAR requires a consolidated BOM in your proposal. A consolidated BOM is a listing of all the material needed for the proposal. A consolidated BOM combines all the materials for each of the parts being proposed, as well as assemblies, services or material associated with NRE.

FAR 15.408, Table 15-2, II.A

Individual Bills of Material Example

Bill of Material - Part #: ABC

Qty - 50

Part #:	Description	Supplier	Qty/Part	Total Qty	Unit Price	Total Price	Basis
AA45621	Motor	Motor World	1	50	$ 1,128.26	$ 56,413	Quote
CV97564	Antenna	Worldcom	1	50	$ 150.84	$ 7,542	PO
RB98745	Antenna Cover	APP	1	50	$ 110.68	$ 5,534	Quote
DF9987	Contact	Continental	5	250	$ 31.46	$ 7,865	PO
RQ6942	Base Plate	APP	1	50	$ 120.88	$ 6,044	Quote
HV4561	Housing	APP	1	50	$ 167.22	$ 8,361	Quote
QQ9866	Retaining Screw	McMaster	15	750	$ 0.42	$ 315	PO
DV4123	Connector	Continental	6	300	$ 8.50	$ 2,550	PO
					Total Material	$ 94,624	

Note: The Total Material should tie to the material listed on the cost element breakdown for Part #: ABC

Bill of Material - Part #: ABB

Qty - 75

Part #:	Description	Supplier	Qty/Part	Total Qty	Unit Price	Total Price	Basis
AA45621	Motor	Motor World	1	75	$ 1,128.26	$ 84,620	Quote
HY9876	Harness	POM	3	225	$ 69.78	$ 15,701	PO
VD9684	Agent	Fluid Systems	2	150	$ 50.70	$ 7,605	Quote
DF9987	Contact	Continental	4	300	$ 31.46	$ 9,438	PO
RQ6942	Base Plate	APP	1	75	$ 120.88	$ 9,066	Quote
QQ9866	Retaining Screw	McMaster	15	1,125	$ 0.42	$ 473	PO
DV4123	Connector	Continental	6	450	$ 8.50	$ 3,825	PO
					Total Material	$ 130,727	

Note: The Total Material should tie to the material listed on the cost element breakdown for Part #: ABB

CBOM Total
$302,913

Bill of Material - NRE

Part #:	Description	Supplier	Qty/Part	Total Qty	Unit Price	Total Price	Basis
JTM-4VS	Bridgeport Vertical Mill	Supplier H	2	2	$20,282.00	$ 40,564	Quote
GH-2280	Precision Metal Lathe	Supplier I	1	1	$36,998.00	$ 36,998	Quote
					Total Material	$ 77,562	

Note: The Total Material should tie to the material listed on the cost element breakdown for NRE

Consolidated Bill of Material Example

- Below is an example of a consolidated BOM. This BOM was developed by taking the three individual BOMs on the previous page and combining them together.
  - In a consolidated BOM part numbers and quantities should be combined (or subtotaled) if they are the same parts. For example the BOMs for Part Nos. ABC and ABB both require the same motor – Part No. AA45621. In the consolidated BOM the requirements have been combined and reflect the total number of motors that will be needed for this proposal.

Consolidated Bill of Material

Part #:	Description	Supplier	Total Qty	Unit Price	Total Price	Basis
AA45621	Motor	Motor World	125	$ 1,128.26	$ 141,033	Quote
CV97564	Antenna	Worldcom	50	$ 150.84	$ 7,542	PO
RB98745	Antenna Cover	APP	50	$ 110.68	$ 5,534	Quote
DF9987	Contact	Continental	550	$ 31.46	$ 17,303	PO
RQ6942	Base Plate	APP	125	$ 120.88	$ 15,110	Quote
HV4561	Housing	APP	50	$ 167.22	$ 8,361	Quote
QQ9866	Retaining Screw	McMaster	1,875	$ 0.42	$ 788	PO
DV4123	Connector	Continental	750	$ 8.50	$ 6,375	PO
VD9684	Agent	Fluid Systems	150	$ 50.70	$ 7,605	Quote
HY9876	Harness	POM	225	$ 69.78	$ 15,701	PO
JTM-4VS	Bridgeport Vertical Mill	Supplier H	2	$ 20,282.00	$ 40,564	Quote
GH-2280	Precision Metal Lathe	Supplier I	1	$ 36,998.00	$ 36,998	Quote
			Total Material		$ 302,913	

Note: The Total Material should tie to the material listed on the summary cost element breakdown

Consolidated Bill of Material

- If the proposal is for a base year plus option years, there needs to be a consolidated BOM for each of the years at each of the points in the RFP requiring cost or pricing.

Consolidated Bill of Material - Year 1

Part #:	Description	Supplier	Total Qty	Unit Price	Total Price	Basis
R689433	Radome	Ray Dome	300	$4,110.00	$1,233,000	Quote
S453333	Servo	Motion Bay	600	$1,050.00	$ 630,000	Quote
C986577	Frame	APS Limited	300	$ 766.02	$ 229,806	PO
A446588	Antenna	Motion Bay	300	$1,470.00	$ 441,000	Quote
Total Price Year 1					**$2,533,806**	

Consolidated Bill of Material - Year 2

Part #:	Description	Supplier	Total Qty	Unit Price	Total Price	Basis
R689433	Radome	Ray Dome	400	$3,862.50	$1,545,000	Quote
S453333	Servo	Motion Bay	800	$1,004.25	$ 803,400	Quote
C986577	Frame	APS Limited	400	$ 772.50	$ 309,000	PO
A446588	Antenna	Motion Bay	400	$1,467.75	$ 587,100	Quote
Total Price Year 2					**$3,244,500**	

- To determine if a sub-tier cost analysis is required, the anticipated costs for each sub-tier must be added together for all years proposed.
  - In the above example there are two sub-tiers will require a cost analysis (Ray Dome and Motion Bay) as the total value of the items being purchased exceeds the $2,000,000 threshold.

Total Proposal Dollars by Sub-Tier Supplier

Sub-Tier Supplier	Total Proposal $	Cost Analysis Required
Raydome	$ 2,778,000	Y
Motion Bay	$ 2,461,500	Y
APS Limited	$ 538,806	N
Total	**$ 5,778,306**	

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Material

- Subcontracts:
  - As previously stated, the requirements placed on prime offerors also apply to subcontractors. When the government requires the prime to submit certified cost or pricing data, its suppliers must also submit certified cost or pricing data to the prime contractor (or next-higher-tier subcontractor), as appropriate. The exceptions to the certified cost or pricing data requirements for offerors also apply to the offeror's sub-tier suppliers. Certified cost or pricing data submittal requirements for the offeror's sub-tier suppliers are described specifically in FAR Part 15.404-3(c)(1).
- Subcontractor sub-tier proposals
  - A cost analysis report is required if any of the subcontractor's sub-tier proposals exceed the Truth in Negotiations Act (TINA) threshold of $2,000,000. These reports need to be submitted with the proposal.
    - If the cost analysis for a subcontractor is not complete at the time of your proposal submittal, a schedule listing the estimated completion dates for each subcontractor needs to be provided in the proposal.
    - If an exemption applies that eliminates the need for a cost analysis (commercial or competitively priced), documentation needs to be provided to support these claims.

FAR 15.408, Table 15-2, II.A

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Raytheon

Material

- If you claim your supplier was competed and the value is over $2,000,000 you will need to provide the following:
  - Evidence that an RFP or solicitation to bid was sent to two or more suppliers capable of providing the goods or services requested.
    - Copies of the quotes received from each of the suppliers who were competed.
    - Supplier's analysis with basis of rationale for why the winning bid represents the best value (lowest price, technical considerations, etc.).
  - If you claim your supplier's parts or services are commercial refer to the commercial, section in this.

Commercial Section

Index

FAR 15.408, Table 15-2, II.A

Material

- Refer to the detailed instructions in the RFP when your proposal supports a base year plus options contract or a long-term agreement. Guidance should be provided here on the consolidation and sub-tier requirements. If you have any questions regarding this, contact your Raytheon Supply Chain representative.

- Interorganizational costs
  - Interorganizational costs transfers (IOTs), are defined as materials, supplies or services sold or transferred between any divisions, subsidiaries or affiliates of an offeror under a common control.
  - Noncompetitive IOTs: for noncompetitive IOTs priced at cost, cost volume detail is required.

- One more thing:
  - If you have a supplier with a value in excess of $13.5 million or is greater than 10 percent of your total proposal and exceeds $2,000,000, FAR 15.408 Table 15-2 requires that we submit the supplier's proposal and cost or pricing data with our own proposal.

FAR 15.408, Table 15-2, II.A

Labor

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

Time Phased Breakdown

Year		2014			2015			Total	
Dept.	Description	Hour	Rate	Dollars	Hour	Rate	Dollars	Hours	Dollars
Direct Labor:									
1001	Assembly	2,000	$ 17.20	$ 34,400	1,333	$ 17.72	$ 23,615	3,333	$ 58,015
1002	Machine Shop	250	$ 25.00	$ 6,250	167	$ 25.75	$ 4,300	417	$ 10,550
1003	Test	100	$ 28.00	$ 2,800	67	$ 28.84	$ 1,932	167	$ 4,732
	Total Direct Labor	2,350		$ 43,450	1,567		$ 29,848	3,917	$ 73,298

Good | Good

FAR 15.408, Table 15-2, II.B

Index

Labor

- Labor hours:
  - Proposed labor hours are generally a combination of direct and support labor hours.
    - Direct labor hours – Hours that can be identified specifically to a final end item.
    - Support labor hours – Hours that cannot be specifically identified to one end item. For example, a production manager may be in charge of overseeing the manufacturing of multiple parts.

FAR 15.408, Table 15-2, II.B

Labor

- You need to provide a breakdown of the labor hours by labor category and function along with a basis of estimate for the proposed labor hours.
  - For example if you propose 500 hours for an end item, you would need to provide a breakdown by category/function (assembly, inspection, supervisor, engineer, etc.). You also need to provide a detailed basis of estimate for each category/function showing how you arrived at the hours for the proposed labor category.
  - Generally the basis should be actual production history. An alternative approach is the use of engineering estimates if the item has not been manufactured before.

- Cost Accounting Standards (CAS) 48 CFR 9904.401 requires that a company is consistent between proposals and accounting practices. The way a company estimates its labor hours needs to also be the way it accumulates its production history. Reference FAR Part 52.230-2 Cost Accounting Standards and 48 CFR 9903.201-1 (b) for exemptions.

FAR 15.408, Table 15-2, II.B

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Labor Hours Example

Proposal No.: KLM.09.059

Date: October 7, 20XX

ABC Corporation

Labor Hours

Proposed Labor Hours - 82.79 hours/unit for Part ABC

Direct Labor	Hrs/Unit
Assembly	38.00
Machinist	3.50
QA	7.62
Engineer 1	2.38
Sub-total	51.51

Production Support	Hrs/Unit
MFG Supervisor	9.20
Eng Supervisor	3.68
QA Supervisor	9.20
Production Mgr	9.20
Sub-total	31.28

82.79

Labor Hours
Example – Actual Production History

Raytheon

Actual Production History - Part ABC

						Proposed	
Duration - Months	7		9		24	12	
Qty	30		39		110	50	
End Date	11/15/20XX		9/8/20XX		9/1/20XX		

Direct Labor	Total Hrs	Hrs/Unit	Total Hrs	Hrs/Unit	Total Hrs	Hrs/Unit	Total Hrs	Hrs/Unit
Assembly	1,836	61.20	1,675	42.95	4,338	39.44	1,900	38.00
Machinist	169	5.64	154	3.96	400	3.63	175	3.50
QA	368	12.28	336	8.62	870	7.91	381	7.62
Engineer 1	115	3.83	105	2.69	272	2.47	119	2.38

Production Support	Total Hrs	Total Hrs	Total Hrs	Total Hrs	Hrs/Unit
MFG Supervisor	268.00	345.00	920.00	460.00	9.20
Eng Supervisor	107.00	138.00	184.00	184.00	3.68
QA Supervisor	268.00	345.00	920.00	460.00	9.20
Production Mgr	268.00	345.00	920.00	460.00	9.20
				Hrs/Unit	82.79

Additional Examples
Good | Good | Bad
Index

Labor Hours Examples – Basis of Estimate

- Labor BOE:
  - BOE must include:
    - Definition of the work to be performed
    - Estimated methodology and rationale
    - Source data
    - Calculations
  - Typically, labor BOEs would contain, but not be limited to, the following information:
    - Work breakdown structure
    - Period of performance showing start and stop dates
    - Labor categories being priced, to include task descriptions
    - Time-phased hours
    - Name of person who estimated BOE
    - Identification of any historical data utilized in the estimate
    - Cost estimating relationships forming all or part of the estimate
    - If man months are used, you must identify hour per man-month

Other Direct Costs (ODC)

- Other direct costs (ODC)
  - List other expenses not otherwise included under material and labor (e.g., travel, freight) and provide basis for pricing.
  - For example, the basis for travel would include the location, number of trips, number of people attending and the estimated expenses for the travel.

Additional Examples
Good | Bad
FAR 15.408, Table 15-2, II.D

Nonrecurring Expenses (NRE)

- Nonrecurring Expenses (NRE)
  - NRE refers to one-time costs that you would not normally see from proposal to proposal.
  - Examples of NRE are as follows:
    - Special tooling.
    - New equipment.
    - Equipment refurbishment.
    - Hours and materials associated with increasing throughput capacity.
    - Hours and materials to research, develop, design and test new processes.
    - One-time review events.

FAR 15.408, Table 15-2, II

NRE

- As mentioned earlier, NRE charges must be broken out by cost element. This means the material and labor components associated with the NRE are clearly broken out.
  - Material – any material associated with NRE should be supported by supplier quotes or POs.
  - Labor – labor hours associated with NRE should have basis of estimates (BOE) that are broken down by labor category and include detailed descriptions of the tasks that will be performed.

Additional Examples
Good | Bad
FAR 15.408, Table 15-2, II

Index

Rates

- You must provide the basis for proposed labor rates and supporting data to include budgetary and trend data. The basis may be a Forward Pricing Rate Agreement (FPRA), Forward Pricing Rate Recommendation (FPRR) or a Forward Pricing Rate Proposal (FPRP) recently submitted to the government for review.
- Rates include direct labor, overhead, general and administrative expense (G&A) and cost of money (COM).
- Raytheon has the capability to perform rate audits on suppliers in lieu of having the DCAA do this.
- If you allow Raytheon to perform this rate audit, you need to provide the following information:
  - Explanation as to how the rates were calculated.
  - Detailed documentation (financial statements, labor pools, listing of unallowable expenses, etc.) that support the rate calculations.
  - If the detailed documentation is based upon budgetary numbers, you will also need to provide three years of your most current actuals to support your budgetary numbers.
  - If budgetary numbers differ significantly from the most recent actuals, provide detailed explanations for these differences.

FAR 15.408, Table 15-2, II.C.

Rate BOE Example

- The following is an example BOE for a specific rate scenario in a company's (Widgets Inc.) proposal offering. The example does not represent a BOE that covers all possible scenarios or implies compliance for an offer's specific instance. In practice, BOEs must be written to provide rationale, supporting date, and calculations that represent how business is currently or planned to be executed during the proposed period of performance.

- Historical data used to develop the base direct and indirect rates and data used to develop the proposed rates must be submitted with the proposal submission or the offer must state how it will be made available. In the event access to audit the direct and indirect rates is being denied to the prime contractor, a BOE is still required detailing how the based and proposed rates are developed and stating specifically what is being denied.

FAR 15.408, Table 15-2, II.C.

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Rate BOE Example

Labor Rates

- Widgets Inc. does not have forward pricing rate agreements in place.

- To account for hours incurred and to cost those hours in the accounting systems, each direct charging employee is assigned to a direct labor category. The direct labor rates by labor category used in the proposal is the average hourly rate of all direct employees in each respective labor category. (Table X provides the labor categories and associated bid codes.) The average hourly rate for each labor category is constructed to include wages, overtime, payroll taxes, worker compensation insurance, benefits, and paid time off and was computed using the current discrete employee labor rates as of December 31, 2016. To forecast the labor rate used for the period of performance (March 1, 2017 Through January 31, 2020) being proposed, the based 2016 average rate by labor category was escalated by labor category. The annual expected escalation for each category is based on the average salary adjustments by category associated with proportions and merit increases from the most recent five fiscal years (2011 – 2015) for that category.

- To determine the total unburdened labor cost, the average labor rate is applied against total proposed hours for each labor category.

FAR 15.408, Table 15-2, II.C.

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Rate BOE Example

- **Indirect Rates**
  - Indirect rates include overhead, material overhead and general and administrative. The indirect rates are calculated based on the projected budget for the next operating year with adjustments for known changes, anomalies, and staffing changes from the previous fiscal year actual costs. Indirect rates are prepared annually by fiscal year (September 1 through October 31). To forecast the indirect rates used for the period of performance (March 1, 2017 Through January 31, 2020) being proposed, the based 2016 indirect rates were escalated using the average year over year escalation computed from the most recent five fiscal years (2011-2015).

- **Note: Must provide supporting data and show calculations for rate development and any applied factors.**

FAR 15.408, Table 15-2, II.C.

Rate BOE Example

- **Labor Overhead %**
  - **Labor overhead %** = Overhead Expense Pool / Direct Labor Base
  - Overhead Expenses = costs that cannot be directly identified with a finished product but contribute to the product's cost. They are the expenses that are not considered direct material or direct labor.
  - Examples of labor overhead expenses are:
    - Indirect labor (e.g., engineering/manufacturing supervisor wages)
    - Engineering/Manufacturing employee related expenses
    - Engineering / Manufacturing supplies
    - Small tools (hammers, screw drivers)
    - Software costs

FAR 15.408, Table 15-2, II.C.

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Rate BOE Example

- **Material Overhead %**
  - **Material overhead %** = Material overhead expense pool / Direct Material Base
  - Material Overhead Expenses = costs that are associated with a company's receipt and use of materials in the production process. These expenses are different than the cost of direct materials that become an integral part of the finished product.
  - Examples of expenses that comprise the material overhead expense pool are:
    - Expendable material (e.g., glue, adhesive, nails, nuts, bolts)
    - Procurement
    - Transportation
    - Packaging/shipping/receiving
    - Material control
    - Material warehouse

FAR 15.408, Table 15-2, II.C.

Index

Rate BOE Example

- **General and Administrative %**

  - **General and Administrative %** = G&A Expense Pool / Direct & Indirect Manufacturing Expense

  - General and administrative costs include the overall cost to manage the business. This type of indirect cost relates to the company's administrative and executive offices.

  - Examples of G&A expenses are:
    - Executives and staff
    - Staff services such as legal and accounting
    - Corporate charges
    - Independent research and development (IR&D)
    - Rent
    - Selling and marketing expenses (e.g., commissions, travel, advertisement)

FAR 15.408, Table 15-2, II.C.

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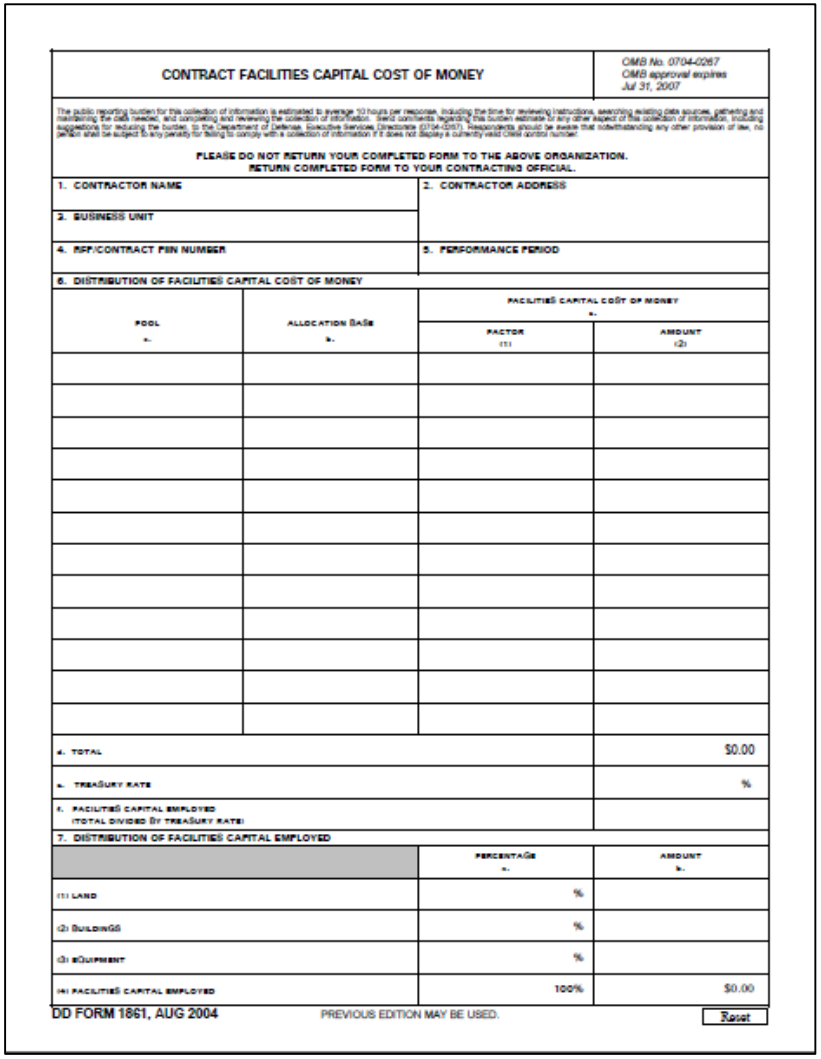
Allowable/Unallowable Costs

- FAR 31.204 discusses what are allowable costs to be charged to U.S. government contracts
  - Costs are allowable to the extent they are reasonable, allocable and determined to be allowable under FAR 31.201, 31.202, 31.203 and 31.205.
- FAR 31.205 provides detail to what costs are allowable or unallowable (52 clauses). This section of FAR does not cover every element of cost.
  - Example of topics:
    - Cost of Money (FAR 31.205-10)
    - Depreciation (FAR 31.205-11)
    - Entertainment Costs (FAR 31.205-14)
    - Costs of Alcoholic Beverages (FAR 31.205-51)

Rates

- Facilities capital COM:
  - When you elect to claim COM, submit a completed form CASB-CFM (Facilities Capital Cost of Money Factors Computation) in accordance with FAR 31.205-10. Also, complete DD Form 1861 and include a copy in your proposal submission. Both forms can be found online at various locations.



CONTRACT FACILITIES CAPITAL COST OF MONEY

OMB No. 0704-0267
OMB approval expires
Jul 31, 2007

The public reporting burden for this collection of information is estimated to average 10 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Executive Services Directorate (0704-0267). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE ABOVE ORGANIZATION.
RETURN COMPLETED FORM TO YOUR CONTRACTING OFFICIAL.

1. CONTRACTOR NAME	2. CONTRACTOR ADDRESS
3. BUSINESS UNIT	
4. RFP/CONTRACT PIIN NUMBER	5. PERFORMANCE PERIOD

6. DISTRIBUTION OF FACILITIES CAPITAL COST OF MONEY

a. POOL	b. ALLOCATION BASE	c. FACILITIES CAPITAL COST OF MONEY	
		FACTOR (1)	AMOUNT (2)
d. TOTAL			$0.00
e. TREASURY RATE			%
f. FACILITIES CAPITAL EMPLOYED (TOTAL DIVIDED BY TREASURY RATE)			

7. DISTRIBUTION OF FACILITIES CAPITAL EMPLOYED

	a. PERCENTAGE	b. AMOUNT
(1) LAND	%	
(2) BUILDINGS	%	
(3) EQUIPMENT	%	
(4) FACILITIES CAPITAL EMPLOYED	100%	$0.00

DD FORM 1861, AUG 2004 PREVIOUS EDITION MAY BE USED. Reset

FAR 15.408, Table 15-2, II.F.

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Summary

- In summary, all noncompetitive, noncommercial proposals valued at more than $2,000,000 are required to include the following information:

Required Items	FAR Reference
Supplier Proposal Adequacy Checklist	Raytheon Policy
Cover Sheet — SF1411 or equivalent	FAR 15.408, Table 15-2, I.A.
Index	FAR 15.408, Table 15-2, I.B.
Cost Element Breakdown	FAR 15.408, Table 15-2, I.D.
Summary Cost Element Breakdown	FAR 15.408, Table 15-2, I.E.
Material	FAR 15.408, Table 15-2, II.A.
Labor	FAR 15.408, Table 15-2, II.B.
ODC	FAR 15.408, Table 15-2, II.D.
NRE	FAR 15.408, Table 15-2, II

- Sufficient rationale and supporting documentation to support each of the proposed cost elements is also required.
- Obtaining adequate supplier proposals is always on the critical path, since Raytheon cannot submit its proposal to the government until it has received adequate proposals from its subcontractors. Therefore, it is critical that adequate supplier proposals are obtained as quickly as possible.

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Other Types of Proposals

- Commercial item proposals.
- Change proposals.
- The following slides are only applicable in certain situations.

Commercial Items (if applicable)

- Commercial Items – if you or one of your suppliers is providing a commercial part, cost or pricing data and a cost analysis is not required. However, you must demonstrate that the part is commercial and that the price is reasonable.
  - A commercial item is any item other than real property, that is a type customarily used by the general public or by a nongovernment entity.
    - Has also been sold, leased or licensed to the general public, or been offered for sale, lease, or license to the general public.
  - A final commercial determination is made by the government contracting officer. If the item is deemed to not be commercial the supplier is required to submit a complete proposal that includes cost and pricing data.

FAR 2.101 and FAR 15.403

Commercial Items (if applicable)

- If you claim one or more of your parts are commercial, you need to support your position by providing the following information:
  - Copies of applicable portions of a company catalogue or website address that shows the item with a description and unit price.
  - Show that these items can be purchased by the general public or nongovernment agency.
  - If a website or catalogue is not available, copies of invoices showing the sale of these items to nongovernment entities is sufficient.

FAR 2.101 and FAR 15.403

Commercial Items (if applicable)

- Raytheon policy requires suppliers to complete an Raytheon Supplier Proposal Adequacy Checklist (sent with the RFP) for all proposals where the supplier claims its parts are commercial.

- An example of the Supplier Proposal Adequacy Checklist for commercial items is provided on the next slide.

Commercial Items (if applicable)

Raytheon

SUPPLIER PROPOSAL ADEQUACY CHECKLIST - COMMERCIAL ITEMS OR COMMERCIAL SERVICES

Supplier Name	
Supplier Proposal Number	

Select a response for each item

Mouse over to obtain detailed information
Click to link to supplemental data

		Provided				
		Yes	No	Location in Proposal	If not provided please explain	
Quote						
1	Is there a Quote Identifying the Parts/Services, Quantities and Unit Pricing for the items being proposed?	☐	☐			
Commercial Item/Service Support	**FAR 15.403-1(3) & FAR 2.101**					
1	Is there a current narrative supplier assertion of commerciality? (Raytheon CR-006 or equivalent)	☐	☐			CR-006 Form
2	Provide one or more of the following:					
a	Formal documentation from the Government Contracting Officer recommending commerciality within the last 24 months	☐	☐			Page 13 of the Training Module
b	A link to website showing where the parts/services are offered to the public	☐	☐			Page 14 of the Training Module
c	A link to 3rd party distributors website where the parts/services are offered to the public	☐	☐			Page 14 of the Training Module
d	End-uses by industry for the parts/services proposed	☐	☐			Page 15 of the Training Module
3	If the parts/services are "of-a-type" are associated comparison and contrasting data provided?	☐	☐			Page 22 of the Training Module
4	Is the "as-is" item sold as a base material with no conversion of any kind?	☐	☐			Page 21 of the Training Module
Fair Market Pricing Support	**FAR 15.403-1(3) & FAR 2.101**					
1	Provide one or more of the following:					
a	A link to a publicly accessible supplier website that shows the parts/services with price/quantity visibility	☐	☐			Page 14 of the Training Module
b	A link to a 3rd party supplier website that shows the parts/services with price/quantity visibility	☐	☐			Page 14 of the Training Module
c	Has publicly accessible price list data been provided to support the current Government pricing	☐	☐			Page 14 of the Training Module
d	Recent (last 24 months) commercial sales history for the parts/services being proposed	☐	☐			Pages 15-16 of the Training Mod
e	Was a commercial P.O./Invoice sample (6-12) provided in support of the sales history data?	☐	☐			Pages 15-16 of the Training Mod
2	Has the supplier considered minor modifications valuation testing per FAR 15.403-3 (Regulatory Threshold or 5% Test)?	☐	☐			Page 13 of the Training Module
2A	If testing exceeds FAR threshold limits, has the supplier provided the associated full cost and pricing data for the mods.?	☐	☐			Page 13 of the Training Module
Fair Market Pricing Support	**FAR 15.403-1(3) & FAR 2.101**					
1	Link to Full Commercial Training Module →					Commercial Training Module

Supplier

By Signing below, you are confirming that required cost and pricing data is part of your proposal and meets the requirements of Raytheon's proposal pricing instructions.

Seller's Representative (type or print)	Signature	Date (mm/dd/yy)

Raytheon

By Signing below, you are confirming that required cost and pricing data is part of your proposal and meets the requirements of Raytheon's proposal pricing instructions.

Supply Chain (type or print)	Signature	Date (mm/dd/yy)
Supply Chain Manager if required (type or print)	Signature	Date (mm/dd/yy)
Raytheon SAA acceptance (type or print)	Signature	Date (mm/dd/yy)

SPAC File
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Change Proposals

- This section of Table 15-2 describes the format and estimating approach we are required to use when developing a proposal to modify an existing contract. In addition to the cost element breakdowns required as described in the previous slides, when there is a modification or change proposal, FAR also requires the following table to be inserted into your proposal:

Cost Elements	Estimated Costs of All Work Deleted	Cost of Deleted Work Already Performed	Net Cost to Be Deleted	Cost of Work Added	Net Cost of Change	Reference
(1)	(2)	(3)	(4)	(5)	(6)	(7)

FAR 15.408, Table 15-2, III.B.

Change Proposals

B. Change orders, modifications and claims

Cost Elements	Estimated Costs of All Work Deleted	Cost of Deleted Work Already Performed	Net Cost to Be Deleted	Cost of Work Added	Net Cost of Change	Reference
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Column 2 includes the cost of all work deleted. This includes cost of work deleted already performed (amount in column 3) and cost of work deleted not yet performed (column 4).

Column 3 includes the cost of deleted work already performed. This amount will not be included in the credit (delete) adjustment amount (e.g., we will not give back for costs already incurred).

Column 4 includes cost for deleted work not yet performed – must be priced using current estimates (but the current estimate may be the same as the original estimate) – it is developed similar to a normal "add" proposal with a few exceptions.

Column 5 includes the cost of the new work and is developed as we do any other proposal.

FAR 15.408, Table 15-2, III.B.

Index

Change Proposals

- Detail for columns listed on previous page:
  1) Enter appropriate cost element.
  2) Enter current estimates of what it would take to complete the deleted work that has not yet been performed.
  3) Enter incurred cost of deleted work already performed. This should be based on actuals and copies to support these actuals should be included in the proposal.
  4) Enter the net cost to be deleted (Column 2 minus Column 3).
  5) Enter your estimate for cost of work added by the change.
  6) Enter the net cost of change (Column 5 minus Column 4).
  7) Identify where in your proposal the supporting documentation and basis of estimate can be found for each of these sections.

FAR 15.408, Table 15-2, III.B.

Change Proposals

- For purposes of determining if a proposal and cost or pricing data are required from individual suppliers on a change proposal, the absolute value of the "delete" amount plus the "add" amount is computed for each supplier that exceeds $2,000,000.
- Remember from FAR 15.403-4(b) – If the absolute value for an individual supplier exceeds $2,000,000 and the supplier is either an actual supplier (will continue to provide parts/services on this contract) or is a prospective supplier (is expected to provide parts/services on this contract), the supplier is required to provide a proposal and cost or pricing data in support of the change proposal.
- Deleted amount is our current estimate (generally not the original contract value unless it is our current estimate).

FAR 15.408, Table 15-2, III.B.

Change Proposals

- If a supplier's quantities are changing due to a modification, the net delete or add amount is used to determine if the supplier exceeds the $2,000,000 threshold.
- The estimator should not consider the old quantity as the delete and the new quantity as the add (e.g., in computing the absolute value) when determining if the supplier exceeds the threshold in cases where quantities are changing.
- The development of the appropriate deletion is not simply the estimated cost of the deleted quantity – this will overstate the credit.

FAR 15.408, Table 15-2, III.B.

Change Proposals: Cost of Work Deleted for a Partial Deleted Quantity

Raytheon

- In cases where part of a material quantity is being deleted (e.g., original contract requires 100 widgets and the contract is modified to delete 30 of them), one method of estimating the amount of the delete is:
  1) Develop a current estimate of the extended cost for the item(s) given the original quantity.
  2) Develop a current estimate of the extended cost for the items(s) at the lower (remaining) quantity.
  3) The delta between these two values represents the amount of the delete.
- The same method can be used if the contract is modified to increase a quantity for a part.

FAR 15.408, Table 15-2, III.B.

Appendix

- The following section contains examples (both good and bad) of the different proposal elements when cost or pricing data is required.

Cover Sheet — Bad

Missing Administration Office Information

CONTRACT PRICING PROPOSAL COVER SHEET
(Cost or Pricing Data Required)

1. SOLICITATION/CONTRACT/MODIFICATION NUMBER

OMB No.: 9000-0013
Expires:

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information including suggestions for reducing this burden, to the FAR Secretariat (VRS), Office of Federal Acquisition Policy, GSA, Washington, DC 20405.

2a. NAME OF OFFEROR: R & R Systems Limited	3a. NAME OF OFFEROR'S POINT OF CONTACT: Chris Tanner
2b. FIRST LINE ADDRESS: 1550 State Street	3b. TITLE OF OFFEROR'S POINT OF CONTACT: Contract Administrator
2c. STREET ADDRESS	3c. TELEPHONE: AREA CODE (818) NUMBER xxx-xxxx
2d. CITY: Los Angeles; 2e. STATE: CA; 2f. ZIP CODE: 91331	

5. TYPE OF CONTRACT (Check): ☒ FFP ☐ CPFF ☐ CPIF ☐ CPAF ☐ FPI ☐ OTHER (Specify)

4. TYPE OF CONTRACT ACTION (Check)

☒	a. NEW CONTRACT	☐	d. LETTER CONTRACT
☐	b. CHANGE ORDER	☐	e. UNPRICED ORDER
☐	c. PRICE REVISION/ REDETERMINATION	☐	f. OTHER (Specify)

6. PROPOSED COST (A+B+C)

A. COST	B. PROFIT/FEE	C. TOTAL
$3,258,970	$325,897	$3,584,867

7. PERFORMANCE

PLACE		PERIOD	
a.	R & R Systems Limited	a.	2010 through 2012
b.		b.	

8. List and reference the identification, quantity and total price proposed for each contract line item. A line item cost breakdown supporting this recap is required unless otherwise specified by the Contracting Officer. *(Continue on reverse, and then on plain paper, if necessary. Use same headings.)*

a. LINE ITEM NO.	b. IDENTIFICATION	c. QUANTITY *	d. TOTAL PRICE	e. PROP. REF. PAGE
	"Insert proposal title in this field"			
73250	IMU	450	$2,389,911	
75760	Antenna	375	$1,194,956	
	continued on reverse	* NOT separately priced		

9. PROVIDE THE FOLLOWING *(If available)*

NAME OF CONTRACT ADMINISTRATION OFFICE: Same as Offeror	NAME OF AUDIT OFFICE
STREET ADDRESS	STREET ADDRESS
CITY; STATE; ZIP CODE	CITY; STATE; ZIP CODE
TELEPHONE; AREA CODE; NUMBER	TELEPHONE; AREA CODE; NUMBER

10. WILL YOU REQUIRE THE USE OF ANY GOVERNMENT PROPERTY IN THE PERFORMANCE OF THIS WORK? *(If "yes," identify)* ☐ YES ☒ NO

11a. DO YOU REQUIRE GOVERNMENT CONTRACT FINANCING TO PERFORM THIS PROPOSED CONTRACT? *(If "yes," complete item 11b.)* ☐ YES ☒ NO

11b. TYPE OF FINANCING *(Check one)* ☐ ADVANCE PAYMENT ☒ PROGRESS PAYMENTS ☐ GUARANTEED LOANS

12. HAVE YOU BEEN AWARDED ANY CONTRACTS OR SUBCONTRACTS FOR THE SAME OR SIMILAR ITEMS WITHIN THE PAST 3 YEARS? *(If "yes," identify item(s), customer(s) and contract number(s) on reverse of form.)* ☐ YES ☒ NO

13. IS THIS PROPOSAL CONSISTENT WITH YOUR ESTABLISHED ESTIMATING AND ACCOUNTING PRACTICES AND PROCEDURES AND FAR PART 31, COST PRINCIPLES? *(If "no," explain on reverse of form.)* ☒ YES ☐ NO

14. COST ACCOUNTING STANDARDS BOARD (CASB) DATA *(Public Law 91-379 as amended and FAR PART 30)*

a. WILL THIS CONTRACT ACTION BE SUBJECT TO CASB REGULATIONS? *(If "no," explain in proposal.)* ☒ YES ☐ NO

b. HAVE YOU SUBMITTED A CASB DISCLOSURE STATEMENT (CASB DS-1 or 2)? *(If "yes," specify in proposal the office to which submitted and if determined to be adequate.)* ☒ YES DHHS-Div. of Cost Allocation-Adequate DS-2 ☐ NO Proposal Submitted 12/20/96

c. HAVE YOU BEEN NOTIFIED THAT YOU ARE OR MAY BE IN NONCOMPLIANCE WITH YOUR DISCLOSURE STATEMENT OR COST ACCOUNT STANDARDS? *(If "yes," explain in proposal.)* ☐ YES ☒ NO

d. IS ANY ASPECT OF THIS PROPOSAL INCONSISTENT WITH YOUR DISCLOSED PRACTICES OR APPLICABLE COST ACCOUNTING STANDARDS? *(If "yes," explain in proposal.)* ☐ YES ☒ NO

This proposal is submitted in response to the solicitation, contract, modification, etc. in Item 1 and reflects our estimates and/or actual costs as of this date and conforms with the instructions in FAR 15.804-6(b)(1), and Table 15-2. By submitting this proposal, the offeror, if selected for negotiation, grants 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 and regardless of whether such items are in written form, in the form of computer data, or any other 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.

15. NAME OF OFFEROR *(Type)*	15. TITLE OF OFFEROR *(Type)*	16. NAME OF FIRM
Rick Jackson	President	R & R Systems Limited

17. SIGNATURE: /s/ — 18. DATE OF SUBMISSION: 03/07/10

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STANDARD FORM 1411 (REV. 10-95)
Prescribed by GSA - FAR (48 CFR) 53.215-2(a)

Back

Cover Sheet — Good

Proposal Cover Sheet
(Cost or Pricing Data Required)

1. **Solicitation/Contract/Modification No.:**

2. **Supplier Name**
   Supplier Address

3. **Point of Contact**
   Name
   Title
   Phone Number

4. **Contract Administration Office**
   Address of Cognizant DCMA Office
   Phone Number

   Audit Office
   Address of Cognizant DCAA Office
   Phone Number

5. **Type of Contract Action:**

6. **Proposed Cost _____+Profit or Fee_____=Total_____**

7. **Government Property**
   We **Will/Will Not (circle one)** require the use of any Government property in the performance of this work.

8. Cost Accounting Standards (CAS) and Estimating & Accounting Compliance
   a. Our organization **IS/IS NOT (circle one)** subject to the Cost Accounting Standards Board (CASB) Regulations (Public Law 91-379) as amended and FAR Part 30. If exempt, type of exemption (e.g. small business)
   b. This contract action **IS/IS NOT (circle one)** subject to CAS. (e.g., we have a Small Business Exemption.)
   c. We **HAVE/HAVE NOT (circle one)** submitted a CASB Disclosure Statement (CASB DS-1 or 2).
   d. We **HAVE/HAVE NOT (circle one)** been notified that we are or may be in noncompliance with our Disclosure Statement or CAS. If yes, provide a detailed explanation.
   e. NO aspect of this proposal is inconsistent with our disclosed or established accounting practices or applicable CAS.
   f. YES, this proposal is consistent with our established estimating practices, policies, procedures and FAR Part 31, Cost Principles.
   g. We have included a properly completed Proposal Adequacy Checklist.

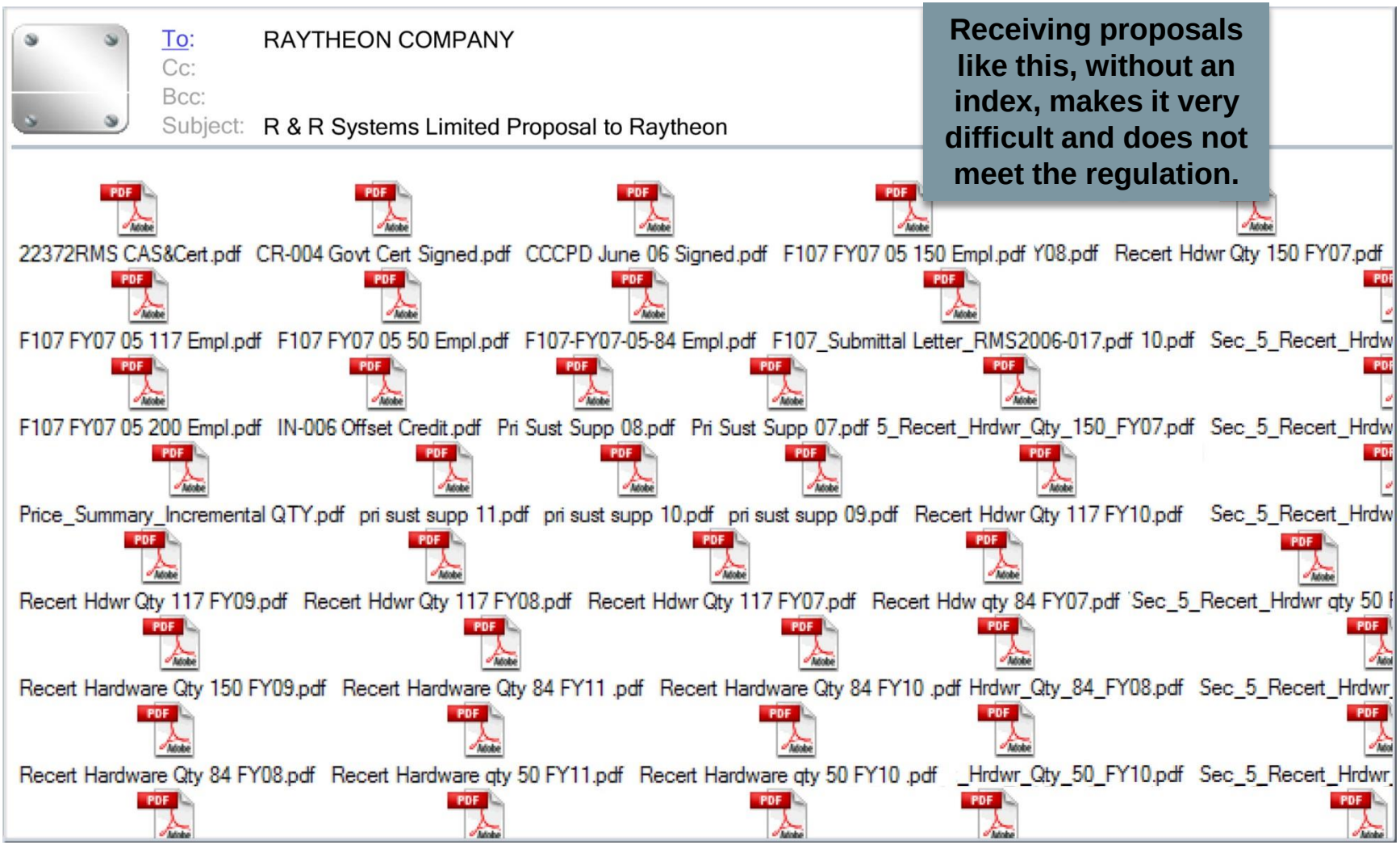
9. This proposal reflects our estimates and/or actual costs as of this date and conforms with the instructions in FAR 15.403-5(b)(1) and FAR 15.408, Table 15-2. By Submitting this proposal, we grant "Company A" and/or its authorized representative(s) the right to examine, at any time before award, those records, which include books, documents, accounting procedures and practices, and other data, regardless of type and 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.

10. **Date:_____**

11. **Name and Signature of authorized representative_____**

12. **Certified cost or pricing data is included in proposal**

Index — Bad



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Raytheon

Cost Element Breakdown — Bad

R & R Systems Limited

Cost Element Breakdown

Proposal RR58932-46 Part #: 45694-25

Quantity 500

OBS/Dept	Description	Hours	Material	ODC	Labor	Travel	Total Price
190	Contract Admin	450	$ -	$ -	$ 40,500	$ -	$ 40,500
199	Business Management	900	$ -	$ 59	$ 100,800	$ -	$ 100,859
330	Program Management	2,100	$ -	$ -	$ 273,000	$ 43,700	$ 316,700
345	Operations	12,350	$ -	$13,456	$ 617,500	$ -	$ 630,956
346	MFG Engineering	4,200	$ -	$ 420	$ 315,000	$ -	$ 315,420
347	QA	6,850	$ -	$ 4,800	$ 513,750	$ -	$ 518,550
348	Materials Management	1,940	$4,375,623	$63,250	$ 155,200	$ -	$4,594,073
353	Plant Engineering	700	$ -	$ -	$ 49,000	$ -	$ 49,000
354	Planning	930	$ -	$ -	$ 60,450	$ -	$ 60,450
355	Design Engineering	730	$ -	$ -	$ 69,350	$ -	$ 69,350
Totals		31,150	$4,375,623	$81,985	$2,194,550	$ 43,700	$6,695,858

Unit Price $13,391.72

All elements are listed at price – they have to be listed at cost

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Cost Element Breakdown — Good

R & R Systems Limited

Cost Element Breakdown

Date: 3/7/2010

Cost Element	Hours	Rate	Unit	Total
Purchased Parts			$ 235.36	$ 1,294,480
Raw Materials			$ 115.43	$ 634,865
Subcontracts			$ -	$ -
Total Material			$ 350.79	$ 1,929,345
Labor / Part	2.48	$ 18.92	$ 46.92	$ 258,069
Mfg Overhead		185.92%	$ 87.24	$ 479,802
Subtotal Labor			$ 134.16	$ 737,870
Total Factory Costs			$ 484.95	$ 2,667,215
Scrap		1.30%	$ 6.30	$ 34,674
Total Mfg Costs			$ 491.25	$ 2,701,889
G & A		22.30%	$ 109.55	$ 602,521
Product Cost			$ 600.80	$ 3,304,410
COM		2.32%	$ 3.11	$ 17,119
Product Cost			$ 603.91	$ 3,321,529
Profit		10.00%	$ 60.39	$ 332,153
Unit/Total Price			$ 664.31	$ 3,653,682

Part Number	5489-6
Set-up Hrs	6.00
Lot Size	5,500
Set Up	5

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Summary Cost Element Breakdown — Bad

R & R Systems Limited

Contact
Chris Tanner
Contracts
818-XXX-XXXX

Proposal Summary		Total	Part # --->	5645-36	4632-89	4633-27	3276-46	3276-45	3270-30	3100-30
			Qty ------>	1	1	170	55	55	60	400
Unit Price		$3,943,004		$4,082	$7,667	$ 4,082	$ 7,667	$ 2,618	$ 2,788	$ 6,261

Cost elements such as labor, material, etc., need to be visible in this breakdown

Back

Summary Cost Element Breakdown — Good

R & R Systems Limited

Contact
Chris Tanner
Contracts
818-XXX-XXXX

Cost Element	Rates	Total	Part # --->	5645-36	4632-89	4633-27	3276-46	3276-45	3270-30	3100-30
			Qty ------>	1	1	170	55	55	60	400
Material	11.00%	$ 1,835,114		$1,348	$3,276	$229,160	$180,180	$ 35,970	$ 73,980	$1,311,200
Material Burden		$ 345,547		$ 127	$ 250	$ 21,590	$ 13,750	$ 24,750	$ 9,480	$ 275,600
Total Material		$ 2,180,661		$1,475	$3,526	$250,750	$193,930	$ 60,720	$ 83,460	$1,586,800
Prod Labor Hrs		13,544.89		28	39	4,804	2,163	839	739	4,932
Total Labor Hrs		13,544.89		28	39	4,804	2,163	839	739	4,932
Labor Amount	$ 14.58	$ 197,484		$ 412	$ 573	$ 70,045	$ 31,539	$ 12,229	$ 10,778	$ 71,909
Labor Burdern	276.89%	$ 546,815		$1,141	$1,588	$193,948	$ 87,328	$ 33,861	$ 29,842	$ 199,108
Total Labor		$ 744,299		$1,553	$2,161	$263,993	$118,866	$ 46,090	$ 40,619	$ 271,016
Total Material and Labor		$ 2,924,960		$3,028	$5,687	$514,743	$312,796	$106,810	$124,079	$1,857,816
G&A	22.30%	$ 652,266		$ 675	$1,268	$114,788	$ 69,754	$ 23,819	$ 27,670	$ 414,293
Sub Total		$ 3,577,226		$3,703	$6,955	$629,531	$382,550	$130,628	$151,749	$2,272,109
Profit	10.00%	$ 357,723		$ 370	$ 696	$ 62,953	$ 38,255	$ 13,063	$ 15,175	$ 227,211
COM	0.23%	$ 8,055		$ 8	$ 16	$ 1,417	$ 861	$ 294	$ 342	$ 5,116
Total Sell Price		$ 3,943,004		$4,082	$7,667	$693,902	$421,666	$143,985	$167,266	$2,504,436
Unit Price				$4,082	$7,667	$ 4,082	$ 7,667	$ 2,618	$ 2,788	$ 6,261

Back

Bill of Material — Bad

There are no part numbers.

Bill of Material

R & R Systems Limited

Part #: 4589-32

Quantity 10,267

Part	Supplier	Quote Date	Unit/M	Qty/E	Unit Cost	Qty	Total Cost	Supplier Total
Harness Assembly	AID	3/8/2010	Ea	1.000	$ 110.42	10,267	$ 1,133,682	$ 1,133,682
Cover	ARP	3/8/2010	Ea	1.000	$ 69.00	10,267	$ 708,423	$ 708,423
Cover Bonding Adh	EAS	3/22/2010	Gal	0.025	$ 426.22	10,267	$ 109,400	
Capstan Potting	EAS	3/22/2010	Ea	0.100	$ 46.11	10,267	$ 47,340	
Raceway Potting	EAS	3/22/2010	lbs	0.170	$ 55.22	10,267	$ 96,380	
Raceway Potting	EAS	3/22/2010	lbs	0.170	$ 245.26	10,267	$ 428,074	$ -
Adhesive	EAS	3/22/2010	Ea	0.030	$ 65.00	10,267	$ 20,021	$ 701,215
Conductive Coating	KR	2/26/2010	Gal	0.040	$ 522.57	10,267	$ 214,608	$ 214,608
Pin	CC	3/4/2010	Ea	10.000	$ 1.42	10,267	$ 145,965	
Body Connector	CC	3/4/2010	Ea	1.000	$ 4.51	10,267	$ 46,354	$ 192,318
Cap Cover	C Industries	3/8/2010	Ea	1.000	$ 16.09	10,267	$ 165,197	$ 165,197
Mill .5"	Line	3/15/2010	Ea	0.100	$ 27.04	10,267	$ 27,762	
Mill .25"	Line	3/15/2010	Ea	0.100	$ 7.23	10,267	$ 7,423	
Mill .1875"	Line	3/15/2010	Ea	0.100	$ 6.79	10,267	$ 6,971	
Mill .125"	Line	3/15/2010	Ea	0.100	$ 5.94	10,267	$ 6,099	$ 48,255
Mounting Strip	Star	2/26/2010	Ea	2.000	$ 2.30	10,267	$ 47,228	$ 47,228
Bar	UM	3/8/2010	Ea	1.000	$ 4.25	10,267	$ 43,635	$ 43,635
Conductive Adhesive	Bond	3/12/2010	Gram	0.500	$ 7.50	10,267	$ 38,501	$ 38,501
Thick Adhesive	SC	3/12/2010	oz	0.200	$ 3.25	10,267	$ 6,674	$ -
Thin Adhesive	SC	3/12/2010	oz	0.200	$ 3.25	10,267	$ 6,674	$ -
Accelerator	SC	3/12/2010	oz	0.200	$ 2.44	10,267	$ 5,010	$ 18,357
Paint	Chem	3/20/2010	Gal	0.025	$ 55.50	10,267	$ 14,245	$ -
Reducer	Chem	3/20/2010	Gal	0.010	$ 22.00	10,267	$ 2,259	$ 16,504
Custom Die Cut - Cover	SPE	3/22/2010	Ea	1.000	$ 1.00	10,267	$ 10,267	$ -
Custom Die Cut - Compress	SPE	3/22/2010	Ea	1.000	$ 0.23	10,267	$ 2,361	$ -
Custom Die Cut - Block	SPE	3/22/2010	Ea	1.000	$ 0.12	10,267	$ 1,232	$ -
Custom Die Cut - Block Stop	SPE	3/22/2010	Ea	1.000	$ 0.12	10,267	$ 1,232	$ -
Custom Die Cut - Aft Cover	SPE	3/22/2010	Ea	1.000	$ 0.12	10,267	$ 1,232	$ 16,325
Wire Tap	Gray	3/15/2010	Ea	1.000	$ 1.00	10,267	$ 10,267	$ -
Wire Screws	Gray	3/15/2010	Ea	2.000	$ 0.21	10,267	$ 4,312	
Mounting Screws	Gray	3/15/2010	Ea	4.000	$ 0.05	10,267	$ 2,053	
Clip Screw	Gray	3/15/2010	Ea	1.000	$ 0.04	10,267	$ 411	
Thread Lock	Gray	3/15/2010	Ea	0.010	$ 50.82	10,267	$ 5,218	$ 22,261
Conductor	TF Electronics	3/22/2010	Ea	2.000	$ 0.20	10,267	$ 4,107	$ 4,107
Flattening Agent	City Paints	3/8/2010	Qt	0.010	$ 35.90	10,267	$ 3,686	$ 3,686
Glass Bead	Glass Industries	3/8/2010	lbs	0.002	$ 130.00	10,267	$ 2,669	$ 2,669
Battery Clip	ELC Company	3/4/2010	Ea	1.000	$ 0.25	10,267	$ 2,567	$ 2,567
Self Fusing Tape	Malleys	3/4/2010	in	10.000	$ 0.03	10,267	$ 2,567	$ 2,567
Ink - Black	OG Products	2/26/2010	oz	0.010	$ 10.98	10,267	$ 1,127	$ 1,127
Shell	ID Supply	3/18/2010	lbs	0.050	$ 0.42	10,267	$ 216	$ 216
						Total	$ 3,383,448	

Back

Bill of Material – Bad

There are no suppliers listed

Part #: 4589-32 Quantity 10,267

Part		Quote Date	Unit/M	Qty/E	Unit Cost	Qty	Total Cost
Harness Assembly		3/8/2010	Ea	1.000	$ 110.42	10,267	$ 1,133,682
Cover		3/8/2010	Ea	1.000	$ 69.00	10,267	$ 708,423
Cover Bonding Adh		3/22/2010	Gal	0.025	$ 426.22	10,267	$ 109,400
Capstan Potting		3/22/2010	Ea	0.100	$ 46.11	10,267	$ 47,340
Raceway Potting		3/22/2010	lbs	0.170	$ 55.22	10,267	$ 96,380
Raceway Potting		3/22/2010	lbs	0.170	$ 245.26	10,267	$ 428,074
Adhesive		3/22/2010	Ea	0.030	$ 65.00	10,267	$ 20,021
Conductive Coating		2/26/2010	Gal	0.040	$ 522.57	10,267	$ 214,608
Pin		3/4/2010	Ea	10.000	$ 1.42	10,267	$ 145,965
Body Connector		3/4/2010	Ea	1.000	$ 4.51	10,267	$ 46,354
Cap Cover		3/8/2010	Ea	1.000	$ 16.09	10,267	$ 165,197
Mill .5"		3/15/2010	Ea	0.100	$ 27.04	10,267	$ 27,762
Mill .25"		3/15/2010	Ea	0.100	$ 7.23	10,267	$ 7,423
Mill .1875"		3/15/2010	Ea	0.100	$ 6.79	10,267	$ 6,971
Mill .125"		3/15/2010	Ea	0.100	$ 5.94	10,267	$ 6,099
Mounting Strip		2/26/2010	Ea	2.000	$ 2.30	10,267	$ 47,228
Bar		3/8/2010	Ea	1.000	$ 4.25	10,267	$ 43,635
Conductive Adhesive		3/12/2010	Gram	0.500	$ 7.50	10,267	$ 38,501
Thick Adhesive		3/12/2010	oz	0.200	$ 3.25	10,267	$ 6,674
Thin Adhesive		3/12/2010	oz	0.200	$ 3.25	10,267	$ 6,674
Accelerator		3/12/2010	oz	0.200	$ 2.44	10,267	$ 5,010
Paint		3/20/2010	Gal	0.025	$ 55.50	10,267	$ 14,245
Reducer		3/20/2010	Gal	0.010	$ 22.00	10,267	$ 2,259
Custom Die Cut - Cover		3/22/2010	Ea	1.000	$ 1.00	10,267	$ 10,267
Custom Die Cut - Compress		3/22/2010	Ea	1.000	$ 0.23	10,267	$ 2,361
Custom Die Cut - Block		3/22/2010	Ea	1.000	$ 0.12	10,267	$ 1,232
Custom Die Cut - Block Stop		3/22/2010	Ea	1.000	$ 0.12	10,267	$ 1,232
Custom Die Cut - Aft Cover		3/22/2010	Ea	1.000	$ 0.12	10,267	$ 1,232
Wire Tap		3/15/2010	Ea	1.000	$ 1.00	10,267	$ 10,267
Wire Screws		3/15/2010	Ea	2.000	$ 0.21	10,267	$ 4,312
Mounting Screws		3/15/2010	Ea	4.000	$ 0.05	10,267	$ 2,053
Clip Screw		3/15/2010	Ea	1.000	$ 0.04	10,267	$ 411
Thread Lock		3/15/2010	Ea	0.010	$ 50.82	10,267	$ 5,218
Conductor		3/22/2010	Ea	2.000	$ 0.20	10,267	$ 4,107
Flattening Agent		3/8/2010	Qt	0.010	$ 35.90	10,267	$ 3,686
Glass Bead		3/8/2010	lbs	0.002	$ 130.00	10,267	$ 2,669
Battery Clip		3/4/2010	Ea	1.000	$ 0.25	10,267	$ 2,567
Self Fusing Tape		3/4/2010	in	10.000	$ 0.03	10,267	$ 2,567
Ink - Black		2/26/2010	oz	0.010	$ 10.98	10,267	$ 1,127
Shell		3/18/2010	lbs	0.050	$ 0.42	10,267	$ 216
						Total	$ 3,383,448

Bill of Material – Good

Bill of Material — R & R Systems Limited

Part #: 4589-32 — Quantity 10,267

Part #:	Part Description	Supplier	Quote Date	Unit/M	Qty/E	Unit Cost	Qty	Total Cost	Supplier Total
45692-3	Harness Assembly	AID	3/8/2010	Ea	1.000	$ 110.42	10,267	$ 1,133,682	$ 1,133,682
398777	Cover	ARP	3/8/2010	Ea	1.000	$ 69.00	10,267	$ 708,423	$ 708,423
237490	Cover Bonding Adh	EAS	3/22/2010	Gal	0.025	$ 426.22	10,267	$ 109,400	
452933	Capstan Potting	EAS	3/22/2010	Ea	0.100	$ 46.11	10,267	$ 47,340	
654988	Raceway Potting	EAS	3/22/2010	lbs	0.170	$ 55.22	10,267	$ 96,380	
664920	Raceway Potting	EAS	3/22/2010	lbs	0.170	$ 245.26	10,267	$ 428,074	$ -
324026	Adhesive	EAS	3/22/2010	Ea	0.030	$ 65.00	10,267	$ 20,021	$ 701,215
78965-1	Conductive Coating	KR	2/26/2010	Gal	0.040	$ 522.57	10,267	$ 214,608	$ 214,608
26745-2	Pin	CC	3/4/2010	Ea	10.000	$ 1.42	10,267	$ 145,965	
198762	Body Connector	CC	3/4/2010	Ea	1.000	$ 4.51	10,267	$ 46,354	$ 192,318
228963	Cap Cover	C Industries	3/8/2010	Ea	1.000	$ 16.09	10,267	$ 165,197	$ 165,197
32897-4	Mill .5"	Line	3/15/2010	Ea	0.100	$ 27.04	10,267	$ 27,762	
32897-5	Mill .25"	Line	3/15/2010	Ea	0.100	$ 7.23	10,267	$ 7,423	
32897-6	Mill .1875"	Line	3/15/2010	Ea	0.100	$ 6.79	10,267	$ 6,971	
32897-7	Mill .125"	Line	3/15/2010	Ea	0.100	$ 5.94	10,267	$ 6,099	$ 48,255
237888	Mounting Strip	Star	2/26/2010	Ea	2.000	$ 2.30	10,267	$ 47,228	$ 47,228
993245	Bar	UM	3/8/2010	Ea	1.000	$ 4.25	10,267	$ 43,635	$ 43,635
123358	Conductive Adhesive	Bond	3/12/2010	Gram	0.500	$ 7.50	10,267	$ 38,501	$ 38,501
543325	Thick Adhesive	SC	3/12/2010	oz	0.200	$ 3.25	10,267	$ 6,674	$ -
543378	Thin Adhesive	SC	3/12/2010	oz	0.200	$ 3.25	10,267	$ 6,674	$ -
542122	Accelerator	SC	3/12/2010	oz	0.200	$ 2.44	10,267	$ 5,010	$ 18,357
8932-2	Paint	Chem	3/20/2010	Gal	0.025	$ 55.50	10,267	$ 14,245	$ -
8945-6	Reducer	Chem	3/20/2010	Gal	0.010	$ 22.00	10,267	$ 2,259	$ 16,504
27832-45	Custom Die Cut - Cover	SPE	3/22/2010	Ea	1.000	$ 1.00	10,267	$ 10,267	$ -
27832-46	Custom Die Cut - Compress	SPE	3/22/2010	Ea	1.000	$ 0.23	10,267	$ 2,361	$ -
27832-47	Custom Die Cut - Block	SPE	3/22/2010	Ea	1.000	$ 0.12	10,267	$ 1,232	$ -
27832-48	Custom Die Cut - Block Stop	SPE	3/22/2010	Ea	1.000	$ 0.12	10,267	$ 1,232	$ -
27832-49	Custom Die Cut - Aft Cover	SPE	3/22/2010	Ea	1.000	$ 0.12	10,267	$ 1,232	$ 16,325
78942-3	Wire Tap	Gray	3/15/2010	Ea	1.000	$ 1.00	10,267	$ 10,267	$ -
78942-4	Wire Screws	Gray	3/15/2010	Ea	2.000	$ 0.21	10,267	$ 4,312	
78942-5	Mounting Screws	Gray	3/15/2010	Ea	4.000	$ 0.05	10,267	$ 2,053	
78942-6	Clip Screw	Gray	3/15/2010	Ea	1.000	$ 0.04	10,267	$ 411	
78942-7	Thread Lock	Gray	3/15/2010	Ea	0.010	$ 50.82	10,267	$ 5,218	$ 22,261
23777-1	Conductor	TF Electronics	3/22/2010	Ea	2.000	$ 0.20	10,267	$ 4,107	$ 4,107
6458466	Flattening Agent	City Paints	3/8/2010	Qt	0.010	$ 35.90	10,267	$ 3,686	$ 3,686
1233345	Glass Bead	Glass Industries	3/8/2010	lbs	0.002	$ 130.00	10,267	$ 2,669	$ 2,669
9876662	Battery Clip	ELC Company	3/4/2010	Ea	1.000	$ 0.25	10,267	$ 2,567	$ 2,567
1896667	Self Fusing Tape	Malleys	3/4/2010	in	10.000	$ 0.03	10,267	$ 2,567	$ 2,567
1926222	Ink - Black	OG Products	2/26/2010	oz	0.010	$ 10.98	10,267	$ 1,127	$ 1,127
1733322	Shell	ID Supply	3/18/2010	lbs	0.050	$ 0.42	10,267	$ 216	$ 216
							Total	$ 3,383,448	

Consolidated Bill of Material — Bad

Bill of Material — R & R Systems Limited

Part #: 5687-30 — Quantity 10,267

Part #:	Part Description	Supplier	Quote Date	Unit/M	Qty/E	Unit Cost	Qty	Total Cost	Supplier Total
45692-3	Harness Assembly	AID	3/8/2010	Ea	1.000	$ 110.42	10,267	$ 1,133,682	$ 1,133,682
398777	Cover	ARP	3/8/2010	Ea	1.000	$ 69.00	10,267	$ 708,423	$ 708,423
237490	Cover Bonding Adh	EAS	3/22/2010	Gal	0.025	$ 426.22	10,267	$ 109,400	
452933	Capstan Potting	EAS	3/22/2010	Ea	0.100	$ 46.11	10,267	$ 47,340	
654988	Raceway Potting	EAS	3/22/2010	lbs	0.170	$ 55.22	10,267	$ 96,380	
664920	Raceway Potting	EAS	3/22/2010	lbs	0.170	$ 245.26	10,267	$ 428,074	$ -
324026	Adhesive	EAS	3/22/2010	Ea	0.030	$ 65.00	10,267	$ 20,021	$ 701,215
78965-1	Conductive Coating	KR	2/26/2010	Gal	0.040	$ 522.57	10,267	$ 214,608	$ 214,608
26745-2	Pin	CC	3/4/2010	Ea	10.000	$ 1.42	10,267	$ 145,965	
198762	Body Connector	CC	3/4/2010	Ea	1.000	$ 4.51	10,267	$ 46,354	$ 192,318
228963	Cap Cover	C Industries	3/8/2010	Ea	1.000	$ 16.09	10,267	$ 165,197	$ 165,197
32897-4	Mill .5"	Line	3/15/2010	Ea	0.100	$ 27.04	10,267	$ 27,762	$ 27,762
						Total		$ 3,143,205	

Bill of Material — R & R Systems Limited

Part #: 5570-30 — Quantity 4,500

Part #:	Part Description	Supplier	Quote Date	Unit/M	Qty/E	Unit Cost	Qty	Total Cost	Supplier Total
45692-3	Harness Assembly	AID	3/8/2010	Ea	1.000	$ 110.42	4,500	$ 496,890	
32897-6	Mill .1875"	Line	3/15/2010	Ea	0.100	$ 6.79	4,500	$ 3,056	
32897-7	Mill .125"	Line	3/15/2010	Ea	0.100	$ 5.94	4,500	$ 2,673	$ 5,729
237888	Mounting Strip	Star	2/26/2010	Ea	2.000	$ 2.30	4,500	$ 20,700	$ 20,700
993245	Bar	UM	3/8/2010	Ea	1.000	$ 4.25	4,500	$ 19,125	$ 19,125
123358	Conductive Adhesive	Bond	3/12/2010	Gram	0.500	$ 7.50	4,500	$ 16,875	$ 16,875
543325	Thick Adhesive	SC	3/12/2010	oz	0.200	$ 3.25	4,500	$ 2,925	$ -
543378	Thin Adhesive	SC	3/12/2010	oz	0.200	$ 3.25	4,500	$ 2,925	$ -
542122	Accelerator	SC	3/12/2010	oz	0.200	$ 2.44	4,500	$ 2,196	$ 8,046
8932-2	Paint	Chem	3/20/2010	Gal	0.025	$ 55.50	4,500	$ 6,244	$ -
8945-6	Reducer	Chem	3/20/2010	Gal	0.010	$ 22.00	4,500	$ 990	$ 7,234
27832-45	Custom Die Cut - Cover	SPE	3/22/2010	Ea	1.000	$ 1.00	4,500	$ 4,500	$ -
27832-46	Custom Die Cut - Compress	SPE	3/22/2010	Ea	1.000	$ 0.23	4,500	$ 1,035	$ -
						Total		$ 580,133	

Putting the BOMs on the same page is not enough – they have to be combined

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Consolidated Bill of Material — Good

Consolidated Bill of Material

R & R Systems Limited

All Parts

Part #:	Part Description	Supplier	Quote Date	Unit/M	Qty/E	Unit Cost	Qty	Total Cost	Supplier Total
45692-3	Harness Assembly	AID	3/8/2010	Ea	1.000	$ 206.50	14,767	$ 3,049,386	$ 3,049,386
398777	Cover	ARP	3/8/2010	Ea	1.000	$ 138.00	10,267	$ 1,416,846	$ 1,416,846
123358	Conductive Adhesive	Bond	3/12/2010	Gram	0.500	$ 7.50	4,500	$ 16,875	$ 16,875
228963	Cap Cover	C Industries	3/8/2010	Ea	1.000	$ 16.09	10,267	$ 165,197	$ 165,197
198762	Body Connector	CC	3/4/2010	Ea	1.000	$ 4.51	10,267	$ 46,354	
26745-2	Pin	CC	3/4/2010	Ea	10.000	$ 1.42	10,267	$ 145,965	$ 192,318
8932-2	Paint	Chem	3/20/2010	Gal	0.025	$ 55.50	4,500	$ 6,244	
8945-6	Reducer	Chem	3/20/2010	Gal	0.010	$ 22.00	4,500	$ 990	$ 7,234
237490	Cover Bonding Adh	EAS	3/22/2010	Gal	0.065	$ 852.44	667	$ 568,880	
324026	Adhesive	EAS	3/22/2010	Ea	0.200	$ 130.00	2,053	$ 266,942	
452933	Capstan Potting	EAS	3/22/2010	Ea	0.100	$ 92.22	1,027	$ 94,680	
654988	Raceway Potting	EAS	3/22/2010	lbs	0.170	$ 330.76	1,745	$ 577,305	
664920	Raceway Potting	EAS	3/22/2010	lbs	0.170	$ 490.52	1,745	$ 856,149	$ 2,363,956
78965-1	Conductive Coating	KR	2/26/2010	Gal	0.040	$ 522.57	10,267	$ 214,608	$ 214,608
32897-4	Mill .5"	Line	3/15/2010	Ea	0.100	$ 27.04	10,267	$ 27,762	
32897-6	Mill .1875"	Line	3/15/2010	Ea	0.100	$ 6.79	4,500	$ 3,056	
32897-7	Mill .125"	Line	3/15/2010	Ea	0.100	$ 5.94	4,500	$ 2,673	$ 33,490
542122	Accelerator	SC	3/12/2010	oz	0.200	$ 2.44	4,500	$ 2,196	
543325	Thick Adhesive	SC	3/12/2010	oz	0.200	$ 3.25	4,500	$ 2,925	
543378	Thin Adhesive	SC	3/12/2010	oz	0.200	$ 3.25	4,500	$ 2,925	$ 8,046
27832-45	Custom Die Cut - Cover	SPE	3/22/2010	Ea	1.000	$ 1.00	4,500	$ 4,500	
27832-46	Custom Die Cut - Compress	SPE	3/22/2010	Ea	1.000	$ 0.23	4,500	$ 1,035	$ 5,535
237888	Mounting Strip	Star	2/26/2010	Ea	2.000	$ 2.30	4,500	$ 20,700	$ 20,700
993245	Bar	UM	3/8/2010	Ea	1.000	$ 4.25	4,500	$ 19,125	$ 19,125

Consolidated BOMs make it easy to identify total material by supplier as well as the total quantity required for each material for the whole proposal

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Labor — Bad

R & R Systems Limited

Labor Hours

Proposal #: RR86549-10

Period of Performance

Description	2010	2011	2012	2013	Total
Assembly	325	813	813	488	2,438
QA	135	338	338	203	1,013
Program Support	325	780	780	455	2,340
Engineering Support	475	1,140	1,140	665	3,420
Total Labor	1,260	3,070	3,070	1,810	9,210

There are no BOEs or actuals to support how these hours were developed

Labor — Good

R & R Systems Limited

Labor Hours

Proposal #: RR86549-10

Period of Performance

Description	2010	2011	2012	2013	Total
Assembly	325	813	813	488	2,438
QA	135	338	338	203	1,013
Program Support	325	780	780	455	2,340
Engineering Support	475	1,140	1,140	665	3,420
Total Labor	1,260	3,070	3,070	1,810	9,210

Basis of Estimate:

Assembly	The assembly hours were developed using similar to hours from part number 54662-25. Part number 54662-25 is essentially the same part with the exception of the color and size - neither of which should change the time to assemble the part. For the last 12 months the average hours per unit for part number 54662-25 has been 6.5 hours.
QA	The QA hours were developed using similar to hours from part number 54662-25. Part number 54662-25 is essentially the same part with the exception of the color and size - neither of which should change the time to inspect the part. For the last 12 months the average hours per unit for part number 54662-25 has been 2.7 hours.
Program Support	Program support hours are applied at 65 hours per month. The 65 hours is based on a 12 month average.
Engineering Support	Engineering support hours are applied at 95 hours per month. The 95 hours is based on a 12 month average.

Period of Performance

Description	2010	2011	2012	2013	Total
Build Schedule	50	125	125	75	375
Number of Months	5	12	12	7	36

Labor — Good

R & R Systems Limited

Actual Hours

Part Number 58796-13

Contract	RR26891			Contract	RR68543			Total - Average		
Duration	12 Months 1/08 - 12/08			Duration	14 Months 1/09 - 2/10			Duration	26 Months	
Qty	55			Qty	76			Qty	131	
	Total Hours	Hrs/Unit			Total Hours	Hrs/Unit			Total Hours	Hrs/Unit
Touch Labor				Touch Labor				Touch Labor		
Assy	315.70	5.74		Assy	535.04	7.04		Assy	850.74	6.49
Test	893.75	16.25		Test	656.64	8.64		Test	1,550.39	11.84
Inspection	42.90	0.78		Inspection	74.48	0.98		Inspection	117.38	0.90
Shop	3.85	0.07		Shop	3.80	0.05		Shop	7.65	0.06
NRE	-	-		NRE	-	-		NRE		-
Support				Support				Support		
Engineering	8.25	0.15		Engineering	8.95	0.12		Engineering	17.20	0.13
Drafting/Doc	-			Drafting/Doc	-	-		Drafting/Doc	-	-
Program Mgr	68.20	1.24		Program Mgr	72.48	0.95		Program Mgr	140.68	1.07
Mfg Eng	1.10	0.02		Mfg Eng	1.30	0.02		Mfg Eng	2.40	0.02
Total	1,333.75	24.25		Total	1,352.69	17.80		Total	2,686.44	20.51

Proposed Hours

Part Number 58796-13

Qty	
156	
Hrs/Unit	Hrs/Unit
780.00	5.00
1,404.00	9.00
143.52	0.92
18.72	0.12
23.40	0.15
15.60	0.10
62.40	0.40
24.96	0.16
2,472.60	16.00

Back

ODC — Bad

R & R Systems Limited

ODC - Travel		Task - Travel for Program Management	
Period of Peformance	04/2010 - 08/2012	Cost	$ 10,418

There needs to be more detailed BOEs to support these proposed costs

Back

ODC — Good

R & R Systems Limited

ODC - Travel

Task - Travel for Program Management

Period of Perform 04/2010 - 08/2012

Trip #:	Number of People	Days	Description	Date	Reason for Trip	Air	Hotel	Car	Meals	Misc	Total Cost
1	2	3	Tampa FL/Tucson AZ	1/2011	PAR/PWAR	$ 708.75	$ 444.00	$ 91.42	$ 179.61	$ 13.98	$ 1,437.76
2	2	3	Tampa FL/Tucson AZ	1/2012	PAR/PWAR	$ 731.23	$ 444.00	$ 94.32	$ 185.30	$ 14.42	$ 1,469.27
3	2	3	Tampa FL/Phoenix AZ	11/2010	Supplier Visit	$ 766.21	$ 424.00	$ 89.22	$ 206.77	$ 13.64	$ 1,499.84
4	2	3	Tampa FL/Phoenix AZ	05/2011	Supplier Visit	$ 810.74	$ 424.00	$ 94.40	$ 218.79	$ 14.44	$ 1,562.37
5	2	3	Tampa FL/Phoenix AZ	05/2012	Supplier Visit	$ 834.24	$ 424.00	$ 97.14	$ 225.13	$ 14.86	$ 1,595.37
6	2	3	Tampa FL/Los Angeles CA	06/2010	Supplier Visit	$ 774.09	$ 492.00	$ 94.40	$ 215.46	$ 14.44	$ 1,590.39
7	2	3	Tampa FL/Birmingham AL	07/2010	Supplier Visit	$ 1,428.23	$ 352.00	$ 94.40	$ 298.79	$ 14.44	$ 2,187.86
8	2	3	Tampa FL/Atlanta GA	06/2011	Supplier Visit	$ 1,086.17	$ 528.00	$ 94.40	$ 159.93	$ 14.44	$ 1,882.94
9	2	3	Tampa FL/Houston TX	07/2011	Supplier Visit	$ 415.36	$ 436.00	$ 94.40	$ 199.91	$ 14.44	$ 1,160.11
											$ 14,385.91

Back

NRE — Bad

R & R Systems Limited

NRE			Task - Equipment
Period of Peformance	04/2010 - 08/2012	Cost	$ 49,054

There needs to be more detailed BOEs to support these proposed costs

Back

NRE — Good

R & R Systems Limited

NRE				Task - Equipment
Period of Peformance	04/2010 - 08/2012		Cost	$ 49,054
Detail:				
		Quantity	Unit Cost	Total Cost
Vericle Mill		2	$ 10,141	$ 20,282
Percision Metal Lathe		1	$ 18,499	$ 18,499
Install Electical drops for new equipment		1	$ 2,500	$ 2,500
		Hours		
Procurment	Quote and purchase equipment	45		$ 2,700
Toolroom Prep	Formalize toolroom layout, move equipment	64		$ 3,648
Install Equipment	Install and test new equipment	25		$ 1,425
			Total Cost	$ 49,054

Time Phase — Good

Time Phased Detailed Cost Element Breakdown

Year		2014			2015			2016			Total	
Dept.	Description	Hour	Rate	Dollars	Hour	Rate	Dollars	Hour	Rate	Dollars	Hours	Dollars
Direct Labor:												
1001	Assembly	2,000	$ 17.20	$ 34,400	1,333	$ 17.72	$ 23,615				3,333	$ 58,015
1002	Machine Shop	250	$ 25.00	$ 6,250	167	$ 25.75	$ 4,300				417	$ 10,550
1003	Test	100	$ 28.00	$ 2,800	67	$ 28.84	$ 1,932				167	$ 4,732
	Total Direct Labor	2,350		$ 43,450	1,567		$ 29,848				3,917	$ 73,298
Support Labor:												
3004	Quality Engineer	800	$ 27.00	$ 21,600	533	$ 27.81	$ 14,823				1,333	$ 36,423
3005	Project Engineer	195	$ 45.00	$ 8,775	130	$ 46.35	$ 6,026				325	$ 14,801
3006	Technician	950	$ 26.00	$ 24,700	633	$ 26.78	$ 16,952				1,583	$ 41,652
3007	Tool Shop	200	$ 32.00	$ 6,400	133	$ 32.96	$ 4,384				333	$ 10,784
3008	Planning	100	$ 30.00	$ 3,000	67	$ 30.90	$ 2,070				167	$ 5,070
	Total Support Labor	2,245		$ 64,475	1,496		$ 44,254				3,741	$ 108,729
	Total Labor	4,595		$ 107,925	3,063		$ 74,102				7,658	$ 182,027
Material:												
6000	Direct Material			$1,275,000								$ 1,275,000
	Total Material			$1,275,000								$ 1,275,000
Other:												
5750	Freight			$ 4,000			$ 3,000					$ 7,000
7250	Travel			$ 1,750			$ 2,000					$ 3,750
	Total Other			$ 5,750			$ 5,000					$ 10,750
	Labor Overhead			$ 248,228			$ 170,434					$ 418,662
	Material Overhead			$ 51,000								$ 51,000
	Total Manufacturing Cost			$1,687,903			$ 249,536					$ 1,937,439
	General & Administrative			$ 590,766			$ 87,338					$ 678,104
	Total Cost			$2,278,668			$ 336,874					$ 2,615,542
	Profit			$ 227,867			$ 33,687					$ 261,554
	COM			$ 1,000			$ 400					$ 1,400
	Total Price			$2,507,535			$ 370,961					$ 2,878,497

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Time Phase — Good

Quote Detail - Time Phased

Cost Category	Fiscal Year Beginning - October 1 2013	2014	2015	2016	Total
Material Cost:	$ -	$800,000	$ -	$ -	$800,000
Labor Hours:					
Machinest - A	-	600	900	500	2,000
Machinest - B	-	300	500	250	1,050
Machinest - C	-	-			-
Assembly - A	-	1,400	1,900	1,200	4,500
Assembly - B	-	1,500	2,000	1,350	4,850
Assembly - C	-	400	600	300	1,300
Test - A	-	-			-
Test - B	-	500	750	450	1,700
Sr Engineer	-	700	300	150	1,150
Engineer - A	-	200	200	200	600
Engineer - B	-				-
QA Engineer	-	100	100	100	300
ODC	$ -	$ 2,500	$ 1,300	$ 1,000	$ 4,800
Mfg Hours	-	4,700	6,650	4,050	15,400
Eng Hours	-	1,000	600	450	2,050

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Supplier Proposal Adequacy Checklist

- The Supplier Proposal Adequacy Checklist is accessed from the external Raytheon supplier website.
  - Click the image on the right to access the website and the circled link for the checklist.
- Additional supplier proposal guidance and resources are available (information, templates and tools to assist in building a FAR compliant proposal).
  - Supplier proposal guidance:
    - Table 15-2 Proposal Guide – Provides required structure and content along with example Excel worksheet.
    - Supplier proposal adequacy guidelines – Copy of this training session.
  - Raytheon document templates:
    - Supplier proposal adequacy checklist.
    - Contract pricing proposal cover sheet – Actual cover sheet with ability to fill in appropriate data fields.