Model Proposal -Advanced Tank Technologies (ATT)

Background information, similar to the following should be provided:

a. ATT was incorporated in the State of Maryland in 1985. ATT is a research and development concern specializing in engineering feasibility studies and surface vehicle design. As recently as 1995, ATT developed a small manufacturing capability that enables it to manufacture prototypes of its basic designs. ATT had to borrow funds from a local lending institution to establish this capability. ATT provides services primarily to major DoD contractors on a firm-fixed-price (FFP) basis.

b. This procurement, solicited by Request for Proposal (RFP) number DAAH01-99-R-0001, calls for the production of 50 prototypes of a new heavy-duty shock absorber. ATT designed this part under another Army contract for the Armored Personnel Carrier Program.

c. The period of performance is 29 February 1999 to 30 September 2001.

Figure 1a -- Advanced Tank Technologies

Proposal Cover Sheet

(Cost or Pricing Data Required)

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

2. Advanced Tank Technologies
   100 Central Ave NE
   Albuquerque, NM 87123

3. ***Point of Contact***
   Jane Doe
   Contracts Manager
   (505) 555-1212

4. ***Contract Administration Office***
   DCMC Baltimore
   200 Townsontown Blvd., West
   Towson, MD 21204-5299
   (301) 339-4800

   Audit Office
   District Branch Office
   8181 Professional Place
   Albuquerque, NM 20785-2218
   (505) 436-2090

5. ***Type of Contract Action*:** New Contract

6. ***Proposed Cost + Profit or Fee = Total:***
   $938,241 + $93,824 = $1,032,065

7. ***Government Property***
   We will not 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 NOT subject to the Cost Accounting Standards Board (CASB) Regulations (Public Law 91-379 as amended and FAR Part 30. We have a Small Business Exemption.

b. This contract action is NOT subject to CAS. We have a Small Business Exemption.

c. NO, we have not submitted a CASB Disclosure Statement (CASB DS-1 or 2).

d. We have NOT been notified that we are or may be in noncompliance with our Disclosure Statement or CAS.

e. NO aspect of this proposal is inconsistent with our disclosed practices or applicable CAS.

f. YES, this proposal is consistent with our established estimating and accounting practices and procedures and FAR Part 31, Cost Principles.

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 the Sandia Contracting Representative 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.

10. 21 November 1998

11. Signature

Figure 1b -- Advanced Tank Technologies

Advanced Tank Technologies
Albuquerque, NM

Element of Cost	Amount	Reference
Engineering Labor	$452,151	Schedule 1
Manufacturing Labor	26,412	Schedule 1
Direct Labor Overhead @ 56.7%	271,345	Schedule 3
Material	113,175	Schedule 2
Material Handling Overhead @ 5.0%	5,659	Schedule 5
Subtotal	868,742	
G&A @ 8.0%	69,499	Schedule 4
Estimated Cost	938,241	
Profit @ 10.0%	93,824 *	
Total Price	$1,032,065	

Figure 1c -- Advanced Tank Technologies

Schedule 1

Advanced Tank Technologies
Albuquerque, NM

	1999 Engineering Labor Cost			2000 Engineering Labor Cost			2001 Engineering Labor Cost			Total Manufacturing Labor	
Labor Category	Rate/Hr	Hours	Total	Rate/Hr	Hours	Total	Rate/Hr	Hours	Total	Hours	Total
Program Manager	$33.93	683	23,174	$35.63	760	$27,079	$37.41	507	$18,967	1,950	$69,220
Senior Engineer	26.39	1,200	31,668	27.71	900	24,939	29.10	700	20,370	2,800	$76,977
Junior Engineer	22.12	1,800	39,816	23.23	1,500	34,845	24.39	900	21,951	4,200	$96,612
Engineering Aide	14.50	1,800	26,100	15.23	550	8,377	15.99	50	800	2,400	$35,277
Technical Writer	16.00	--	--	16.80	--	--	17.64	900	15,876	900	$15,876
Metallurgist	18.95	1,900	35,815	19.79	1,200	23,748	20.78	700	14,546	3,800	$74,109
Draftsman	18.95	2,200	41,690	19.90	1,500	29,850	20.90	600	12,540	4,300	$84,080
Total Direct Labor -- Engineering											$452,151

	1999 Manufacturing Labor Cost			2000 Manufacturing Labor Cost			2001 Manufacturing Labor Cost			Total Manufacturing Labor	
Labor Category	Rate/Hr	Hours	Total	Rate/Hr	Hours	Total	Rate/Hr	Hours	Total	Hours	Cost
Fabrication	$10.85	400	$4,340	$11.39	600	$6,834	$11.96	600	$7,176	1,600	$18,350
Assembly	9.25	--	--	9.71	200	1,942	10.20	600	6,120	800	$8,062
Total Direct Labor -- Manufacturing		400	4,340		800	$8,776		1,200	$13,296	2,400	$26,412
Total Direct Labor			$202,603			$157,614			$118,346		$478,563
Direct Labor Overhead@ 56.7%			$114,876			$89,367			$67,102		$271,345

Note:

- All hours proposed are based on historical costs, reference contract DAAHo1-97-C-0001, account 9271
- The supporting data showing the historical hours and the development of the proposed hours are in file “DAAH01-99-R-0001, Hours” and is available immediately upon request.
- The direct labor rates are based on actual average rates as of 31 October 1998 and escalated 5 percent each year.
- The supporting data and rate calculations are located in file “DAAH01-99-R-0001, Direct Labor Rates” and is available immediately upon request.

Figure 1d -- Advanced Tank Technologies

Schedule 2

Advanced Tank Technologies
Albuquerque, NM
Proposal Submitted in Response to RFP DAAH01-99-R-0001

Shock Absorber
Bill of Material

Support	Qty (Note 4)	Unit Price	Total	Notes
Sheet Metal	1,600 sq. yd	$25.00	$40,000	(1)
Casings	750 pcs.	8.50	6,375	(2)
Plastics	7,500 pcs.	5.75	43,125	(1)
Springs	1,700 pcs.	4.00	6,800	(2)
Bolts	7,500 pcs.	2.25	16,875	(2)
Total Material			$113,175	
Material Overhead at 5.0%		$5,659	(3)	

Explanatory Notes

(1) These prices are supported by multiple vendor quotes. The proposed prices are those provided by the low bidder who was the ACME Corporation in their quotation dated 21 October 1998. The quotations are included in file "DAAH01-99-R-0001, Vendor Quotations" that are available immediately upon request.

(2) These prices are supported by the Halloween edition of the Springs R Us Catalog. This catalog is available for review in the pricing office.

(3) See Schedule 5.

(4) The proposed quantities are from the engineering drawings for the shock absorber. This drawing is located in file "DAAH01-99-R-0001, Engineering Drawing" and is immediately available upon request.

Figure 1e -- Advanced Tank Technologies

Schedule 3

Advanced Tank Technologies
Albuquerque, NM
Budget for Fiscal Year 1999 Labor Overhead
Actual Overhead Expenses for Fiscal Years 1996 through 1998

	Budget		Actual Expenses (Note 1)		
Overhead Expenses (Note 2)	**1999**	**1998**	**1997**	**1996**	
Indirect Payroll	$260,000				
Payroll Taxes	228,000				
Vacation	120,000				
Holiday	110,000				
Sick Leave	50,000				
Pensions	171,000				
Employee Morale	5,000				
Entertainment	50,000				
Office Equipment	7,000				
Depreciation	5,000				
Subscriptions	1,500				
Travel	22,000				
Miscellaneous	2,000				
Stationery	6,000				
Reproduction	17,000				
Maintenance	5,000				
Rent	202,000				
Telephone	11,000				
Insurance	102,000				
Total Pool	$1,374,500				
Less Unallowable Costs					
Entertainment	$ 50,000				
Net Allowable Expenses	$1,324,500				
Allocation Base					
Direct Labor	$2,336,000	(Note 3)			
Rate	56.7%	(Note 4)			

Explanatory Notes

(1) Provide the prior three years' actual overhead expense and allocation base in the same format as the budget for 1999.

(2) The projected overhead expenses are based on the company's operating budget for 1999. The operating budget supporting data is located in file "DAAH01-99-R-0001, Overhead Operating Budget" and is immediately available upon request.

(3) Includes Bid and Proposal Labor of $5,000.

(4) The same rate is estimated for fiscal years 2000 and 2001. We anticipate minimal inflation and a stable business base. The data and analysis supporting this assertion is located in file "DAAH01-99-R-0001, Overhead Forecast" and is immediately available upon request.

Figure 1f -- Advanced Tank technologies

Schedule 4

Advanced Tank Technologies
Albuquerque, NM
Budget for Fiscal Year 1999 G&A
Actual G&A Expenses for Fiscal Years 1996 through 1998

Projected G&A Expenses	(Note 2)	Less Unallowables	Net Allowable Expenses	1998	Actual Expenses (Note 1) 1997	1996
Payroll Taxes	$ 16,000		$ 16,000			
Officers' Salaries	165,000		165,000			
Indirect Salaries	21,000		21,000			
Interest	14,000	14,000	0			
Vacation	11,000		11,000			
Holiday	9,000		9,000			
Sick Leave	5,000		5,000			
Contributions	8,000	8,000	0			
Pensions	12,000		12,000			
Office Equipment	1,000		1,000			
Depreciation	2,500		2,500			
Travel	10,000		10,000			
Miscellaneous	2,000		2,000			
Legal Fees	7,000		7,000			
Accounting Fees	7,000		7,000			
Computer	17,500		17,500			
Rent	15,000		15,000			
Advertising	8,500	8,500	0			
Telephone	3,000		3,000			
Insurance	7,000		7,000			
Total Pool	$ 341,500	$ 30,500	$ 311,000			
B&P	8,500		8,500	(Note 3)		
Total G&A and B&P	$ 350,000	$ 30,500	$ 319,500			

Allocation Base		
Labor	$ 2,331,000	
Overhead	1,371,665	(Note 4)
Other Direct Costs	29,000	
Materials	250,000	
Material Overhead	12,500	
Total Base	$ 3,994,165	
Rate	8.0%	(Note 5)

Figure 1f -- Advanced Tank technologies (continued)

Explanatory Notes

(1) Provide the prior three years' actual G&A expenses and the allocation base in the same format as the 1999 budget.

(2) The projected G&A expenses are based on the company's operating budget for 1999. The operating budget supporting data is located in file "DAAH01-99-R-0001, G&A Operating Budget" and is available immediately upon request.

(3) Includes $665 B&P Travel ($5,000 + $2,835 + $665).

(4) Total Pool, excluding $2,835 allocated to B&P Labor ($5,000 x.567).

(5) The same rate is estimated for fiscal years 2000 and 2001. We anticipate minimal inflation and a stable business base. The data and analysis supporting this assertion is included in file "DAAH01-99-R-0001, G&A" and is available immediately upon request.

Figure 1g -- Advanced Tank Technologies

Schedule 5

Advanced Tank Technologies
Albuquerque, NM

Budget for Fiscal Year 1999 Labor Overhead
Actual Overhead Expenses for Fiscal Years 1996 through 1998

Material Handling Expenses (Note 2)	**Budget 1999**	**Actual 1998**	**Expenses 1997**	**(Note 1) 1996**
Purchasing Department	$10,000			
Receiving Department	2,500			
Total Expenses	$12,500			
Less Unallowable Costs	$ 0			
Net Allowable Expenses	$12,500			
Allocation Base				
Materials	250,000			
Material Overhead Rate (Note 3)	5.0%			

Explanatory Notes

(1) Provide the prior three years' actual material overhead expenses and allocation base in the same format as the budget for 1999.

(2) The projected material overhead expenses are based on the company's operating budget for 1999. The operating budget supporting data is located in file "DAAH01-99-R-0001, Material Overhead-Operating Budget" and is immediately available upon request.

(3) The same rate is estimated for fiscal years 2000 and 2001. We anticipate minimal inflation and a stable business base. The data and analysis supporting this assertion is located in file "DAAH01-99-R-0001, *Material Overhead-Forecast*" and is available immediately upon request.