

Independent Research and Development
and Bid and Proposal Costs
Incurred by Major Defense Contractors
in the Years 1993 and 1994

(Summary All Contractors)

* * * Prepared by * * *
Defense Contract Audit Agency

FOREWORD

This report presents the latest available Defense Contract Audit Agency (DCAA) statistics on the independent research and development (IR&D) and bid and proposal (B&P) costs allocated to defense contracts.

This report includes data on contractors and reporting divisions which meet the requirements of FAR 31.205-18(c)(2) for 1993 or 1994, or had \$70 million or more of annual auditable costs. This report also includes data on other defense contractors which did not meet the above criteria but had negotiated IR&D and B&P advance agreements in 1993. Contractors specifically excluded from this report are construction companies, educational institutions, foreign contractors and overseas operations of U.S. contractors, insurance companies, marine transport contractors, and military medical contractors, since these contracting activities generally incur nominal or no IR&D and B&P costs.

The IR&D and B&P cost data included in this report represents unaudited data obtained from the contractors accounting records. These costs will be audited during DCAA's annual audit of the contractor's incurred costs. The annual audit may disclose significant exceptions to the contractor's recorded IR&D and B&P cost data. The sales data was provided by the contractor and is also unaudited data. The sales data may not be directly comparable to the cost data as a result of the accounting method used by the contractor to recognize sales. For example, if the contractor uses the completed contract method to recognize sales, the entire sales amount for a contract would be recognized in the fiscal year in which the contract was completed, whereas the costs for the contract would be recognized in the years in which they were incurred.

The summary shows the totals of IR&D and B&P costs incurred by all the listed defense contractors during their fiscal years 1993 and 1994, the contractor claimed allowable amounts on all contractor work, and the contractor claimed allowable amounts on DoD contracts. The claimed allowable costs are subject to final audit.

SUMMARY OF INDEPENDENT RESEARCH AND DEVELOPMENT
AND BID AND PROPOSAL COSTS INCURRED AND SALES
ACHIEVED BY MAJOR DEFENSE CONTRACTORS

FOR CONTRACTOR FISCAL YEARS 1993 AND 1994

	1993 (IN MILLIONS)		1994 (IN MILLIONS)	
	INCURRED COSTS ALLOCABLE TO GOVT. & COMMERCIAL WORK	ALLOWABLE COSTS TO GOVT. & COMMERCIAL WORK	INCURRED COSTS ALLOCABLE TO GOVT. & COMMERCIAL WORK	ALLOWABLE COSTS TO GOVT. & COMMERCIAL WORK
Independent Research and Development (IR&D)	3,337	3,085	2,915	2,806
DoD Excluding Foreign Military Sales (FMS)		1,739		1,558
DoD FMS		165		168
Bid and Proposal (B&P)	1,962	1,864	1,719	1,648
DoD Excluding FMS		1,252		1,067
DoD FMS		95		75
TOTAL IR&D and B&P COSTS	5,299	4,949	4,634	4,454
SALES, TOTAL GOVERNMENT and COMMERCIAL for REPORTING UNITS	150,732		145,648	
Sales, DoD Excluding FMS	87,143		80,277	
Sales, DoD FMS	7,881		7,867	
SALES, TOTAL DoD	95,024		88,144	

Minor differences from amounts in detail report are due to intermediate rounding.

SUMMARY OF INDEPENDENT RESEARCH AND DEVELOPMENT
AND BID AND PROPOSAL COSTS INCURRED AND SALES
ACHIEVED BY MAJOR DEFENSE CONTRACTORS
WITH ADVANCE AGREEMENTS

FOR CONTRACTOR FISCAL YEAR 1993

1993	
(IN MILLIONS)	
INCURRED COSTS ALLOCABLE TO GOVT. & COMMERCIAL WORK	DOD SHARE OF ALLOWABLE COSTS
Independent Research and Development (R&D)	113
Bid and Proposal (B&P)	151
TOTAL IR&D and B&P COSTS	264

Minor differences from amounts in detail report are due to intermediate rounding.