Det 8, AIR FORCE RESEARCH LABORATORY AFRL/PK
INSTRUCTIONS FOR PREPARING BUDGETS
(ASSISTANCE)

1. Offerors shall:

a. Provide these Instructions to all lower tier offerors. Proprietary data from lower tier offerors may be submitted directly to the Government in accordance with Proposal Preparation Instructions in this announcement. For the purpose of these instructions, the terms "proposals" and "proposed" are synonymous with "budgets" and "budgeted".

b. Furnish Tables 1 through 4 (examples attached) for the entire performance period (supported by rationale required by paragraph 2) in hard copy and on CD as IBM PC compatible, Microsoft Excel, to include **all cell formulas**. Include a separate Cost Element Summary by Offeror Fiscal Year (OFY) for the basic and each option or task order as proposed. Identify when the offeror's fiscal year (OFY) begins and ends.

c. Provide the following information as the first page of the proposal for the **Prime and Each lower tier offeror**.

i. Name, title, telephone and fax numbers and e-mail address of offeror's point contact
ii. Amount proposed for basic effort and each option
iii. Name, address and telephone number of the cognizant DCMA and DCAA offices
iv. Name, title, signature of authorized representative
v. Date offer is submitted and expiration date of offer
vi. DUNS Number
vii. CAGE Code

2. Using the format in Table 1, submit a cost element summary by major cost element by OFY for each contract line item (CLIN) (i.e. basic period of performance and each option (if applicable) and/or Task, etc.). The detail required for each major cost element is described below. Address all cost elements applicable to the proposed effort and provide a narrative to support the basis of estimate.

a. Direct Labor. As part of Table 1, list the proposed hours, rates, and calculated amounts for each direct labor category by OFY, by CLIN. As part of the basis of estimate narrative, provide rationale for proposed hours and labor mix, and provide the base labor rates for each category. Identify the source of the base rates and explain the methodology used to project each rate for subsequent years. If applicable, identify the proposed escalation factors applied to future estimates and rationale for the proposed factors.

Note: If temporary or part-time labor is proposed, explain the differences between the pay rates for full-time and temporary or part-time workers, and the impact of those differences on the direct rates proposed. Identify all uncompensated labor (straight time and/or overtime) included in this cost element, and explain the impact of uncompensated time on direct rates proposed.

b. Indirect Cost Rates and/or Factors. As part of Table 1, list the proposed base, rate/factor and calculated amount for each indirect cost by OFY, by CLIN. As part of the basis of estimate narrative, identify **all** indirect cost rates/factors (such as fringe benefits, labor overhead, material overhead, G&A, Cost of Money (COM), etc.) and applicable allocation bases by OFY. If composite rates are used, provide the calculations used in deriving the composite rates. Identify the basis of proposed rates (e.g., rate agreements and date of agreement, bidding rates and submission date, actual rates and effective date, billing rates and approval date, etc.). **Note: Normally, neither G&A nor COM can be applied to costs that are included in the offeror's Independent Research and Development account.**

c. Lower Tier Offerors/Interorganizational Transfers (IOTs). Obtain budgets from each subcontractor and IOT (those actually performing labor hours) **using the same cost element breakout required for Table 1** for the basic, each option or task order(if applicable). Provide a list of anticipated Lower Tier Offerors/IOTs using Table 2. Perform and provide evaluation results of cost/price analysis of Lower Tier Offerors/IOT budgets. If decrement factors are used, explain their development and application. . **NOTE**: **Budgets (including Tables 1 thru 4) from all lower tier offerors are due by the closing date in this announcement.**

d. Material/Equipment. As part of Table 1, list material/equipment costs by OFY by CLIN. **Using Table 4**, provide a consolidated priced summary of individual material/equipment quantities and the basis for pricing (vendor quotes, invoice prices, etc.) by OFY by CLIN. For all items proposed, identify the item and show the source, quantity and price. As part of the basis of estimate narrative, provide information regarding the rationale/methodology used to derive the proposed material/equipment estimate.

e. Travel. As part of Table 1, list travel costs by OFY by CLIN. **Using Table 3,** separately identify costs for travel including the purpose and number of trips, origin and destination(s), duration, and travelers per trip by OFY by CLIN. Note that Table 3 is a summary format and may be expanded to include more detailed travel rate information and calculations. As part of the basis of estimate narrative, provide a listing of all proposed travel rates (if not already provided as part of Table 3). Provide the basis for the proposed travel rates and rationale for the proposed trips.

f. Other Direct Costs (ODCs). As part of Table 1, list ODC costs by OFY by CLIN. As part of the basis of estimate narrative, separately identify other direct costs to include consultants. Provide rationale for proposed other direct costs. Also, provide the source, quantity, price, and rationale for each of the proposed ODCs. If proposing consultants, ***provide consultant agreements*** to validate proposed rates and a determination by the offeror that the rate proposed is comparable to other consultant rates for work of similar nature. Substantiate the need for proposed consultant services.

g. *Cost of Money (COM). (Applicable only for subcontracts proposed.) Reference paragraph 2b above. Also, refer to FAR 52.215-16, Facilities Capital Cost of Money. Provide a schedule which contains proposed cost of money (COM) factors, if applicable, to include a display of all individual bases for the COM amounts. ***A DD Form 1861 for each OFY must be submitted if proposing COM.***

h. * Fee. **(Applicable only for subcontracts proposed.)** Reference paragraph 2b above. Identify proposed fee base and rate.

i. New Mexico Gross Receipts Tax (NMGRT). Reference paragraph 2b above. NMGRT may be applicable to the proposed effort. For assistance in determining the extent to which NMGRT may apply and applicable rates, contact the New Mexico Taxation and Revenue Department, 5301 Central Ave., NE, PO Box 8485, Albuquerque, NM 87198, (505) 841-6200, http://www.tax.newmexico.gov/All-Taxes/Pages/Gross-Receipts-Tax.aspx. Identify the cost elements and amounts included in the NMGRT base, if applicable. Demonstrate the method of calculating total tax dollars included in the proposal.

***Do not include these costs for assistance at any tier.**

TABLE 1
COST ELEMENT SUMMARY

NOTE: THIS IS A SAMPLE TABLE - ALL OFFERORS SHOULD PROPOSE IN ACCORDANCE WITH THEIR APPROVED ACCOUNTING PRACTICES.

COST ELEMENT	**OFY 1** BASE	**OFY 1** RATE	**OFY 1** AMT	**OFY 2** BASE	**OFY 2** RATE	**OFY 2** AMT	**TOTAL** BASE AMOUNT	**TOTAL** PROPOSED AMOUNT
DIRECT LABOR (List each direct labor category separately.)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
TOTAL DIRECT LABOR	XXXX		XXXX	XXXX		XXXX	XXXX	XXXX
TOTAL LABOR OVERHEAD	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
SUBCONTRACTS, IOTS, CONSULTANTS (List Separately)			XXXX			XXXX	XXXX	XXXX
MATERIAL			XXXX			XXXX	XXXX	XXXX
MATERIAL OVERHEAD	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
TRAVEL			XXXX			XXXX	XXXX	XXXX
ODCs			XXXX			XXXX	XXXX	XXXX
G&A	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
SUBTOTAL COSTS			XXXX			XXXX	XXXX	XXXX
COST OF MONEY** (See DD Form 1861)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
FEE**	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
TOTAL COST & FEE			XXXX			XXXX	XXXX	XXXX
NMGRT (IF APPLICABLE)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
TOTAL PRICE			XXXX			XXXX	XXXX	XXXX

SAMPLE

*****Submit a cost element summary by OFY for the basic, option or task order (if applicable) **for each year** of performance.
**Do not include these cost for assistance at any tier - Applicable only to proposed subcontracts

TABLE 2
LOWER TIER OFFERORS/INTERORGANIZATIONAL TRANSFERS & CONSULTANTS
PRICE SUMMARY

LOWER TIER OFFEROR'S NAME	SOW TASKS PERFORMED**	TYPE OF AWARD	LOWER TIER QUOTED PRICE	LOWER TIER COST PROPOSED BY PRIME	DIFFERENCE IF APPLICABLE
TOTALS					

******Identify Statement of Work or Work Breakdown Structure or provide a narrative explanation as an addendum.

TABLE 3

OFY	FROM	TO	PURPOSE	# TRIPS	# TRVLRS	# DAYS	TOTAL $

TABLE 4
BILL OF MATERIALS/EQUIPMENT

Item	OFY	Description	Qty	Unit Price	Total Price	Vendor/Source (Company Name, Website URL, Etc)	Basis of Estimate (Quote, PO, Eng Est, Etc.)
1			1	0	0		
2			1	0	0		
3			1	0	0		
4			1	0	0		
5			1	0	0		
6			1	0	0		
7			1	0	0		
8			1	0	0		
				TOTAL	0		

ATTACH THIS PAGE TO THE FIRST PAGE OF YOUR BUDGET

BUDGET CHECKLIST

Place a check by the appropriate items. Write "n/a" next to the item if not applicable.

In accordance with the Instructions For Preparing Budgets, the following is provided with our Budget:

__ EXCEL spreadsheets of all applicable tables, on CD ROM **WITH FORMULAS.**
Spreadsheets merely representing hard number inputs are not acceptable.

__ Cost/price analyses of all Lower Tier and IOT budgets

__ Fully disclosed Lower Tier and IOT proposals which includes Table 1 for each Lower Tier and IOT

__ Fully completed Table 1(s), by basic and each option (as applicable) by OFY

__ Fully completed Table 2(s), listing all proposed Lower Tier and IOTs by basic, option and (as applicable)

__ Fully completed Table 3(s), listing all proposed travel by basic, each option (as applicable) by OFY

__ Fully completed Table 4(s), listing all proposed material by basic, each option (as applicable) by OFY

__ Support for any proposed ODCs to include consultant agreements on all proposed consultants

__ Computations of any composite indirect rates or team labor rates