

**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 Instructions in the announcement. For purposes of these instructions, the terms "proposals" and "proposed" are synonymous with "budgets" and "budgeted".

b. Furnish Tables 1 and 2 for the entire performance period (supported by rationale required by paragraph 2) in hard copy and on a CD as IBM PC compatible, Microsoft Excel (Version 2003 or Excel compatible version) files, to include all cell formulas. Include a separate Cost Element Summary for each option proposed.

c. Provide a narrative that describes the work personnel identified in direct labor categories will perform.

d. Provide the following information as the first page of the proposal for the entire period of performance, including all options.

- i. Name, title, telephone/fax numbers, and e-mail address of offeror's point of contact,
- ii. Amount budgeted for basic period and each option,
- iii. Name, address and telephone number of the cognizant DCMA and DCAA offices,
- iv. Name, title, signature of authorized representative, and
- v. Date offer is submitted.

Offerors may use the format available from the Det 8, AFRL/PK point of contact to provide the above information.

2. Submit a cost element summary by major cost element for the basic period of performance and each option, if options are proposed, using the format in Table 1. The detail required for each of the major cost elements is described below. Address all elements of cost applicable to the proposed research and provide a narrative to support costs included in Table 1.

a. Direct Labor. Show each category of direct labor proposed on a separate row. When job classifications or position titles (e.g. "Senior Scientist", "Technician", or "Lead Engineer") are used, provide narrative descriptions of related qualifications, duties, and responsibilities as an attachment to the cost proposal. In supporting rationale, identify the source and explain the derivation of the labor rate proposed for the first year in each labor category, and explain the methodology used to project each rate for subsequent years. 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 the direct rates proposed.

b. Indirect Cost Rates and/or Factors. Identify when the offeror's fiscal year (OFY) begins and ends. Identify **all** indirect cost rates (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., Forward Pricing Rate Agreement and agreement date, 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), and Consultants. Obtain budgets from each lower tier offeror and IOT using the same cost breakout required for Table 1. Provide a list of anticipated lower tier offerors/IOTs/consultants using Table 2. Perform and provide evaluation results of cost/price analysis of lower tier offeror/IOT budgets. If decrement factors are used, explain their development and application. Substantiate the need for and cost of proposed consultant services. **NOTE: Budgets from all lower tier offerors are due by the closing date identified in this announcement.**

d. Material, Travel, and Other Direct Costs (ODCs). Separately identify costs for travel, material and other direct costs required to perform the basic period and each option. Provide a breakout of travel costs for each OFY including the purpose and number of trips, origin and destination(s), duration, and travelers per trip. Provide an itemized, priced list of all proposed equipment, materials and supplies for each OFY. . Provide information regarding the basis of estimates (i.e. vendor quotes, purchase orders, engineering estimates, etc). Provide a breakout and explanation of all other proposed ODCs by OFY.

e. *Cost of Money (COM). (Applicable only for subcontracts proposed.) 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. Submit a DD Form 1861 for each OFY.

f. *Fee. (Applicable only for subcontracts proposed.) Substantiate proposed fee.

g. New Mexico Gross Receipts Tax (NMGRT). NMGRT may be applicable to the proposed research. 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.state.nm.us/tax/>. Identify the cost elements and amounts included in the NMGRT base, if applicable. Demonstrate the method of calculating total tax dollars included in the budget.

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

**TABLE 1
COST ELEMENT SUMMARY [SAMPLE]**

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

*Submit a cost element summary for **each year** of performance.

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

**TABLE 2
LOWER TIER OFFERS/INTERORGANIZATIONAL TRANSFERS & CONSULTANTS
PRICE SUMMARY**

LOWER TIER OFFEROR'S NAME	SOW TASKS PERFORMED***	TYPE OF AWARD	LOWER TIER QUOTED PRICE IF CONTRACT	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.