

PROPOSAL DATA ITEM DESCRIPTION (PDID)

PDID - PCPD

PROPOSAL COST OR PRICING DATA

The purpose of this PDID is to obtain from the Offeror cost or pricing data, which supports the Offeror's, proposal for work anticipated in this solicitation.

INSTRUCTIONS: Provide cost or pricing data in accordance with the following:

1. REQUIREMENTS

A. Source of Requirements

1. The requirements to submit cost or pricing data flows down from the Buyer's prime contract with the Government. The details of these requirements are primarily contained in the Federal Acquisition Regulation (FAR) Subpart 15.403 – OBTAINING COST OR PRICING DATA.
2. It is the Buyer's policy to require cost or pricing data prepared in accordance with Table 15-2 of FAR subpart 15.408 – SOLICITATION PROVISIONS AND CONTRACT CLAUSES from each Offeror in the event that adequate competition does not exist. If it is determined that adequate price competition does exist, award will be made without requesting a Certificate of Current Cost or Pricing Data from the successful Offeror, otherwise a Certificate prepared in accordance with FAR subpart 15.406-2 will be required.

B. Threshold for Submission

1. All proposals expected to exceed \$550,000.
2. There are certain situations when information other than cost or pricing data will be requested for a proposal valued at less than the \$550,000 threshold: when some elements of supporting cost data are necessary to ensure the Seller's technical understanding of the scope of work; to assess the cost realism of the proposal; or with the objective of trying to prevent unrealistic "buy-ins". In these cases, the Seller will not be required to certify the data.

2. SUPPORTING DATA AND FORMATS

A. Format and Supporting Data

1. The instructions for submitting cost/price proposals when cost or pricing data are required are detailed in Table 15-2 of FAR subpart 15.408.

B. Public Law 87-653 - TRUTH IN NEGOTIATIONS

1. Public Law 87-653 imposes a duty upon the Offeror to submit and certify as accurate, complete and current all facts that a prudent Buyer or Seller would reasonably expect to affect price negotiations.
2. This requirement for the Seller to submit all pertinent facts includes, but is not limited to schemes, plans or processes that are contemplated to reduce costs.

C. Elements of Cost

1. The elements of cost are defined in Table 15-2 of FAR subpart 15.408 – SOLICITATION PROVISIONS AND CONTRACT CLAUSES.
2. The level of detail contained in the cost or pricing data supporting the proposal should be adequate to provide an understanding of the basis for the cost.

3. ACTIVITY OCCURRING AFTER PROPOSAL SUBMITTAL

A. Audit and Fact-Find

1. It is the Buyer's policy to use only fixed-price subcontracts in a competitive acquisition system.
 - a.) Where the Buyer is unable to develop competition, then the acquisition process must include fact-finding and negotiations prior to contract award in order to satisfy the requirements of "Truth in Negotiations" as detailed in FAR subpart 15.405- PRICE NEGOTIATION.
 - b.) Further, the Buyer may also need to conduct a fact-find, should the circumstances warrant, for proposals valued at less than \$550,000.
2. A survey of the submitted cost or pricing data will be conducted by the Buyer to determine the feasibility of conducting a desktop fact-find.
3. If the Buyer is unable to achieve a sufficient depth of understanding of the basis of the costs contained in the Offeror's proposal; the Buyer shall plan and schedule a fact-find trip to the Offeror's facility to conduct an in-depth review of the estimating rationale.
4. The Buyer shall establish a time-phased agenda for the fact-find, including identification of the persons traveling from BIW, and the persons being interviewed at the Offeror's site, when possible.
5. The Buyer may request additional supporting data from the Offeror to assist in the preparation of the agenda and interview questions.
6. The object of the fact-find is to provide the Buyer with an understanding of how the proposed costs were developed. It is this understanding that will allow the Buyer to develop a negotiating position.
7. At a minimum, the fact-find shall consist of the following tasks:
 - a.) review Offeror's estimating methodology;
 - b.) review estimator's experience;
 - c.) review Offeror's historic and proposed direct labor and burden rates;
 - d.) review proposed cost elements;
 - e.) review actual costs, as applicable;
 - f.) review material quotes/historic costs; and,
 - g.) exit interview and assign open action items.
9. Upon approval of the fact-find/audit results by BIW Materials Management, the Buyer shall schedule negotiations with the Offeror.
10. During negotiations technical discrepancies, exceptions to terms and conditions, schedule and pricing issues, if any, shall be resolved, with price negotiations being conducted at the cost element level. The Offeror is reminded that it is obliged to disclose all updated cost or pricing data and assumptions at the time of negotiations.
11. As soon as practicable after price agreement is reached, the Offeror shall execute a Certificate of Current Cost or Pricing Data, if Cost or Pricing Data was provided.
 - a.) The requirement and format for submission of the Certificate are contained in FAR subpart 15.406-2–CERTIFICATE OF CURRENT COST OR PRICING DATA.
 - b.) This Certificate covers the data originally provided as part of the proposal, as well as the data provided during the associated fact-finding audit and negotiations in accordance with Public Law 87-653 -TRUTH IN NEGOTIATIONS. This Certificate relieves the Offeror from having to revise the original proposal to reflect the results of the fact-find and negotiations.