

The Center for Naval Shipbuilding Technology



Center for Naval Shipbuilding Technology

Proposal Guide Supplement

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CNST Proposal Guide Supplement

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1 Preface

The U.S. Navy is in the process of modernizing the design, construction and repair process for current and future ship classes. The Center for Naval Shipbuilding Technology (CNST) is focused on facilitating and coordinating solutions that will help U.S. shipyards answer these competitive and technological challenges while concurrently building a more responsive and cost effective shipbuilding industry.

CNST projects are typically performed by builders and repairers of Navy ships as a result of manufacturing issues identified by those shipyards. Proposals submitted as a result of shipyard issue are submitted following the guidance of the CNST Proposal Guide. Occasionally, CNST must solicit solutions to ship manufacturing issues outside the shipyards. This Proposal Guide Supplement was prepared for those occasions to provide the industry with the information necessary for responding to solicitations issued by the Center. By better understanding the process, offerors will be better able to prepare proposals that satisfy the solicitation requirements, resulting in high quality proposals while improving preparation efficiency and reducing frustration.

2 Introduction

This Proposal Guide Supplement contains background material, guidance for the proposal preparation, and other forms and instructions required for responding to solicitations issued by CNST. This Guide is available on the Internet through the World Wide Web on the CNST home page <http://www.cnst.us>.

Keep in mind that this is a guide. While we have tried to thoroughly explain the process, regulatory guidance may require procedural changes. You are encouraged to contact the point of contact listed in the solicitation posting to obtain the latest information. We welcome any comments or suggestions you may have for improving the contents of this guide. Please address them to Director, CNST Program Office, ATI, 5300 International Blvd, Charleston, SC 29418.

3 Background

ATI manages the Center for Naval Shipbuilding Technology, which was established on June 30, 2003, to support the Navy's ongoing effort to develop and deploy advanced shipbuilding and repair manufacturing technologies. As one of the Navy ManTech Centers of Excellence, CNST provides a focal point for the development and transfer of new manufacturing processes and technologies. The Center's mission is to fund projects that will increase shipbuilding and repair productivity, reduce costs and cycle time and improve quality; benefits that will accrue not only to the Navy, but to industry as well.

CNST's current efforts are focused on affordability improvements for FORD-Class Aircraft Carriers, VIRGINIA-Class Submarines, the Littoral Combat Ship and DDG-51 Destroyer Restart efforts, with an annual 'platform of interest' update. The Center typically uses a national collaborative approach where project selection and planning are driven by industry input from private and public shipbuilding and repair yards. The objectives of these efforts are to reduce the risk and time to transition from specifically focused R&D to shipyard use in

production processes by selecting projects that meet the Navy's demand, selecting projects to which industry will commit, and for selecting projects with a viable implementation plan.

4 CNST Program Process Overview

4.1 Proposal Solicitation

The CNST Program will initiate the solicitation process after receiving concurrence to do so by ONR. Since the type and scope of the specific effort required will vary with each project, the CNST Program will employ the solicitation vehicle most suited to the circumstances. It is anticipated that in most cases, the solicitation will be in the form of a Request for Proposal (RFP).

4.2 Response Times

CNST Program solicitations will include a proposal due date. Proposals may be submitted anytime between the announcement and the due date. The proposal due date may only be changed through a formal modification (e.g., amendment) of the solicitation. Both the technical and cost proposals are due on the same date, as cost and technical proposals are reviewed concurrently.

The published proposal due date is firm. Late proposals will not be accepted.

4.3 Communication with the CNST Program

Proposers may address questions regarding the solicitation to the CNST Program Contracts Point of Contact (POC) identified in the solicitation until the proposal due date and time, after which, only the CNST Program Contracts POC may initiate correspondence regarding the solicitation.

4.4 Proposal Submission

Separate unbound, original, signed technical and cost proposals shall be provided to the CNST Program Contracts POC prior to the solicitation due date and time listed in the solicitation. In addition to the originals, four (4) unbound technical proposal copies and four (4) unbound cost proposal copies must also be submitted. Proposers must also provide an electronic copy of the technical and cost proposals on compact disks (CD), with files in Microsoft Word, Excel (required for Cost Proposal), or .PDF format.

4.5 Proposal Evaluation

4.5.1 General

In general, proposals are evaluated using the criteria described in Section 9; however, since circumstances surrounding each solicitation vary, specific evaluation factors may also be included in each solicitation. Technical and cost reviews are performed concurrently by

teams assembled for the specific solicitation. In most cases, non-CNST Program staff/personnel will assist in proposal evaluation. Conflict-of-interest and non-disclosure agreements are executed by all personnel handling proposals.

4.5.2 Technical and Cost Review (Critical Factors)

Proposals are evaluated by a Source Selection Team and each proposal is evaluated on a set of evaluation criteria determined by the CNST Program Manager. If the technical or cost proposal requires further information, clarification questions will be generated and forwarded to the proposer for response within a reasonable time.

4.6 Discussions and Final Proposal Revisions

The CNST Program reserves the right to make awards without discussion. While award without discussion is anticipated and the use of Final Proposal Revisions (FPRs) is not expected, the CNST Program reserves the right to negotiate the cost and scope of the proposed work with the proposers. For example, the CNST Program may request that the proposer delete from the scope of work a particular task or travel that is deemed to be inappropriate for CNST Program support.

4.7 ONR Approval

Following selection, when Technical and Cost evaluations are complete, the CNST Program provides the proposals, the evaluations, and the CNST Director's recommendation to the ONR Program Officer (PO) and Procuring Contracting Officer (PCO) for review and approval. ONR will inform the CNST Director of project approval and authorize the CNST Program to award the necessary contract(s).

4.8 Award Process

Once the ONR PO approves a proposal for award and proper authorization is provided by the PCO to ATI, the CNST Program will initiate an agreement with the selected proposer. Depending on the particular circumstances, the CNST Program will either issue a Task Order against an existing Task Order Agreement (if such an agreement is already in place) or will execute a subcontract. Once selected, proposers will be required to submit a Certificate of Current Cost and Pricing Data for awards over \$700,000

4.9 Contract

The contract used to fund the awards will be between ATI (as the CNST Program Administrator) and the proposer. In cases where more than one organization is on the project team, the CNST Program intends to contract with the project lead only. Proposers are advised to contact the CNST Program Contracts POC if they have any questions about the contractual requirements.

4.10 Government Furnished Equipment (GFE) or Government Furnished Property (GFP)

GFE/GFP is not expected in this program and should not be proposed except in rare cases. If GFE/GFP applies, appropriate terms will be included in the resultant Task Order or Subcontract.

4.11 Supplemental Information

4.11.1 Proposal Guide Supplement

Solicitation announcements reference a supplemental package (this document) that specifies the proposal submission requirements and provides additional proposal instructions not included in the announcement. The instructions provided herein contain useful and necessary information to help the proposer submit a competitive proposal.

4.11.2 CNST Program Web Page

Proposers are encouraged to access the CNST Program web page at <http://www.cnst.us> to review program information. The CNST Program may fund the resulting project on a task order basis; therefore the CNST Program strongly encourages potential proposers to review the sample task order agreement available within the "Contracting Vehicles" menu on the CNST Program web page prior to proposal submittal.

5 General Instructions for Proposal Preparation

Note: Always compare the Proposal Guide Supplement with the announcement instructions as individual solicitations may be tailored for some projects. Tailoring may differ somewhat from the instruction herein. Should that occur, proposers should comply with the proposal preparation instructions included in the solicitation.

The proposal submitted in response to a CNST Program solicitation is the primary vehicle available for receiving consideration for award. The proposal shall stand on its own merit. Only information provided in the proposal can be used in the evaluation process leading to an award. The proposal should be prepared simply and economically, providing straightforward, concise delineation of capabilities necessary to perform the work being proposed. The technical proposal shall be accompanied by a detailed cost proposal as cost and technical considerations are reviewed simultaneously.

Proposals containing data that is not to be disclosed to the public or data that is to be used by the CNST Program for evaluation purposes only shall include the following statement on their title pages:

This proposal includes data that shall not be disclosed outside ATI and/or the CNST Program (including the Technical/Cost Evaluation Teams) and the Government and shall not be duplicated, used, or disclosed, in whole or in part, for any purpose other than to evaluate this proposal and negotiate any subsequent award. If, however, a contract is awarded to this offeror as a result of, or in connection with, the submission of these data, ATI and the Government shall have the right to duplicate, use, or disclose these data to the extent provided in the resulting contract. If selected for award, the technical proposal can be used by ATI and/or the CNST Program staff, for purposes of project management and award negotiation. This restriction does not limit ATI's/Government's right to use the information contained in these data if they are obtained from another source without restriction. The data subject to this restriction are contained on sheets (insert page numbers or otherwise identify the sheets).

Each restricted data sheet should be marked as follows:

Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal or quotation.

The Technical Proposal can include charts, tables, graphs, and pictures (fixed pitch font of 12 or fewer characters per inch or proportional font point size 10 or larger), single-spaced, single-sided, 21.6 x 27.9 cm (8.5 by 11 inches). Smaller type may be used in figures and tables, but must be clearly legible. Margins on all sides (top, bottom, left, and right) should be at least 2.5 cm (1 inch). Proposers are advised that the number of pages should be commensurate with the degree of complexity of the proposed effort.

Proposers are strongly encouraged to build their proposal around any Pre-Bid Technical Documents, Bidder's conferences, RFPs, and/or any previously furnished CNST Program Question and Answer responses as well as the initial project request. Cost proposals have no page limitations and should include page numbers. **DO NOT SUBMIT ANY CLASSIFIED INFORMATION!**

A Cover Page is required on both the Technical Proposal (Volume 1) and the Cost Proposal (Volume 2), and must include the following information and statements:

<p>Name and address of proposer</p> <p>Title of proposal</p> <p>Volume 1 Technical Proposal <i>(OR Volume 2 Cost Proposal)</i></p> <p>Team Members</p> <p>Statement: "This proposal is submitted pursuant to (cite the solicitation title, reference number, and date)".</p> <p>Statement certifying that a cost and price analysis has been performed on all subcontractors/consultants and their proposed costs are found to be fair and reasonable (Cost Proposal Only)</p> <p>Amount proposed for basic effort and each option (Government and cost share as applicable – Cost Proposal Only)</p> <p>Duration of effort and start and end dates for offeror's fiscal year</p> <p>Names, telephone numbers, fax numbers and e-mail addresses of the technical person and business person, who may be contacted for evaluation or negotiation purposes.</p> <p>Name, address and telephone number of the proposers' cognizant contract administration and Defense Contract Audit Agency office (Cost Proposal Only)</p> <p>Dates of submission and signature of official authorized to obligate the institution contractually.</p> <p>Include proposal validity of 180 days and date the offer is submitted</p> <p>The proprietary data disclosure statement <u>(when proprietary data is included)</u></p>
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All first-time proposers must complete a "Representations and Certifications" document, W-9 Form, Small Business Form, and Electronic Funds Transfer (EFT) form, and return one signed original of each with its solicitation proposal submission. These items can be obtained at <https://contracting.ati.org>. "Representations and Certifications" are required to be updated annually at <https://contracting.ati.org>.

All Proposers must also complete a "Technical Data/Intellectual Property Disclosure and Assertion Form" and return one signed original with each solicitation proposal submission. To the extent known at the time of proposal submission, identify the technical data or computer software that you, your subcontractors or suppliers, or potential subcontractors or suppliers assert should be furnished to the Government with restrictions on use, release, or disclosure. Identify all noncommercial and commercial technical data and computer software that you, your

subcontractors or suppliers, or potential subcontractors or suppliers plan to generate, develop, and/or deliver in which the Government will acquire less than unlimited rights and assert specific restrictions on those deliverables utilizing the format following this paragraph. In the event that you do not submit the completed form, ATI will assume that the Government will automatically have "Government Purpose Rights" for a period of five (5) years from the date of award to all noncommercial and commercial technical data and computer software generated, developed, and/or delivered under any subsequent award resulting from this solicitation. In addition, it is understood that such rights will convert automatically to "unlimited rights" after such five (5) year period, notwithstanding any period of performance extensions that may result after an award is executed, unless otherwise agreed by the parties. If no restrictions are intended, then you should state "NONE."

Technical Data/Intellectual Property Disclosure and Assertion Form

In accordance with 252.227-7017, Identification and Assertion of Restrictions on the Government's Use, Release, or Disclosure of Technical Data or Computer Software, identify below all noncommercial and commercial technical data and computer software that you, your subcontractors or suppliers, or potential subcontractors or suppliers plan to generate, develop, and/or deliver in which the Government will acquire less than unlimited rights and assert specific restrictions on those deliverables.

The Offeror asserts for itself and the subcontractors/suppliers/persons identified below that the Government's rights to use, release, or disclose the following technical data or computer software should be restricted:

Technical Data, Computer Software To Be Furnished With Restrictions*	Basis of Assertions**	Asserted Rights Category***	Name of Person Asserting Restrictions****

*For technical data (other than computer software or documentation) pertaining to items, components, or processes developed at private expense, identify both the deliverable technical data and each such item, component, or process. For computer software or computer software documentation, identify the software or documentation.

**Generally, development at private expense, either exclusively or partially, is the only basis for asserting restrictions. For technical data, other than computer software documentation, development refers to development of the item, component, or process to which the data pertain. The Government's rights in computer software documentation generally may not be restricted. For computer software, development refers to the software. Indicate whether development was accomplished exclusively or partially at private expense. If development was not accomplished at private expense, or for computer software documentation, enter the specific basis for asserting restrictions.

***Enter asserted rights category (e.g., government purpose license rights from a prior contract; rights in SBIR data generated under another contract; limited, restricted, or government purpose rights under this or a prior contract; or specially negotiated licenses).

****Corporation, individual, or other person, as appropriate.

*****Enter "none" when all data or software will be submitted without restrictions.

Company _____
 Signature _____
 Printed Name and Title _____
 Date _____

6 Technical Proposal

6.1 Table of Contents

To ensure technical proposals receive proper consideration, **the technical proposal format shown below is mandatory**. If there are any items that are not applicable to a specific proposal, include the section topic in the proposal and annotate the section as not applicable with a short explanation as to why it is not applicable.

- Cover Page
- Table of Contents
- Executive Summary
- Summary Work Statement and Funding Plan
- Manhour and Material Cost Summary
- Appendices
 - 1) Project Plan
 - 2) Resumes of Key Personnel
 - 3) Letters of Commitment (if applicable)

6.2 Executive Summary

The Executive Summary allows proposers to briefly and concisely present the important aspects of their proposals to evaluators. The summary should include a brief description of the technology concept proposed and an organized progression of the work to be accomplished, without the technical details, such that the reader can grasp the core concepts of the proposed project design, construction and testing. The Executive Summary is limited to no more than two pages.

6.3 Summary Work Statement and Funding Plan

This section is a concise summary of the project schedule and costs (broken down by phase, if applicable). When more than one phase is proposed, include the following table (**mandatory**) as a summary of the costs and schedule:

	Project Phase		
	1	2	Total
Phase start date	1 Jan 2012	1 Apr 2012	
Phase completion date	31 Mar 2012	31 Dec 2012	
Duration (months)	3 mon	9 mon	12 mon
Funding	\$150,000	\$1,130,000	\$1,280,000

[Note: Phases are sequential, non-overlapping, and typically no longer than 12 months.]

6.4 Manhour and Material Cost Summary

Include a Manhour and Material Cost Summary broken down by project participant (organization) and major task. **This information must be consistent with the cost proposal**. Use the format in the following table (**mandatory**) for this information:

Manhour and Material Cost Summary Table

	Participant 1 Manhours	Participant 2 Manhours	Participant 3 Manhours	Total Manhours	Proposed Material Costs
Phase 1 Task 1					
Phase 1 Task 2					
Phase 2 Task 1					
Phase 2 Task 2					
Total					

6.5 Appendices

Appendix A - Project Plan: All proposals must include a Project Plan. See section 10 of this Guide for the format and instructions for completing the required plan. Appendix A shall be no longer than twenty-five (25) pages in length.

Appendix B - Resumes of Key Personnel: Include the resumes of key prime contractor, subcontractor and university personnel who will be assigned to and work on this project if selected. Indicate the fraction (percentage) of time each will devote to this project. Each resume must be less than two (2) pages in length.

Appendix C - Letters of Commitment: Include Letters of Commitment from key member companies/organizations. These letters shall not exceed one page in length and must reflect commitment (e.g., cost share, other donated services, etc.) to the project and not discuss technical information.

7 Cost Proposal

7.1 Introduction

The objective of the Cost Proposal is to provide sufficient cost information to substantiate that the proposed cost is realistic, reasonable, and complete for the proposed work. The cost proposal should provide enough information to ensure that a complete and fair evaluation of the reasonableness and realism of cost or price can be conducted and reflect the best estimate of the costs for the program. The cost proposal must support the information provided in the technical proposal (i.e. costs, dates and length of phases, etc.). The cost proposal is not restricted in length and shall provide cost information for all performance periods. **NOTE: Proposals that deviate substantially from these guidelines or that omit substantial parts or sections may be found unresponsive and may be eliminated from further review and funding consideration.**

All spreadsheets are linked and are password protected for ease of proposal preparation. Your company should utilize these cost formats, as they will provide the *maximum* amount of information with the *minimal* amount of input.

7.2 Instructions for Submission

Proposers must:

- a. Furnish one original signed Cost Proposal (unbound) and 4 unbound copies (5 total)
- b. Furnish an electronic copy of the Cost Proposal on a CD as a PC-compatible, Microsoft Excel file.
- c. Include a copy of subcontractor/team member proposals with your submission with **the same level of detail** as required for your proposal and as described in these instructions. Proposals should include:
 - 1) Labor Categories and hours specified
 - 2) Direct and Indirect Rates
 - 3) Material/Equipment Basis of Estimate summary and documentation
 - 4) Travel Detail and Justification
 - 5) Subcontractors/Consultants identified and supported
 - 6) Potential Award Fee (if applicable) not to exceed 8% of the proposed costs. The CNST project-specific solicitation to be issued by the CNST Contracts POC will state whether award fee is applicable.
- d. Provide the following information on the cover page of the cost proposal for the entire period of performance, including any options.
 - 1) Name, title, telephone and fax numbers and e-mail address of proposer's business and technical points of contact
 - 2) Amount proposed for basic effort and each option (Government and cost share as applicable)
 - 3) Name, address and telephone number of the Administrative Contracting Officer and Defense Contract Audit Agency offices for your organization

- 4) Name, title, and signature of authorized representative
 - 5) Indicate a proposal validity of 180 days and date the offer is submitted
 - 6) Start and end dates for proposer's fiscal year
 - 7) Statement certifying that a cost and price analysis has been performed on all subcontractors/consultants and their proposed costs are found to be fair and reasonable
- e. Include with the submission of the proposal, an indirect rate approval letter with the approval official's contact information, from the proposer's cognizant agency to show that the indirect costs used in this proposal are current and accurate. If the proposer does not include this letter, then the following information must be provided to ATI upon submission of the proposal.
- 1) Date on which indirect rates were approved
 - 2) Effective period of the approved rates
 - 3) Government agency that approved the subject rates
- f. If the proposer does not have approved indirect rates, then the proposer will have to prepare a package to substantiate direct and indirect rates. This package can be submitted in a sealed envelope marked proprietary for the Government's review or submitted to ATI for review. ATI will provide assistance as required to organizations that are unfamiliar with Government requirements in this area.
- g. Certified cost or pricing data will be required for awards **over \$700,000**
- h. A Small Business Subcontracting Plan (developed in accordance with FAR 52.219-9) is required for proposals exceeding \$650,000 and must be submitted as a separate section within the Cost Proposal. This requirement does not apply to small businesses.
- i. Provide these instructions to all subcontractors.

7.3 Cost Proposal Format Instructions

CNST Cost Proposal Formats in Microsoft Excel can be obtained from the CNST Program web page at <http://www.cnst.us> within the "Proposal and Contract Information" menu.

Submit the completed cost proposal formats as discussed below. The cost proposal formats have been constructed to require minimal input; however, monthly estimates are required in order to properly project Program funding requirements and expenditures. Please note that only the cells with blue colored font require input, and all other cells are password protected and are automatically computed. Please follow these instructions closely to eliminate any potential errors or misunderstandings. Cost Proposal Formats for periods exceeding twelve months can be provided upon request. E-mail Carlton.Roxbrough@ati.org to request tailored formats or to provide constructive feedback.

- 1) On the "**Roll-up**" worksheet, enter in the company name in the cell marked "**Company Name**". Enter in their respective cells, the **Name of the Project**, the **Name of Phase** and the total **Period of Performance** for each Phase. *This is the only input required on this worksheet at this time.*
- 2) Enter in the costs (and award fee, if applicable) for each Phase proposed on the corresponding Phase worksheet. For each Phase, input the cost at the task level. First, go to

the "Phase 1" worksheet and enter the following information in the "Phase 1: Task 1" section: **Name of Task** and **Period of Performance**, names of each **Labor Category**, and names of each **Subcontractor** (Note: **Labor Category** and **Subcontract** names will be populated in all other phases/tasks spreadsheets). Next, enter the associated **Direct Labor Cost** and **Labor Hours** for each category, the associated costs of the **Subcontractor/Team Members (by cost element)**, **Consultants** cost, **Material/Equipment** cost, **Travel** cost, **Other Direct Costs**, and **Indirect Costs**. (Note: *Consultants, Material/Equipment, Travel, and Other Direct Costs must match their respective detailed worksheets; see # 3, 4, 5, and 6 below. For Subcontractor/Team Member detail, see section 6.2 (c) above.*)

Repeat instructions for each additional proposed Phase.

Award fee can be entered as a summary amount by month on the "Roll-up" worksheet.

- 3) On the "**Consultants**" worksheet, enter in the following information: Name of Consultant's **Company**, Consultant's **Title**, **Total Labor Cost**, **Total Labor Hours**, **Total Travel Cost**, and **Function Description** (give a brief description of what the consultant is expected to provide for the proposed effort).
- 4) On the "**Material-Equip**" worksheet, enter in the following information: **Description** of the material, **Purpose/Justification** of the material/equipment, **Basis of Cost** (e.g., catalog price, quote, historical data, etc) used to derive the estimate, **Type of Equipment** in accordance with FAR 45 (see section 7.4.2), and **Cost** of material/equipment proposed (Note: If the total cost of material-equipment exceeds \$100k per year, select a sample of the items proposed and provide catalog price lists/quotes/prior purchase order to support the price for the items in the sample. All items with a unit price over \$10,000 regardless of the total cost for materials-equipment must be supported with a copy of catalog price lists/quotes/prior purchase orders).
- 5) On the "**Travel**" worksheet, enter in the following information: **Task** and **Quarter** in which the proposed travel will occur, **Travel Destination**, **Number of Persons Traveling**, **Number of Trips**, **Number of Days**, **Meals and Incidentals Expense** breakout (per day), **Lodging** expenses (per day), **Car Rental** (per day), **Air Fare** (per ticket), and **Purpose** of the travel proposed.

Travel requirements should be estimated using the Federal Travel Regulations (FTR) for per diem, travel and transportation allowances. Per diem and FTR links may be found at: <http://www.gsa.gov/portal/category/21287>

- 6) On the "**ODC's**" worksheet, enter in the following information: **Description** of the ODC's, **Purpose/Justification** of the ODC's, **Basis of Cost** used to estimate the ODC's, and **Cost** of ODC's proposed. (Note: *Proposers may be requested to provide a quotation, or show calculations for proposed ODC's exceeding \$10,000.*)

7.4 Material/Equipment Discussion and Guidance

When Material/Equipment is proposed, sufficient documentation and classification is required. Material/Equipment should be proposed only when needed for the project's success and completion. Capital equipment, identified by CNST as "Facilities" (as discussed in section 7.4.2), is an unallowable cost and will be removed from any resulting project award. Material/equipment that is not sufficiently documented or classified will be viewed as an unallowable cost and will be removed from any resulting project award. The following is CNST's guidance for proper Material/Equipment documentation and classification to ensure the proposed costs are reasonable and allowable.

7.4.1 Material/Equipment Documentation

Material/Equipment costs must be substantiated to establish that the proposed costs are real, reasonable, and accurate. (Note: If the total cost of material-equipment exceeds \$100k per year, select a sample of the items proposed and provide catalog price lists/quotes/prior purchase order to support the price for the items in the sample. All items with a unit price over \$10,000 regardless of the total cost for materials-equipment must be supported with a copy of catalog price lists/quotes/prior purchase orders).

Proposed costs are generally determined from the following estimation practices: prior purchases/historical cost, vendor quotations, or engineering estimates.

For prior purchases/historical costs, the following documentation is acceptable: internal purchase orders and other internal accounting documentation.

For vendor quotations, the following documentation is acceptable: vendor catalog price lists, vendor quotation letters/e-mails, online pricing, and other vendor support documentation.

For engineering estimates, the following documentation is acceptable: a detailed break-out of proposed costs to include (at a minimum) numbers of units and price per unit and acceptable documentation as identified for prior purchases/historical costs or vendor quotations.

7.4.2 Material/Equipment Classification

Material/Equipment must be classified into one of the following four categories: material, facilities, special test equipment, or special tooling. The definitions of the classification are in accordance with FAR 45 and are listed below.

"Material," means property that may be incorporated into or attached to a deliverable end item or that may be consumed or expended in performing a contract. It includes assemblies, components, parts, raw and processed materials, and small tools and supplies that may be consumed in normal use in performing a contract.

"Facilities," means property used for production, maintenance, research, development, or testing. It includes plant equipment and real property (see [45.101](#)). It does not include material, special test equipment, special tooling, or agency-peculiar property. These items are typically not reimbursed directly by the Government.

"Special test equipment," means either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract. It consists of items or assemblies of equipment including standard or general purpose items or components that are interconnected and interdependent so as to become a new functional entity for special testing purposes. It does not include material, special tooling, facilities (except foundations and similar improvements necessary for installing special test equipment), and plant equipment items used for general plant testing purposes.

"Special tooling," means jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, all components of these items, and replacement of these items, which are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services. It does not include material, special test equipment,

facilities (except foundations and similar improvements necessary for installing special tooling), general or special machine tools, or similar capital items.

8 Checklist for Submission of a CNST Program Proposal

The following items shall be included/adhered to in all proposals submitted to the CNST Program. Failure to submit the required documents and adhere to the requirements **MAY** result in the proposal being rejected.

Control No. (CNST Internal Use) **Project Title:** (CNST Internal Use) _____

- _____ 1. Technical and Cost Proposal in Separate Volumes
- _____ Technical and Cost Proposal electronic delivery on compact disks (CD), with submitted material provided in Microsoft Word, Excel or .PDF file format
- _____ An Original signed Technical proposal (unbound) and 4 unbound copies (5 total)
- _____ An Original signed Cost Proposal (unbound) and 4 unbound copies (5 total)
- _____ 2. One (1) original signed copy of each of the following documents:
- Representations and Certifications (required for first-time proposer or annual update, if applicable)
 - W-9 Form (required for first-time proposer only)
 - Small Business Form (required for first-time proposer only)
 - Electronic Funds Transfer (EFT) Form (required for first-time proposer only)
- _____ 3. An Original Signed "Technical Data/Intellectual Property Disclosure and Assertion Form" document (1 total)
- _____ 4. The following Sections/Tables are included in the Technical volume:
- _____ Cover Page in accordance with Section 5
- _____ Table of Contents
- _____ Executive Summary
- _____ Summary Work Statement and Funding Plan
- _____ Manhour and Material Cost Summary
- _____ Appendices
- _____ A. Project Plan (No more than 25 pages)
- _____ B. Resumes of Key Personnel (No more than 2 pages each)
- _____ C. Letters of Commitment
- _____ 5. The following mandatory Sections/Tables are included in Appendix A:
- _____ Date/Project Title/Cost/Performing Activity and POCs/Introduction
- _____ Technical Concept
- _____ Detailed Description
- _____ Team Members and Their Roles
- _____ Technical Plan
- _____ Statement of Work
- _____ Schedule

- _____ Milestones/Completion Criteria
- _____ Management Approach
- _____ Management and Technical Team
- _____ Related Proposals and Projects
- _____ Affordability
- _____ Software Development Plan (if applicable)
- _____ Technical/Design Reviews
- _____ Deliverables
- _____ 6. Project duration is within solicitation guidance
- _____ 7. The following information is included in the Cost volume.
 - _____ Proprietary Data Package
 - _____ Cost Proposal Formats – Electronic Copy (CD; PC compatible; Microsoft Excel Version 5.0 or higher)
 - _____ Complete Cover Page (in accordance with Sections 5 and 7.2.b)
 - _____ Indirect Rate Approval Information (in accordance with Section 7.2)
 - _____ Sufficient Cost Data provided (in accordance with Section 7, Cost Proposal Instructions)
- _____ 8. Format requirements (Font size, line spacing, margins, etc.) are in accordance with the published guidelines

9 Technical and Cost Evaluation Factors

9.1 Technical and Cost Review (Critical Factors)

Proposals are evaluated using the criteria described below in addition to each project's specific evaluation factors as listed in the solicitation, since circumstances surrounding each solicitation vary. Evaluation factors include Technical Merit, Affordability, Team Strength, Innovation, Management Plan, Cost Completeness, Cost Reasonableness and Cost Realism. The Individual Overall Assessment score of each proposal will be weighted, with Technical Merit and Affordability of equal and higher importance. The remaining evaluation factors are of equal, but lesser importance.

9.1.1 Technical Merit

This factor reflects the proposal's likelihood of solving the technical challenge (identified in the solicitation) and the degree of its impact on the defined focus area. Sub-factors include:

- Technical plans should be clear and concise, clearly identifying the core innovation, the technical approach, major technical hurdles, and the attendant risks with risk mitigation factors. The technical plan should be coherent, display reasonableness of the technical objectives and clarity of vision of technical objectives, and provide the degree to which the technical plan meets program goals. Note: do not interpret this discussion as a desire for only low risk proposals.
- Projects should have clear objectives, goals, and metrics that lead to a clear and viable implementation plan.
- Projects should show the necessary steps to reduce the risk associated with the effort, including the use of a systems engineering approach, if applicable.
- Adequacy of software development plan outline, if it is an element of the proposal.

9.1.2 Affordability

This factor reflects the degree to which the proposed technology concept minimizes acquisition and total ownership cost. The technology concept must be developed with the goal of developing a system that will be affordable for the Navy to procure and operate. Consideration will also be given to the following:

- Total Acquisition Cost: The degree to which commercial off-the-shelf (COTS) components and non-proprietary technology are used
- Operating Workload: The number of people, responsibilities, and special training required
- Maintenance Workload: The number of people, responsibilities, special tools, and special training required

9.1.3 Team Strength

This section should address the qualifications, capabilities, and experience of the proposed management team and technical personnel who will be assigned to carry out the project, including the overall management approach and team organization. Sub-factors include:

- The strength of teaming arrangements, clarity of task delegation, the chain of command, and the extent to which those responsible for the work have adequate authority and access to higher level management. The commitment of team members, the extent to which the proposer assigns highly qualified people to the project, and the priority given

to this work in relation to other company activities. Convincing evidence of commitment by team members is a key element of this factor.

- The qualifications, capabilities, and experience of the proposed management team and technical personnel who will be assigned to carry out the project. Evaluators will assess the proposing team's relevant experience for pursuing the technical plan. The team carrying out the work should possess an appropriate level of scientific/technical expertise and have access to the necessary research, fabrication, and assembly facilities.
- Past performance of the company or team members in carrying out similar kinds of efforts successfully, including technology application. Consideration of this factor in the case of a start-up company or new joint venture, will take into account the past performance of the key people in carrying out similar efforts.

9.1.4 Innovation

This factor reflects the innovativeness, quality and cost-effectiveness of the proposed technical design and its uniqueness with respect to current industry practice. Sub-factors include:

- Projects should press the state of the art while still having credibility with regard to technical approach.
- The enabling nature of the technology should be apparent.

9.1.5 Management Plan

This section should address the overall management approach and team organization. Sub-factors include:

- Overall project duration including discrete phases and associated metrics for making a determination to proceed from one phase or go/no-go decision point to another. Each phase will require milestones that relate to specific deliverables during the phase.
- Milestones or “observable technical events” mark the completion of a significant portion of the project. An appropriate number of milestones and criteria by which their completion will be determined should be provided by the proposer. For projects with multiple phases, identify the key metrics that will be used to make a determination to continue from one phase to another, or stop the project, commonly referred to as go/no-go metrics.
- Projects with only one phase do not require go/no-go decisions and associated metrics during the execution of the project phase. However, this does not preclude including go/no-go decision points and associated metrics where appropriate during the phase when significant task completion is required prior to commencing another task within the phase.

9.1.6 Cost

The objective of this area of evaluation is to assess the ability of the proposer to execute the proposed project with the financial resources proposed and to achieve project objectives. Reasonableness and completeness of estimates provided will be assessed by the Cost Evaluation Team. Summary cost data is provided to the Technical Evaluation Team to support their assessment of cost realism.

- **Completeness:** The following will be evaluated:

- The degree to which the proposers have provided all cost information requested in the solicitation.
 - * *Please note that rate and pricing information is required to properly perform the cost analysis of your proposal. If your company is unwilling to provide this information in a timely manner, your proposal will be lacking information that is required to properly evaluate the proposal, which will delay any subsequent award.*
- How well cost data is reconcilable.
- Substantiation of cost (i.e., supporting data and estimating rationale) for all elements.

- **Reasonableness**

A cost estimate will be considered “reasonable” based upon subjective judgments. To be considered reasonable, the proposer’s cost estimate should be developed from applicable historic cost data and fully supportable with assumptions, learning curves, equations, estimating relationships, etc., clearly stated, valid, and suitable. The proposer should show that sound rational judgment was used in deriving and applying cost methodologies. Appropriate narrative explanation and justification should be provided for critical cost elements. The overall estimate should be presented in a coherent, organized and systematic manner.

- **Realism**

Estimates are “realistic” when they are neither excessive nor insufficient for the effort to be accomplished. Estimates must also be realistic for each phase of the proposed project when compared to the total proposed cost. Determination will be made by directly comparing proposed costs with cost estimating relationships, comparable current and historical data, evaluator experience, available estimates, etc. Proposed estimates will be compared with the corresponding technical proposals for consistency.

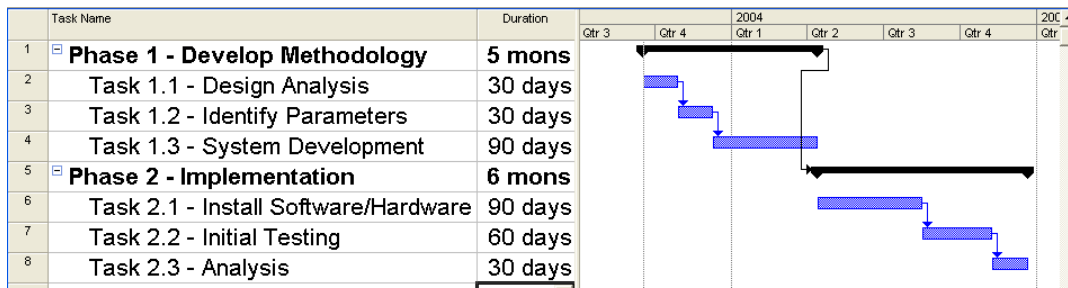
10 Sample Project Plan

As indicated in Section 6.5, a Project Plan, in the format specified below, shall be submitted as Appendix A to the Technical Proposal.

1. **Date:**
2. **Project Title:** Title of proposed project (from Issue Sheet, if applicable).
3. **Cost:** Budgeted cost, per year for each year of the proposed project.
4. **Performing Activity:** Project Team Members (company/research institution).
5. **Performing Activity POCs:** Technical and Contracting Points of Contact for the Project Team Leader (include name, address, phone, fax and email).
6. **Introduction**
7. **Technical Concept:**
 - a. **Detailed Description.** Provide an in-depth description of the proposed technology concept. Discussion shall include a description of how the technology concept proposes to meet the objectives and design requirements of the solicitation.
 - b. **Team Members and Their Roles.** Provide a summary table that identifies each project participant, their role and key contributions to the project, and their relative level of effort (as a percentage of total manhours) for the proposed effort. Use the following format to provide this information:

Project Participant	Role and Key Contribution	Relative Level of Effort
Company 111		30% (for example)
Company 222		20%
Company 333		25%
Organization aaa		15%
.....		10%
		100%

8. **Technical Plan:**
 - a. **Statement of Work.** Provide a concise, complete statement of work for the project. Describe the work that is going to be performed in executing this Statement of Work and how this will satisfy project tasking. It is not necessary to provide a detailed, step-by-step description of the methodology proposed for achieving the desired results.
 - b. **Schedule.** A top-level milestone chart is required showing the major tasks and schedule to meet the project objectives. Provide each major task identified in the SOW as a separate line on a Gantt chart style program schedule. Address overall project duration, including proposed phases. Each of the phases should include milestones that relate to specific deliverables during the phase. Phases must be no longer than one year and must not overlap. Ensure that the phases described in the technical proposal match those of the cost proposal. An example chart is shown below.



c. **Milestones/Completion Criteria.** Milestones are defined as “observable technical events” that mark the completion of a significant portion of the project. In this section, identify an appropriate number of milestones and criteria by which their completion will be determined. For projects with multiple phases, also identify the key metrics that will be used to make a determination to continue from one phase to another, or stop the project. Include a summary table in the format provided below.

	Milestone Number and Description	Completion Criteria	Metric for Go/No-Go Decision
Phase 1			Phase 1-to-Phase 2 Metric
Phase 2			N/A

9. **Management Approach.** Describe how the project will be organized and managed.

a. **Management and Technical Team:** This section should address the qualifications, capabilities, and experience of the proposed management team and technical personnel who will be assigned to carry out the project. Describe the past performance of the company or team members in carrying out similar kinds of efforts, including technology application, along with capabilities and relevant experience, previous or current relevant Research & Development work, and related contracts completed or in progress. Specifically, it should identify which tasks will be performed by which party, and why each team member/subcontractor, if any, was selected to perform its task(s). This section shall also identify shipyard involvement, Prime Contractor responsibilities, Team Member/Subcontractor(s) responsibilities, and any University or Other Support Effort. It should identify all key personnel. Provide resumes (no longer than 2 pages each) of key personnel in Appendix B. Provide solid evidence of commitment by team members. Letters of commitment should be included for key team member companies (these letters should be included as Appendix C. Describe any capabilities the team has that are uniquely supportive of the technology to be pursued. Key facilities and resources for proposed effort should also be identified.

b. **Related Proposals and Projects:** Discuss past performance experience with similar technologies and other proposals or projects that this proposal is dependent upon. Discuss the specifics of any co-dependency. Include proposer’s knowledge of other ongoing work and how the proposed effort differs from that work.

10. Affordability: Discuss methods in which the proposed technology concept and development minimizes acquisition and total ownership cost. The technology concept must be developed with the goal of delivering a system that will be affordable for the Navy to procure and operate. Key points to include in this section are:

- Discuss the degree to which COTS components and non-proprietary technology have been used in the concept design
- Discuss the degree to which the number of people and the special training required to operate have been minimized in the concept design
- Discuss the degree to which the number of people, special tools, and training required to perform maintenance have been minimized in the concept design

11. Software Development Plan: Any proposal that includes software development must provide a brief (one page or less) outline of the development plan explaining the proposed functionality, approach, interoperability, and methodology.

12. Technical/Design Reviews: The contractor shall perform quarterly reviews. This section will describe the intended reviews and identify when and where they will be conducted.

13. Deliverables: Specify the products that the CNST Program/ONR will receive during and at the completion of the project. Some examples of deliverables are test data, technical reports, and technology transfer media such as a video of the process.

- **Monthly Cost Summary:** Brief report detailing current expenditures, percent of work complete, and estimate to complete.
- **Monthly Technical Summary:** Brief report detailing programs technical status and progress.
- **Quarterly Report:** A concise project status report submitted via email to the Project Technical Representative and the CNST Program Manager. Reports are due by the 5th of the month following the end of a quarter (i.e., no later than January 5, April 5, July 5 and October 5). Each report must address the following:
 - **Accomplishments:** List major accomplishments in hard-hitting statements suitable for executive level presentations and public relations activities. When referring to specific deliverables, include the deliverable title (e.g., Interim Generic Report).
 - **Status and Issues:** Report whether the Technical Progress and Deliverables or Schedule and Cost are/are not on track. Include amplifying comments for items not on track.
 - **Actions:** Discuss actions planned / in progress to get project back on schedule, within cost, to resolve a technical or project team issue, etc.
 - **Plans for the Next Quarter:** List key activities and accomplishments planned for the coming quarter.
- **Go/No-Go Recommendations:** Before or at the end of each project phase the contractor will provide the Project Technical Representative documentation (by email) that supports a recommendation to continue or terminate the project based on the Completion Criteria

and go/no-go Metrics described in 8.c. Projects with only one phase do not require go/no-go decisions and associated metrics during the execution of the project phase. However, this does not preclude including go/no-go decision points and associated metrics where appropriate during the phase when significant task completion is required prior to commencing another task within the phase.

- Final Report: A final report must be received no later than the project end date. The final report should be submitted via email or an electronic copy must be mailed to the Project Technical Representative and the CNST Program Assistant. The final report will replace the last quarterly report due for the project, and should summarize the entire period of performance efforts and accomplishments. The final report should address the major accomplishments in hard-hitting statements suitable for executive level presentations and public relations activities. When referring to specific deliverables, include the deliverable title (e.g., Interim Generic Report).