



DIGITAL MANUFACTURING AND
DESIGN INNOVATION INSTITUTE

 a **UI LABS** Collaboration

Proposal Preparation Kit

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For the

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1 Record of Change

Version	Date	Sections	Description
Original	1-July-2014		
1.1	17-July-2014		Updated Membership Table with new version
1.2	14-August-2014	1 3.7 4.1 6 7.5	Added Record of Change section; updated numbering convention for all following sections Clarified eligibility for FFRDC and Government entity participation Updated graphic for new section numbering Deleted reference to nontraditional contractors Clarified pricing should be by cost element by quarter and not by task
1.3	20-August-2014	7.1 8.2	Added "Appendix C: Project Intellectual Property Management Plan" bullet Added that subcontractors may submit proprietary cost information directly to Consortium Manager in unique circumstances
1.4	26-September-2014	3.6.1 3.6.5 3.7.2 4.8 6 6 6 7.4 7.5 7.5 7.5 8.2	Added submission instructions Deleted Membership Table and added reference to on-line location for Membership Agreement and Cooperative Agreement Relocated section on foreign participation and updated to reflect current Membership Agreement Consolidated award information from multiple sections into one Added requirement to place "Source Selection Sensitive" to all submitted pages (cost and technical) Updated cover page instructions to require list of team members Added mention of Proposal Template Updated Cost Realism table Updated SOW requirements Consolidated IP Management Plan information from multiple sections into one Moved requirement here to include the Technical Data Rights/IP from with the IP Management Plan Added requirement for government approval prior to foreign travel

2 Introduction

This Proposal Preparation Kit (PPK) was prepared in an effort to provide industry, educational, and nonprofit organizations with the information necessary to prepare proposals in response to DMDII Project Calls. It is hoped that by documenting the requirements, Offerors will be able to prepare better proposals with less time investment - making for a higher quality and more efficient selection process with minimal frustration.

Keep in mind that this is a guide. While we have tried to thoroughly explain the process, regulatory guidance may require us to change our procedures. You are encouraged to contact the point of contact (POC) listed in the DMDII Project Planning Document to obtain the latest information.

This PPK contains background material, guidance for the preparation of proposals to DMDII, and other required forms and instructions. This PPK is available on the DMDII website at <http://www.dmdii.org>. Notices announcing DMDII competitions and proposal due dates will be posted on the DMDII website at the time each solicitation is announced.

We share a common goal - to provide the best possible research and development efforts in the area of digital manufacturing and design innovation. We hope this guide makes it easier to achieve this goal by facilitating the overall DMDII Project Call process. We welcome any comments or suggestions you may have for improving the contents of this guide. Please address them to the DMDII Consortium Manager, SCRA Applied R&D, via email at DMDII@scra.org.

2.1 Background

In March 2012, President Obama announced a major, new initiative focused on strengthening the innovation, performance, competitiveness, and job-creating power of U.S. manufacturing called the National Network for Manufacturing Innovation (NNMI). During his 2013 State of the Union Address, the President indicated his intent to establish three NNMI institutes in 2013 to bring together industry, academia and Government agencies to accelerate innovation by investing in “industrially-relevant manufacturing technologies with broad applications.”

One of the three institutes envisioned in this 2013 announcement was the Department of Defense (DoD) led Digital Manufacturing and Design Innovation Institute (DMDII). Modeled after similar public-private research and development (R&D) collaborations in the U.S. and abroad, the DMDII was established as a national resource to focus on enterprise-wide utilization of the “digital thread,” enabling highly integrated design and manufacturing of complex products at reduced cost and time. The digital thread captures and utilizes information generated from concept development and design to analysis, planning, manufacturing, assembly, maintenance and disposal.

The DMDII (also referred to as the Institute) was formally established as a result of a Cooperative Agreement between UI LABS and the DoD on February 21, 2014. It is an independent, self-governing program within UI LABS. UI LABS is an organization specifically designed to pursue and manage the collaborative public-private research initiatives like the DMDII.

UI LABS has selected Advanced Technology International, dba SCRA Applied R&D as the Consortium Manager to negotiate, execute and administer the affairs of the DMDII at the direction of the Executive Board, the Executive Director and the Senior Director of Operations. As such it will act solely on behalf of UI LABS (not as an agent of any DMDII consortium member).

2.2 DMDII Mission

The DMDII will transform American manufacturing, fully integrating the digital thread across the manufacturing enterprise to reduce overall manufacturing costs, stabilize and grow the manufacturing industrial base, and improve U.S. competitiveness.

Specifically the DMDII will:

- Become a national resource to:
 - Focus on complex issues in manufacturing
 - Develop solutions to offset the risk to the industrial base in adopting new technologies
 - Improve U.S. manufacturing competitiveness
- Focus on enterprise-wide utilization of the digital thread to:
 - Enable highly integrated manufacturing and design of complex products
 - Reduce cost and time
 - Accelerate market place penetration of new products
- Initiate a paradigm shift in the development, production and sustainment of complex systems by accelerating the design-to-production timeline at reduced costs
- Apply digitally networked and synchronized processes and tools that will:
 - Result in an open and collaborative environment
 - Sustain and enhance retention of supply chain knowledge
 - Improve the capability to affordably produce low-volume, varying-demand complex systems

3 Project Call and Proposal Process Overview

3.1 Purpose and Definitions

DMDII Project Calls are issued to announce research and development project needs in digital design and manufacturing technology that are aligned with the technical objectives of the Institute. The Project Call process will invite specific proposals to implement new or improved digital manufacturing processes, methods, techniques or equipment into the DMDII domain with a firm requirement that projects must directly address the DoD program office priorities consistent with the Institute's Strategic Investment Plan (SIP). DMDII Project Calls will occur as notices posted on the DMDII website.

A Project Call is used when the Institute desires new and creative solutions to problems and/or advances in knowledge, understanding and technology for digital manufacturing and design. The purpose of the Project Call is to solicit proposals for projects in the area of Advanced Manufacturing Enterprise (AME),

Intelligent Machines (IM) and Advanced Analysis (AA), as well as other areas that are of interest to DMDII and/or other government agencies. Project Calls will reference Project Planning Documents.

A Project Planning Document (PPD) is a description of a request to accomplish a technology objective, as defined by the Institute, the DoD and other stakeholders. A PPD will be created and vetted for each need (project) and will include such information as desired benefits, technical scope and deliverables.

A Proposal Preparation Kit (PPK), this document, describes the detailed requirements for preparing and submitting a technical and cost proposal for the project to accomplish the technology objective as described in the DMDII Project Call PPD.

3.2 Characteristics

The characteristics of the Project Call process are as follows:

- DMDII encourages creative and unique ideas by giving Offerors the flexibility to propose solutions to stated technology objectives;
- DMDII may choose to procure all, part or none of an Offeror's proposal; and,
- DMDII, the Government and key stakeholders collaborate to define the Statement of Work (SOW).

3.3 Project Call Publication

The DMDII Project Call posted on the DMDII website represents the official notification to Offerors of a funded DMDII-research and development effort.

The DMDII Project Call PPD will include a POC who can provide additional assistance if needed. Offerors are encouraged to make contact with the listed individuals for necessary clarifications. The areas discussed in the following sections are intended to provide the basic information necessary for assembling complete and compliant proposals and to help explain those areas that usually generate the most questions from Offerors.

3.4 Solicitation Revisions

Amendments to a DMDII Project Call may be used to extend proposal due dates or clarify requirements. They may be used to change or modify existing minor technical requirements. A new DMDII Project Call may be issued and the old one rescinded if the requirements change substantially. Offerors should carefully monitor the DMDII website subsequent to the original posting, up to the time of the proposal due date. Any revision will appear in the same section of the website as the original solicitation.

3.5 Consortium Manager

The Government intends to use the DMDII Consortium Manager, SCRA Applied R&D, to assist in the processing of Offeror proposals to DMDII Project Calls. SCRA Applied R&D will oversee collection and cataloging proposals, as well as conducting cost analyses. SCRA Applied R&D has entered into a management services agreement with UI LABS that incorporates a proprietary information agreement

requiring SCRA Applied R&D to protect DMDII proprietary information. SCRA Applied R&D shall take the necessary steps to protect all proprietary proposal information and shall not use such proprietary information for purposes other than the evaluation of an Offeror's proposal and the subsequent contract administration, if the proposal is selected for award. An Offeror's submission of a proposal under this DMDII Project Call process indicates concurrence with the aforementioned SCRA Applied R&D role and responsibilities.

3.6 Supplemental Information

3.6.1 Submission Instructions

Proposal submissions should be made electronically to DMDII@scra.org. Please include the Project Call designation (e.g., "DMDII-14-<xx> – <Project Call Title> - <Offeror Name>") in the subject line of the email.

In the rare circumstance in which an Offeror is prohibited from submitting Proposals via email, the Offeror shall contact the DMDII Consortium Manager to coordinate an alternate submission method. This contact shall be made with sufficient advance notice to allow for on-time submission.

3.6.2 Proposal Preparation Kit

All DMDII Project Call PPDs will reference a supplemental package (this document) that specifies a complete list of proposal preparation requirements and provides additional proposal instructions.

3.6.3 DMDII Website

Offerors are encouraged to access the DMDII website (<http://www.dmdii.org>) to review program information.

3.6.4 Proposal Validity

DMDII proposals are deemed valid for a period of 180 days from the date of proposal submission unless otherwise specified by the Offeror(s).

3.6.5 DMDII Membership Details

The DMDII Membership Agreement (MA) and the Cooperative Agreement between UI LABS and the Government can be found at <http://www.dmdii.org>.

3.7 Eligibility

3.7.1 DMDII Membership

Only those members of the DMDII Consortium who have executed the DMDII Membership Agreement (MA) and are deemed to be “Members in Good Standing” by the DMDII Executive Board prior to an award of funding date for proposals will be eligible to receive an award. Awards resulting from Project Calls cannot be made to Offerors who are not “Members in Good Standing” of the DMDII Consortium. If an Offeror consists of a team of organizations, each participant organization must be a “Member in Good Standing” of the DMDII Consortium by the award of funding date for their proposal to qualify for award. An Offeror team that submits a proposal prior to all constituent team members executing their respective MAs does so solely at its own risk. Neither SCRA Applied R&D, UI LABS, DMDII, nor the Government has any responsibility for costs associated with any proposal submission.

Being a DMDII member organization in “good standing” requires that an entity:

- Meet eligibility criteria listed in the DMDII MA and any subsequent amendments or Executive Board resolutions;
- Agree to the terms and conditions set forth in the MA as indicated by signing the MA; and
- Pay, in full, any outstanding DMDII dues and/or assessments.

If, at the time of proposal submission, Offerors have not yet executed a DMDII MA, they must certify on the cover page of their proposals that, if selected for award, they will take all necessary steps to complete a DMDII MA prior to award execution.

If, at the time of proposal submission, Offerors have executed a DMDII MA, they must state on the cover page of their proposal that, if selected for award, it is anticipated that the proposed effort will be funded under its executed DMDII MA.

Federally Funded Research and Development Centers (FFRDCs) and Government entities (Government/National laboratories, military educational institutions, etc.) are subject to applicable direct competition limitations and cannot propose to Project Calls in any capacity unless they address the following conditions:

- FFRDCs or Government entities may not lead project teams or exclusively team on any specific project team.
- FFRDCs must clearly demonstrate that the proposed work is not otherwise available from the private sector and must also provide a letter on letterhead from their sponsoring organization citing the specific authority establishing their eligibility to compete with industry and propose to solicitations utilizing Government funding.

Government entities must clearly demonstrate that the work is not otherwise available from the private sector and provide written documentation citing the specific statutory authority (as well as, where

relevant, contractual authority) establishing their ability to propose to solicitations utilizing Government funding.

3.7.2 Notification of Participation by Foreign Firms

As required by the U.S. Government, membership in the DMDII shall be granted only to U.S. companies, firms, organizations, institutions or other entities organized or existing under the laws of the United States, its territories, or possessions (as defined in Section 120.15 of International Traffic in Arms Regulations, 22 CFR § 120 et. seq. (“**ITAR**”)).

Membership (or participation in individual project teams without membership status) to any agency or instrumentality of a foreign government and companies, firms, organizations, institutions, or other entities not organized or existing under the laws of the United States (as defined in Section 120.16 of the ITAR) shall be granted on a case by case basis at the sole discretion of the Executive Board upon approval of the U.S. Government. In such event, all members will be notified immediately of the foreign entity’s role and its ITAR status.

If Member is a Corporation with subsidiaries or affiliates, its membership will include its wholly-owned and controlled and majority-owned and controlled U.S. subsidiaries and affiliates who qualify as a U.S. person under Section 120.15 of the ITAR.

A Member may transfer Technology developed with U.S. Government funding and to which it is entitled under this Membership Agreement to its foreign subsidiary or foreign affiliate subject to the applicable U.S. export laws and regulations including without limitation the provisions of the Export Administration Act of 1979 as amended (50 U.S.C. et seq.), the Arms Control Act, Department of State Regulations, Department of Commerce Regulations, ITAR (22 C.F.R. 121 et seq.), the DoD Industrial Security Regulations (DoD 5220.22-R) and the Department of Commerce Export Administration Regulations (15 C.F.R. Part 770 et seq.) (EAR).

A Member may transfer Technology developed with U.S. Government funding and to which it is entitled under this Membership Agreement to a Foreign Person as defined under Section 120.16 who is not a foreign subsidiary or foreign affiliate only after the Member first obtains approval of the Executive Board and the U.S. Government’s Agreement Officer for the Cooperative Agreement and complies with applicable U.S. export laws and regulations including without limitation the provisions of the Export Administration Act of 1979, as amended (50 U.S.C. et seq), the Arms Control Act, Department of State regulations, Department of Commerce Regulations, ITAR (22 CFR Part 121 et seq.), the DoD Industrial Security Regulation (DoD 5220.22-R) and the Department of Commerce EAR (15 CFR Part 770 et seq.)

3.8 Communication with the DMDII and Government Program Office

Offerors may address questions in writing to the POC identified in the DMDII Project Call. The Consortium Manager will forward the questions to the appropriate DMDII and/or Government POC, and answers will be published on the DMDII website and if appropriate via Project Call amendments.

3.9 Final Proposal Revisions

The DMDII and/or the Government, through the Consortium Manager, reserve the right to negotiate the cost and scope of the proposed work with the Offerors that have been selected to receive awards. For example, DMDII may request that the Offeror revise the statement of work (SOW) to better align with Project Call requirements.

3.10 Contractual Vehicle

DMDII projects selected for award will be funded under the DMDII Cooperative Agreement between UI LABS and the Government. All contractual negotiations on behalf of the Institute will be executed by the Consortium Manager. The Consortium Manager will issue a Project Subagreement to the DMDII Member after a DMDII Membership Agreement has been executed. The provisions of the Cooperative Agreement shall be applicable to each funded DMDII project. Project Subagreements will be Cost Reimbursement/Cost Share agreements. Proposals without an affirmative response to the cover page certification of agreement to abide by the terms and conditions of the current DMDII Membership Agreement may be **subject to elimination** during screening. If the Offeror has already executed a DMDII Membership Agreement, then the Offeror must state on the cover page of its proposals that, if selected for award, it is anticipated that the proposed effort will be funded under its executed DMDII Membership Agreement.

Offerors should periodically visit the DMDII website for potential updates. Offerors are advised to contact the contractual POC (or SCRA at DMDII@scra.org) listed in the DMDII Project Call PPD if they have any questions on this requirement.

4 Proposal Evaluation, Selection, and Award

4.1 General

One of the DMDII's primary functions is to pursue rapid commercialization of digital manufacturing technology from TRL 4-7. It will accomplish this primarily by conducting DoD and industry-relevant applied research projects. Enterprise-wide projects develop and transition technology to meet needs of multiple DMDII stakeholders, while corporate interest projects support company-specific needs.

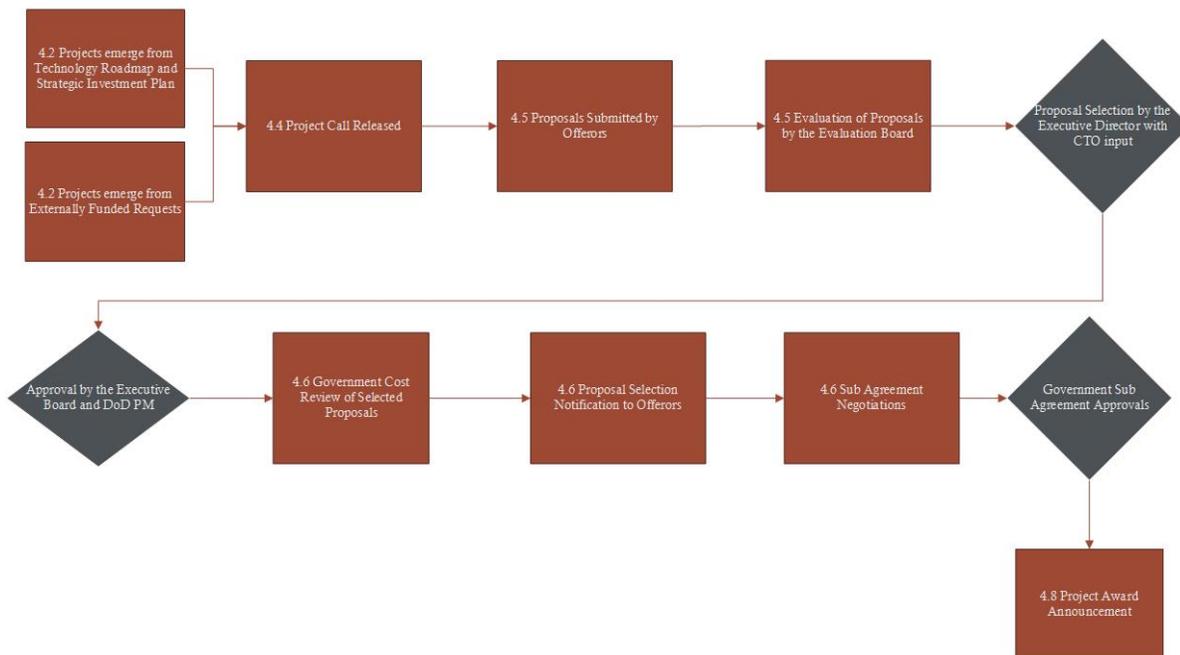
The DMDII will employ competitive processes to act as an objective agent for project solicitation and review, balancing the potential for commercialization with investment risk and alignment with Institute objectives.

The DMDII model is based on a concept of operations that is a proven, successful method for soliciting, selecting, and awarding cost-shared applied R&D projects. The Institute will manage and focus digital thread applied R&D funding on technologies that will reduce time and cost of the product development cycle. The public-private partnership approach provides a collaborative framework to improve digital thread-related technical and business processes and speed implementation into the marketplace.

The greatest portion of industry and government funding for this Institute is invested in applied R&D projects. A key design aspect of the DMDII is the collaborative framework and proactive distribution of knowledge gained through projects and studies throughout industry. Teams consisting of multiple industrial partners, suppliers, academia, and other supporting organizations are encouraged. Periodically, at the request of DoD or industry, ad hoc groups may be established to focus efforts on specific target areas in the digital design and innovation arena. These ad hoc groups are quickly instituted to include key stakeholders of the focus area, carry out their task and are then disbanded when required actions are complete.

The selection process for awards (as outlined below) is a multi-step, formal source selection process based on the evaluation factors disclosed in DMDII Project Call PPDs.

DMDII Project Life Cycle



4.2 Project Origination

Three distinct types of projects are currently envisioned by the Institute to carry out its R&D mission. The first is an enterprise project that emerges from the Institute’s established Technology Roadmap and SIP. These projects will utilize government funding and Institute funding. They will also require a minimum of 1:1 cost-share from project executors. The SIP is the representation of a strategy to conduct

research and development in directions and on specific technologies that are identified in the Institute's Technology Roadmap. As such, the SIP directs the project topic selection process for enterprise R&D projects that emerge from the Institute. SIP objectives are carried out by industry and academia through the execution of projects, panel meetings and conferences, dissemination of project results and the implementation of technologies and processes.

The second type of project is an enterprise project that emerges from an external stakeholder's requirements, but aligns with the Institute's technical mission and goals. These projects will primarily be funded by the external stakeholder, but may incorporate Institute funds, and will require a minimum of 1:1 cost-share from project executors.

The third type of project is a corporate interest project focused specifically on applying technology to a specific company's implementation challenge. These projects are fully funded by the project executor and have the unique feature of producing intellectual property that will not necessarily be accessible to the other members of the DMDII consortium. Corporate interest projects are not subject to solicitation, and therefore are not supported by this document.

4.3 Solicitation Preparation

DMDII will periodically solicit proposals for applied research and technology development to meet the goals outlined in the SIP, and by key external stakeholders. The DMDII will initiate and coordinate development of a PPD by engaging Technology Advisory Committee members, DoD points of contact, and other stakeholder parties. The PPD will include: an executive summary; background and technology summaries; a description of proposal requirements; evaluation criteria; a list of specific project deliverables; and necessary supporting appendices.

The DMDII will get review and buy-in from critical stakeholders to ensure they concur with the R&D approach articulated in the PPD. For projects that emerge from the Technology Roadmap and SIP, the corresponding PPD will be reviewed and approved by the TAC and DoD PM to ensure the project aligns with Institute needs and requirements. For projects that emerge as a result of external stakeholder funding, the PPD will be reviewed and approved by the external stakeholder and DoD PM to ensure alignment with both the Institute's and stakeholder's requirements. Corporate interest projects do not have solicitations.

For all solicitations, the following supporting information for proposers will be contained in the PPK (this document): Representations and Certifications, Performance Criteria, Evaluation Criteria, Legal Review requirements, Proposal Instructions and Terms and Conditions.

4.4 Solicitation Release

DMDII solicitations will invite specific proposals to implement new or improved digital manufacturing processes, methods, techniques, or equipment into the DMDII domain, with a firm requirement that projects must directly address the DoD priorities consistent with the PPD. Proposals will be solicited via Project Calls disseminated via the DMDII website. The solicitations may be single or multi-topic requests

as appropriate for the solution set sought. Project Calls may also be released to the public via press release, special industry notices and by email to DMDII membership lists in order to promote knowledge and transparency about the Institute's operations as well as to encourage additional membership.

To the degree necessary, bidders' conferences and pre-proposal workshops may be conducted. Information on conferences and workshops will be included in the PPD.

Proposal preparation times are anticipated to range between 30 to 90 days, but can be adjusted outside these bounds if the nature of the problem and scope of the Project Call dictates.

4.5 Proposal Evaluation

Any DMDII consortium member, or potential member pending application approval, may submit proposals individually or as a team with other consortium members to Project Calls. The Institute will organize, facilitate, and execute a rapid, but thorough process to solicit and evaluate proposals and ultimately recommend them for approval by the Executive Board. Projects including government funding also require approval of the DoD DMDII Program Manager (DoD PM).

Proposal evaluation will be conducted by a Proposal Evaluation Board (PEB), which will be recommended by the Executive Director to the Executive Board for formal appointment. The PEB will consist of members of the Technical Advisory Committee, key government stakeholder representatives (when appropriate), and recognized experts from industry and academia. Institute representatives, such as the Director of Program Management and Integration as well as the Project Manager, may participate in and lead evaluation committee meetings as non-voting members. All members of the PEB will need to meet strict standards of personal and organizational conflict of interest.

Prior to the PEB meeting, a group of technical subject matter experts appointed by the Technical Advisory Committee will review all proposals to generate supporting analyses on technical content for consideration by the evaluation board. In addition, a team of financial and cost evaluation experts will conduct preliminary analysis on the cost sections of each proposal for consideration by the evaluation board. The PEB will meet to conduct a formal review of each proposal, utilizing the supporting analyses as necessary. Each proposal will be evaluated on its own merits utilizing the evaluation criteria provided below (and in greater detail in the PPD) and a 100 point scoring scheme. In addition to providing an overall score, the PEB will also determine selectability of each proposal considering all factors. It should be noted that this selectability determination is independent of the total evaluation score, as a poor standing in an evaluation factor critical to overall success can make a proposal non-selectable, despite relatively high scores on other evaluation factors. The PEB will forward a list of all proposals "selectable for award" with associated evaluation scores to the Executive Director.

4.5.1 Evaluation Criteria

All DMDII projects will be evaluated utilizing the following top-level evaluation factors:

- Technical Approach

- Management Plan
- Innovation
- Team Qualifications
- Cost Factors

Each PPD will provide a specific breakdown of these factors into sub-factors, as well as a written detailed description of how the PEB will determine a proposals accomplishment. The scoring scheme allows for a total of 100 points. Point distribution across evaluation factors and subfactors is provided in each PPD. However, Technical Approach will always have a greater point total than Management Plan, while both Technical Approach and Management Plan will each have a greater point total than Cost Factors.

4.6 Selection and Award

The Executive Director, with the consultation of the Chief Technology Officer and the Technical Advisory Committee, will determine which subset of the proposals deemed “selectable for award” to forward to the Executive Board for award approval. This determination will take into account the PEB’s recommendation, funding availability, alignment with the Technology Roadmap and accomplishment of SIP targets, and external stakeholder requirements (when applicable). If government funding is involved in the project, approval by the DoD PM will also be sought. A comprehensive cost analysis (including cost reasonableness and cost realism) will be performed by the Consortium Manager prior to award. In addition, the government contracting office will conduct a financial review of the cost sections of those proposals selected for award.

Once all approvals have been obtained, selected Offerors will be informed that they are eligible to enter negotiations for an R&D subagreement. Only upon the completion of subagreement negotiations and government financial review can project awards be made to the selected Offerors in the form of R&D subagreements.

4.7 Award Process based on Project Types

As stated before, the DoD PM will have final approval authority on projects involving government funds. The DOD PM will have a position on the institute’s Executive Board and government subject matter experts will have positions on the Technical Advisory Committee. This is a natural reflection of the substantial government investment in the Institute.

The following sections describe the final stage of the award process for each of the three distinct types of projects discussed above.

4.7.1 Institute Enterprise Project Call Awards

Institute enterprise projects will be evaluated and selected utilizing the process described previously. Once a project is selected for award, the Institute will provide a SOW, cost proposal and supporting cost

documentation to the DoD PM. The DoD PM will perform a technical evaluation of the project's SOW and provide concurrence for the funding of the project to the DoD Agreements Officer (AO).

The DoD AO will evaluate the proposed cost and supporting cost documentation and document these costs in a Business Clearance Memorandum (BCM). Approval for the proposed cost of a project and authorization for award will be provided through a modification to the Cooperative Agreement between the government and UI LABS. The Executive Director will serve as the point of contact for all questions and clarifications. The Cooperative Agreement modification will include the following items:

- Authorization for the Institute to perform the identified project
- Total cost of project
- Total Government share amount of project
- Total Institute's share amount of project
- Remaining amount of the Government ceiling available for other projects
- Remaining amount of the Institute's share available for other projects
- Period of Performance of the project
- Incorporation of the SOW for the project by attachment to the Cooperative Agreement

4.7.2 External Stakeholder Project Call Awards

Enterprise projects emerging from external stakeholders may constitute an increase to the Cooperative Agreement ceiling amount. The cost of these projects will be also evaluated by the DoD AO.

Once a project is selected, the Institute will provide a SOW, cost proposal and supporting cost documentation to the DoD PM. The DoD PM and funding stakeholder representative will perform a technical evaluation of the project's SOW and provide concurrence for the funding of the project in a requirements package to the DoD AO.

The DoD AO will evaluate the proposed cost and supporting cost documentation for the project and document these costs in a BCM. Approval for the cost of the project and authorization will be provided through a modification to the Cooperative Agreement. The Executive Director will serve as the point of contact for all questions and clarifications. The Cooperative Agreement modification will include the following items:

Authorization for the Institute to perform the identified project

- Increase in Government ceiling and funding amount
- Total cost of project
- Total Government share amount of project
- Total Institute's share amount of project
- Remaining amount of the Government ceiling available for other projects
- Remaining amount of the Institute's share available for other projects
- Period of Performance of the project
- Incorporation of the SOW for the project by attachment to the cooperative agreement

4.7.3 Corporate Interest Project Awards

The cost of corporate interest projects will not include government funding and will not require authorization from the Agreements Officer. However, the DoD PM will review commercial projects to ensure that they are within the scope of the DMDII Cooperative Agreement.

Corporate interest projects are separate transactions and are not included into the Institute's cost share calculations, but will be awarded as subagreements to the Cooperative Agreement.

4.8 Award

DMDII Project Calls can result in single, multiple or no awards. Estimated funding targets may or may not be included and individual project funding may or may not be predetermined. Occasionally, however, the DMDII may award only a part or parts of a proposal rather than acquiring the entire proposal. Multiple awards are generally made based on the quality of the proposals and availability of funding. The DMDII Project Call method provides the flexibility to make an award for only those portions or tasks of the proposal that are of interest to the DMDII. Offerors will be notified in writing whether their proposal is selected or not selected. Due to limited funding, the DMDII reserves the right to limit awards under any topic. The DMDII reserves the right to select for award any, all, part, or none of the proposals received.

As part of our governance procedures, all project awards must be approved by the Executive Board, which consists of senior management representation from consortium members, and governs the solicitation, selection and award process. Enterprise-wide, corporate interest, external stakeholder and/or ad-hoc projects must all be approved by both the DMDII Executive Board and Technical Advisory Committee. Additionally, any project utilizing government funding will require government approval. The Executive Director is responsible for the overall management of the Institute and consortium.

Funds are distributed to DMDII participants through subagreements managed by the Consortium Manager. Subagreements are negotiated with and awarded to those Offerors submitting the best value proposals that meet the evaluation criteria.

Following notification of an Offeror's proposal's approval by the DoD AO for award, the DMDII will negotiate subagreements as necessary with the designated Offeror team. The DMDII (via the Consortium Manager) intends to issue individual Task Orders under pre-negotiated subagreements between the Institute and identified Offeror team's lead organization. If a pre-negotiated agreement does not exist at time of Agreement Officer approval, then a dedicated subagreement specific to the approved project will be negotiated and implemented. This final step authorizes the commencement of work on a project. Subagreements will include specific reference to the SOW, a deliverables schedule, the associated completion criteria and, for multi-phase projects, a metric for the Go/No-Go decision prior to proceeding to the next phase of the project, if necessary. Along with the SOW, deliverables will be used to measure progress, to justify payments and to determine how successfully a project is progressing.

5 Additional Considerations

5.1 Technical Performance Monitoring

The Director of Project Management and Integration, in coordination with each projects' DMDII Project Manager, will monitor technical performance of each Project Agreement issued by the Consortium Manager. Project performers will submit Quarterly Technical and Business Status Reports to the Consortium Manager; they will be provided to the Chief Technology Officer (CTO), Director of Project Management and Integration, and the DMDII Project Manager. Technology advancements will be summarized annually by the CTO for reporting to the Executive Board.

6 General Instructions for Proposal Preparation

A proposal submitted in response to a DMDII Project Call solicitation posted on the DMDII website is the only mechanism 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. Each technical proposal shall be accompanied by a detailed cost proposal, as cost and technical considerations will be reviewed simultaneously.

Proposals containing data to be used for evaluation purposes only and not to be disclosed outside the DMDII, the Consortium Manager, members of the PEB, other experts required during proposal evaluation, and the Government funding authorities shall include the following statement on their title pages:

This proposal includes data that shall not be disclosed outside the DMDII Consortium Manager, the DMDII, designated members of the evaluation team under NDA to DMDII for the purpose of proposal evaluation, 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, an agreement is awarded to this Offeror or quoter as a result of, or in connection with, the submission of these data, the DMDII Consortium Manager, DMDII and the Government shall have the right to duplicate, use, or disclose these data to the extent provided in the resulting agreement. If selected for award, the technical proposal can be used by the DMDII Consortium Manager, DMDII, and the Government for purposes of subagreement negotiation. This restriction does not limit the DMDII Consortium Manager, DMDII and the 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.

In addition, all submitted proposal pages must be marked “Source Selection Sensitive”.

The Technical Proposal and Cost Proposal are to be submitted in two separate volumes following the format described in the Technical Proposal and Cost Proposal Sections of this document.

Offerors must submit the following:

- 1 signed Technical Proposal (complete proposal plus the SOW in Word format submitted separate)
- 1 signed Cost Proposal (Cost Proposal Narrative and Cost Proposal Formats separate)
- Signed Warranties and Representations

The technical proposal shall be limited to 30 pages (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). The page limitation includes all information, except the:

- Cover Page
- Table of Contents
- List of Figures and Tables
- Resumes for Key Personnel
- Statement of Work
- Project Intellectual Property Management Plan

Pages in excess of this limitation may not be considered. Offerors are advised that the number of pages should be commensurate with the degree of complexity of the proposed effort. Offerors are strongly encouraged to use pictures and graphics to succinctly represent ideas, organization, etc.

Cost proposals have no page limitations.

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, including a full list of team members:

- Name and address of Offeror
- Title of Proposal
- Volume 1 Technical Proposal (or Volume 2 Cost Proposal)
- Statement that “This proposal is submitted to DMDII Project Call DMDII XX-XX.”
- Dates of submission and signature of official authorized to obligate the institution contractually.
- The proprietary data disclosure statement (above), when applicable
- Offeror certifies that, if selected for award, the Offeror will abide by the terms and conditions of the DMDII Membership Agreement (Note: if the Offeror has already executed a DMDII Membership Agreement with the DMDII Consortium Manager, then the Offeror must state on the

cover page of its proposals that, if selected for award, it is anticipated that the proposed effort will be funded under its executed DMDII Membership Agreement.

Non-responsive proposals will not be accepted.

For convenience a Proposal Template is provided as Attachment 5. This template is not required, but provided for your use.

7 Technical Proposal

7.1 *Table of Contents*

To ensure technical proposals receive proper consideration, **the technical proposal format shown below is mandatory**. If there are any items which 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.

- I. Cover Page
- II. Table of Contents
- III. List of Figures and Tables
- IV. Executive Summary
- V. Technical Approach
 - a. Technology Gap Objectives
 - b. Management, Schedule and Resources
 - c. Cost Realism
- VI. Appendices
 - a. Resumes of Key Personnel
 - b. Statement of Work (SOW)
 - c. Project Intellectual Property Management Plan and Technical Data/IP Form

7.2 *List of Figures and Tables*

This list is a quick reference of charts, graphs, and other important information.

7.3 *Executive Summary*

The Executive Summary allows Offerors to concisely present the important aspects of their proposals to evaluators. The summary should present 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 effort. The Executive Summary is limited to no more than two pages and should briefly address the following:

- What is the basic objective of the proposal? What problem is being addressed that is within the scope of this requirement?
- What goals of the Project Call does your proposal address?
- What fundamental digital manufacturing and design innovation technology capability will be enabled by the successful completion of the proposed effort?
- How the project will approach the problem, and the key innovations expected from the project.
- If the proposed effort is follow-on work to a previously funded effort (DMDII or non-DMDII), include a brief synopsis of what was accomplished, the previous work's results, and how the proposed effort builds upon previous work.

7.4 Technical Approach

Provide sufficient technical detail and analysis to support the technical solution being proposed for the effort. Clearly identify the core of the intended approach. It is not effective to simply address a variety of possible solutions to the technology problems. Provide the following information:

(1) Technical Objectives:

- Background and Offeror's understanding of the problem and/or technology gap/process deficiency.
- Identify what is being developed and DoD area the proposed solution supports.
- Scope including summary of technical/process issues being addressed.
- Objectives that include:
 - Vision of what will be achieved.
 - Technical solutions the effort will produce.
 - Any proposed new technologies or technical breakthroughs.
- Core of intended approach.
- Technical detail and analysis to support approach being proposed.
- If proposing a "new and creative" solution, develop and analyze the following:
 - Results of/evidence of the current state of the art and how your approach compares to other possible approaches.
 - Current limitations of the general technology area / process being addressed.
 - Connections to ongoing efforts in the general technology area / process being addressed.
 - What organizations or individuals (other than yourselves) are doing the most advanced work in your proposed area of research? By comparison, why are you likely to succeed?
- From what technical baseline will your effort begin (including work you have already done)? Given that baseline, what additional technical challenges need to be addressed to achieve your technology objectives?
- Summary of plans for implementation of any new technology developed.
- Identify all potential end item applications for proposed new technologies that will aide in bringing to market or, at a minimum, the next level of maturity.

- Any potential impacts that would limit an effective and efficient technology transition, to include company proprietary material, sole source items, and known industrial base limitations.
- Describe the Performance Improvement Metrics that will be developed for the effort, using the format in the table below. Performance improvement metrics shall be developed and tracked for all DMDII technology projects, to compare the “as-is” practice to that which is anticipated as project results are implemented. Actual benefits realized for the indicated metrics will be included in project reports. The metrics included must clearly support the business case cited.

Metric	“As-Is” Baseline	Project Goal
<i>(sample metrics & data)</i>		

(2) Management, Schedule and Resources:

- Provide a schedule (e.g. Gantt chart) that clearly shows the plans to perform the program tasks in an orderly, timely manner. Proposed efforts must not exceed the timeframe provided in the PPD. Provide each major effort identified in the SOW as a separate line on the program schedule chart. Each of the efforts should include milestones that relate to specific deliverables during the effort. Please ensure that the scheduled work aligns with the associated costs in the cost proposal.
- Key technical, schedule, and cost risks, their potential impact and mitigation.
- Address the qualifications, capabilities, and experience of the proposed management team and technical personnel who will be assigned to carry out the effort. What will their key role and responsibility be?
- Identify all key personnel. Provide resumes (no longer than 2 pages each) of key personnel in Appendix A (resumes do not count in page count limit). Provide solid evidence of commitment by team members. Letters of commitment may be included for key team member companies. Describe any capabilities the team has that are uniquely supportive of the technology to be pursued.
- Identify any key facilities, equipment and other resources proposed for the effort. Identified facilities, equipment and resources should be available and relevant for the technical solution being proposed.
- Provide a summary table that identifies each project team participant (organization, not individual), their role and key contributions to the project, and their relative level of effort (as a percentage of total man-hours) for the proposed effort. Identify the lead organization. Use the following format to summarize this information:

Project Participant	Role and Key Contribution	Relative Level of Effort
Lead Organization		50% (for example)
Subcontractor #1		25%
Subcontractor #2		15%
Subcontractor #3		10%
		100%

(3) Cost Realism

- This section provides technical evaluators with high-level cost data in order for them to determine if the costs proposed are realistic as compared to the scope of work proposed. This information must be consistent with the cost proposal. The information must be provided in this section of the technical proposal. Include the following table as a summary of the costs by cost element.

Cost Realism Form				
to be completed by Offeror and evaluated by Technical Evaluators*				
Cost Element	Federal Cost	Cost Share	Total	Brief Explanation or Description
Lead Organization Lead Labor Hours	\$100,000 1000 hrs	\$75,000 500 hrs	\$175,000 1500 hrs	1000 hrs of engineering and 500 hours of program management; Excludes fringe (if applicable)
Subcontractor #1 Sub #1 Labor Hours	\$50,000 500 hrs	\$25,000 250 hrs	\$75,000 750 hrs	Sub 1 - \$25,000; 250 engineering hours
Subcontractor #2 Sub #2 Labor Hours				Sub 2 - \$25,000; 250 hours of Testing
Subcontractor #3 Sub #3 Labor Hours				
Subcontractor #4 Sub #4 Labor Hours				
Total Subcontractors	\$50,000	\$25,000	\$75,000	
Material/Equipment		\$100,000	\$100,000	Modeling software (must justify)
Consultant Consultant Labor Hours	\$10,000 100 hrs	\$0 0 hrs	\$10,000 100 hrs	Design engineer –overall support
Travel	\$5,000	\$0	\$5,000	2 trips 2 days to Chicago from

				<i>Indianapolis, for 2 people</i>
Other Direct Costs	\$1,000	\$0	\$1,000	<i>ship testing materials to lab</i>
Indirects	\$53,120	\$25,000	\$78,120	<i>When was DCAA's approval?</i>
TOTAL	\$219,120	\$225,000	\$444,120	

7.5 Appendices

Appendix A: Resumes of Key Personnel: Include the resumes of key Lead Organization members, team members, subcontractors and university personnel who will be assigned to and work on this effort if selected. Indicate what percentage of their total available work time each will devote to this effort. Each resume must be no more than two (2) pages in length.

Appendix B: Statement of Work (SOW): The SOW developed by the Lead organization and included in the proposal (also submitted as a separate document) is intended to be incorporated into a binding agreement if the proposal is selected for award. If no SOW is submitted with the proposal, there may be no award. The proposed SOW shall contain a summary description of the technical methodology. DO NOT INCLUDE ANY PROPRIETARY INFORMATION OR COMPANY-SENSITIVE INFORMATION IN THE SOW TEXT. The following is the required format for the SOW:

Statement of Work

Submitted under DMDII Project Call # *(Insert current Project Call Reference No.)*

(Proposed Project Title)

1.0 Introduction/Background

2.0 Scope/Project Objective

This section includes a statement of what the Offerors technology effort covers. This should include the technology area to be investigated, the objectives/goals, and major milestones for the effort.

3.0 Requirements

State the requirement objective in the first paragraph and follow with delineated efforts required to meet the overall project goals.

4.0 Deliverables

Results of the technical effort are contractually binding and shall be identified herein. Offerors are advised to read the DMDII Membership Agreement carefully. Any and all hardware/software to be provided to the DMDII as a result of this effort shall be identified. Deliverables should be submitted in PDF or MS Office format. It must be clear what information will be included in a deliverable either through a descriptive title or elaborating text.

5.0 Reporting

- Monthly Technical Reports - The Lead Organization shall prepare a monthly Technical Report which will include a technical status update in accordance with the terms and conditions of the Project Call and Cooperative Agreement.
- Quarterly Reports – The Lead Organization shall prepare a Quarterly Report which will include a Technical Status Report and a Business Status Report in accordance with the terms and conditions of the Project Call and Cooperative Agreement.
- Annual Technical Report – The Lead Organization shall prepare an Annual Technical Report for DMDII Projects whose periods of performances are greater than one year in accordance with the terms and conditions of the DMDII Project Call and Cooperative Agreement.
- Final Technical Report – At the completion of the DMDII Project, the Lead Organization will submit a Final Technical Report, which will provide a comprehensive, cumulative, and substantive summary of the progress and significant accomplishments achieved during the total period of the DMDII Project effort in accordance with the terms and conditions of the DMDII Project and Cooperative Agreement.

6.0 Safety: Accident/Incident Report: The recipient shall report immediately any major accident/incident (including fire) resulting in any one or more of the following: causing one or more fatalities or one or more disabling injuries; damage of Government property exceeding \$10,000; affecting project planning or production schedules; degrading the safety of equipment under contract, such as personnel injury or property damage may be involved; identifying a potential hazard requiring corrective action. The recipient shall prepare the report (DI-SAFT-81563) for each incident. (If applicable)

Appendix C: Project Intellectual Property (IP) Management Plan:

The Project IP Management Plan submitted as part of the proposal, including any changes adopted during subagreement negotiations, will become part of the Project Award Subagreement. Include the following items in the Project IP Management Plan:

- An affirmation of the adoption of the Institute’s Intellectual Property terms, as described in the Membership Agreement, for all intellectual property emerging from the execution of the project.
- A detailed description of all background IP (BIP) required to execute the project work effort, itemized by each member of the Offeror team, as applicable.
- A detailed description of the ownership of the IP emerging from the execution of the project in the form of a shared rights agreement or other similar mechanism.
- A detailed description of the licensing rights associated with the emerging IP, including revenue sharing by joint owners, if applicable.
- A detailed description of any special licensing arrangements intended for implementation after the termination of the project in order to encourage rapid adoption of the emerging technology to small and medium-sized manufacturing enterprises (SMEs).

- A proposal for the fee or percentage revenue derived from third party commercialization revenue of the IP emerging from the execution of the project to be paid to DMDII.
- Identification of the party or parties that will bear the filing and other costs of managing the emerging IP.
- Identification of the party or parties responsible for enforcing IP rights.

In addition to the Project IP Management Plan, Offerors shall include a completed Technical Data/Intellectual Property Disclosure and Assertion form, incorporated here as Attachment 4.

8 Cost Proposal

8.1 Table of Contents

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 project. The cost proposal must be consistent with information provided in the technical proposal (i.e., costs, cost share, dates, etc.). 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.*

In order to capture a wide variety of Project Call scenarios, these cost formats, incorporated as Attachment 1, allow up to 3 years of cost data. Please refer to your specific Project Call period of performance (PoP) in order to determine how many quarters worth of data is needed, leaving those irrelevant columns blank.

To ensure cost proposals receive proper consideration, it is mandatory that the cost proposal include the information below.

Section I: Cost Proposal Narrative

- a. Table of Contents
- b. Budget Narrative

Section II: Cost Proposal Formats (Provided)

Appendices: Representations and Certifications Form

8.2 Section I: Cost Proposal Narrative

The Cost Proposal, or Budget, Narrative is used to assess various criteria. This section will be used to determine reasonableness, allowability, and allocability of costs. The Budget Narrative section should provide a more detailed breakdown of the figures that are contained in the Cost Proposal Formats. The Budget Narrative section should also give substantiation and written explanation of proposed costs.

Breakdowns should be as accurate and specific as possible. Ensure that any figures presented in this part are consistent with the figures in the Cost Proposal Formats.

The Budget Narrative must include, at a minimum, details on the following cost categories for the proposed cost:

Labor Rates. *In the Cost Proposal Formats section, the Offeror should identify the position title of all personnel and hourly rate, including fringe benefits, and show estimated hours for each labor category proposed. If this information is not contained in the Cost Proposal Formats section, then it must be included in the Budget Narrative section. **If your approved organizational estimating procedures use average labor rates for specific labor categories, this would be acceptable.** It is recognized that an organization may not be able to identify all of the personnel to be assigned to the project several years down the road. Where this cannot be done, use generic position titles such as “engineer.” If direct labor costs include allocated direct costs or other direct costs in accordance with the Offeror’s established accounting and estimating practices and systems, identify these costs separately and provide an explanation and basis for proposed costs in the Budget Narrative section. Please note that rate and pricing information is required to properly perform the cost analysis of a proposal. Proposals without this information cannot be properly evaluated and may be eliminated from selection for award.*

Fringe Benefits. In the Budget Narrative, identify percentage rate and, if greater than 40 percent and the organization does not have Government certified rates, Offerors may be asked to provide substantiation. If fringe benefits are normally included in your organization’s indirect cost rate, they should be budgeted as such. A statement to that effect should be provided.

Team Members/Subcontractors. A cost by cost element breakout for each of the team members/subcontractors proposed must be provided in the Cost Proposal Formats and explained in the Budget Narrative. Team member/subcontractor proposals should be as detailed as possible, but at a minimum should include the following: labor categories and hours specified, list of material/equipment, other direct costs, travel detail, lower tier subcontractors/consultants identified, indirect costs and cost share. In the Budget Narrative, please provide a list of all team members and a total cost for each team member. **Offeror must also state that a cost and price analysis has been performed on all team members/subcontractors and their proposed costs found to be fair and reasonable.**

In the rare circumstance in which a subcontractor does not wish to disclose proprietary cost information to the Lead Organization sufficient to conduct a detailed cost and price analysis, the subcontractor may submit Cost Proposal Formats directly to the Consortium Manager. However, the total subcontractor costs must still be included in the Offeror’s cost proposal. The Lead Organization should denote in their proposal submission (in the appropriate area of their cost proposal formats or in a footnote) that a proprietary package will be sent separately by the subcontractor with the proprietary cost submission. In addition to the Cover Page requirements described above, the subcontractor’s submission must also clearly indicate who is serving as their Lead Organization. Proprietary cost information must be submitted by the proposal due date or the Project’s cost proposal submission will be deemed nonresponsive.

Consultants. A cost by cost element breakout (i.e. labor categories, associated hours, travel, other direct costs, etc.) for each of the consultants proposed must be provided in the Cost Proposal formats and explained in the Budget Narrative. In the Budget Narrative, please provide a list of all consultants and a total cost for each consultant. **Offeror must also state that a cost and price analysis has been performed on all consultants and their proposed costs found to be fair and reasonable.** For consultants without Government-approved rates, Offeror must be able to justify that the rate proposed represents the consultant's most favored customer rate.

Material/Equipment. An itemized list of the material/equipment proposed (i.e. a bill of materials) must be provided in the Cost Proposal Formats. **Additionally, a copy of the basis of cost documentation (i.e., vendor quote, catalog pricing data, past purchase orders, etc.) for each piece of proposed material/equipment with a unit cost greater than or equal to \$50,000 must be included in the Offeror's cost proposal.** The value of equipment should be prorated according to the share of total use dedicated to carrying out the proposed work. Include a brief explanation of the prorating methodology used. Offerors must submit an affirmative statement that all proposed material/equipment was proposed in accordance with its approved costing procedures.

Travel. The Offeror must provide an estimate of the travel required for the proposed effort broken out by participant (i.e. Offeror's and any team member's/consultant's travel schedule) either in the Budget Narrative or the Cost Proposal Formats. **Travel may be estimated based on your organization's approved methodology, but no more than that of the established Government issued per diem rates.** Recipients are expected to be cost-conscious regarding travel, for example, using coach rather than first class accommodations and, whenever possible, using Government per diem, or similar regulations, as a guideline for lodging and subsistence costs. **Foreign travel will require prior government approval.**

Other Direct Costs. The Offeror must identify and provide a detailed description of any other direct costs that do not fit into the cost categories above, including the basis for determining those costs (i.e., vendor quotes, catalog pricing data, company estimating procedures, etc.). **Additionally, a copy of the basis of cost documentation (i.e., vendor quote, catalog pricing data, past purchase orders, etc.) for each piece of proposed other direct cost with a unit cost greater than or equal to \$50,000 must be included in the Offeror's cost proposal.**

Indirect Costs. In the Budget Narrative, provide an estimate of the total indirect costs and provide data to support your indirect cost rates by one of the following methods:

1. Specify your current indirect rates and:
 - a. Provide a copy of certification from a Federal agency indicating these indirect rates are approved by the Federal agency; or
 - b. Provide a letter from your Administrative Contracting Officer, in lieu of a rate certificate, stating these indirect rates are approved by a Federal agency; or
 - c. If you do not have approved rates, provide detailed supporting data to include (1) indirect rates and all pricing factors that were used; (2) methodology used for determining the rates (e.g., current experience in your organization or the history base used); and, (3) all escalation, by year, applied to derive the proposed rates. If computer usage is determined by a rate, identify the basis and rationale used to derive the rate.

2. Alternately, in lieu of providing your indirect rates, if you can obtain appropriate Government assistance, you may provide a letter from the cognizant Federal audit agency stating that, based upon their review of your proposal, the indirect rates used in your proposal are approved by a Federal agency and were applied correctly in this specific proposal.

Cost of Money. If applicable, cost of Money should be proposed on a separate line from indirect costs.

Fee/Profit. Fee/Profit is **not** allowed for this effort.

8.3 Section II: Cost Proposal Formats

Note: It is strongly recommended that Offerors use the Cost Proposal formats provided and submit these in MS Excel format. At a minimum, the level of detail requested in these cost formats is required. All submissions must be legible.

The Cost Proposal Format section of the proposal must include a **breakout of the total cost proposed by cost element** for each quarter of the project. Supporting data and justification for labor, equipment/material, team member/subcontractor, consultants, travel, other direct costs, indirect costs, and cost share used in developing the cost breakdown must also be included. Please be advised that the Offeror must provide sufficient details to allow a full understanding of and justification for the proposed costs. **Project start dates for cost estimating will be provided in the PPD.**

The cost proposal formats have been constructed to require minimal input. Please note that only the cells with **blue** colored font require input. The workbook is expandable to accommodate additional labor categories and team members/subcontractors. Instructions on expanding the workbook are below. ***Please follow these instructions to eliminate any potential errors or confusion.***

Total Project Cost Sheet

- **General Information**

- Enter the lead organization's name in the cell marked "**LEAD ORGANIZATION NAME.**"
- Enter the proposed project name in the cell marked "**NAME OF PROPOSED PROJECT CALL.**"
- Enter the proposed Period of Performance for the project in the cell marked "**TOTAL PROPOSED PERIOD OF PERFORMANCE.**"

(Note: **Lead Organization Name, Name of Project Call, Name of Proposed Project Call** , and **Period of Performance** will be populated in all other worksheets).

- Enter the specific labor categories proposed in each cell marked “**Labor Category 1 & Cost (including fringe benefits),**” “**Labor Category 2 & Cost (including fringe benefits),**” **Labor Category 3 & Cost (including fringe benefits),**” etc. for the Lead Organization.
- Enter the name of the Lead Organization / subcontractors proposed in each cell marked “Team Member / Subcontractor A,” “Team Member / Subcontractor B,” “Team Member / Subcontractor C,” etc.
- Insert the signature of an official authorized to obligate the institution contractually and the date.

Federal Cost by QTR Sheet & Cost Share by QTR Sheet

(Note: Please make sure all federal related costs are entered on the “Federal Cost by QTR” sheet and all project related costs not borne by the federal government are entered on the “Cost Share by QTR” sheet.)

- **Direct Labor (Lead Organization)**

- Enter the associated **Direct Labor Cost**, including fringe benefits, for each specific labor category proposed across the appropriate quarter for the Lead Organization.
- Enter the associated **Labor Hours** for each specific labor category proposed across the appropriate quarter for the Lead Organization.

- **Subcontractor** (proposed costs by cost element)

- Enter the total labor cost proposed for each Subcontractor across the appropriate quarter.
- Enter the associated labor hours for each Subcontractor across the appropriate quarter.
- Enter the total material/equipment cost proposed for each Subcontractor across the appropriate quarter.
- Enter the total travel cost proposed for each Subcontractor across the appropriate quarter.
- Enter the total other direct costs proposed for each Subcontractor across the appropriate quarter.
- Enter the total indirect costs proposed for each Subcontractor across the appropriate quarter.

- **Other Direct Costs (Lead Organization)**

- Enter the total consultant cost proposed for the Lead Organization across the appropriate quarter.
- Enter the total material/equipment cost proposed for the Lead Organization across the appropriate quarter.
- Enter the total travel cost proposed for the Lead Organization across the appropriate quarter.
- Enter the total other direct costs proposed for the Lead Organization across the appropriate quarter.

(Note: *Proposed costs for Consultants, Material/Equipment, Travel, and Other Direct Costs must match their respective detailed worksheets for the Lead Organization; see directions in subsequent sections*)

- **Indirect Costs (Lead Organization)**

- Enter the total indirect costs proposed for the Lead Organization across the appropriate quarter.

Please note that the purpose of the Consultants, Material/Equipment, Travel, and Other Direct Costs sheets is to provide further details on the costs proposed. The information requested is necessary in order for the Offeror's cost proposal to be evaluated for cost reasonableness.

Consultants Sheet (Fill out both Federal and Cost Share Sections)

- For the Lead Organization, enter the following:
 - Name of Consultant's Company for each proposed consultant;
 - Consultant's Title/Labor Category for each proposed consultant;
 - Total Labor Cost for each proposed consultant;
 - Total Labor Hours for each proposed consultant;
 - Total Travel Cost for each proposed consultant; and
 - Function Description (give a brief description of what the consultant is expected to provide for the proposed effort) for each proposed consultant.

(Note: The total costs proposed by the Lead Organization on the "Consultants" sheet must match the respective totals on the "Total Project Cost" sheet)

Material Equipment Sheet *(Note: The Lead Organization must provide an itemized list of proposed material/equipment)* (Fill out both Federal and Cost Share Sections)

- For the Member Organization, enter the following:
 - Description (e.g., Type, Model#, Features, etc.) for each proposed piece of material/ equipment;
 - Purpose/Justification (e.g., reason needed) for each proposed piece of material/ equipment;
 - Basis of Cost (e.g., quotes, prior purchases, etc.) for each proposed piece of material/equipment;
 - Unit Cost for each proposed piece of material/equipment; and
 - Quantity for each proposed piece of material/equipment.

(Note: The total costs proposed by the Lead Organization on the "Material Equipment" sheet must match the totals on the "Total Project Cost" sheet.)

Travel Sheet (Fill out both Federal and Cost Share Sections)

- For the Lead Organization, enter the following:
 - Departure City for each proposed trip;
 - Arrival City for each proposed trip;
 - Number of People travelling on each proposed trip;
 - Number of Days associated with each proposed trip;
 - Number of Nights associated with each proposed trip;
 - Total Cost associated with each proposed trip; and
 - Purpose/Justification for each proposed trip.

(Note: The total costs proposed by the Lead Organization on the "Travel" sheet must match the respective totals on the "Total Cost" sheet)

Other Direct Costs Sheet (Fill out both Federal and Cost Share Sections)

- For the Lead Organization, enter the following:
 - A Description (e.g., Type, Model#, Features, etc.) for each proposed item of other direct cost;
 - Purpose/Justification (e.g., reason needed) for each proposed item of other direct cost;
 - Basis of Cost (e.g., quotes, prior purchases, etc.) for each proposed item of other direct cost;
 - Unit Cost for each proposed item of other direct cost; and
 - Quantity for each proposed item of other direct cost.

(Note: The total costs proposed by the Lead Organization on the “Other Direct Costs” sheet must match the respective totals on the “Total Project Cost” sheet.)

Expanding the Sheets

The “Total Project Cost”, “Federal Cost by QTR”, and “Cost Share by QTR” sheets have the ability to accommodate up to 8 labor categories (and their associated costs and labor hours) and up to 10 team members/ subcontractors (and their associated cost by cost element breakout). In order to access these additional rows, the user must unhide the following rows:

- For additional labor categories, unhide rows 18 through 25 on the three sheets listed in the paragraph above.
- For additional team /subcontractors, unhide rows 54 to 109 on the three sheets listed in the paragraph above.
- If the expanded workbook does not meet the specific requirements of your proposal, then please email *the Consortium Manager POC provided in the solicitation*.

8.4 Cost Share Discussion

Cost share is required for all Government-funded Enterprise projects that are executed through the DMDII. OMB Circular A110 defines cost sharing as follows: “Cost sharing or matching means that portion of project or program costs not borne by the Federal Government.” For additional information regarding cost share requirements, Offerors shall consult the DMDII Cost Share Guidance, incorporated here as Attachment 2.

8.5 Representations and Certifications

Offerors shall include a completed Representations, Certifications and other Statements of Offerors form, incorporated here as Attachment 3.