



CASE STUDY

The Pricing is Right

A research and development client accurately justifies—and quickly adjusts—pricing that maps to discrete tasks and overall project cost during government sole-source contracts.



The Challenge

This customer is a unique player in the government contracting arena. Though an important consultant for the DoD and other government agencies, this applied research institute doesn't usually compete on contracts through a traditional RFP process.

"Very seldom are we in a costing environment where we're submitting a proposal against a particular opportunity. We work side by side with our sponsor base. An agency will come to us with a problem, and we'll come back to them with a custom solution and price that solves the issue," the institute said. The constant challenge? Justifying the pricing.

Invariably, this way of working leads to close scrutiny of estimates, hours, sourcing, and final project costs—since it basically means they are writing their own Statement of Work for contracts.

"The fact that we can solve an agency's problem is our advantage. We determine

the 'how,' and often, we also determine the final pricing number in collaboration with the government," they said.

This customer was originally an Excel user during the proposal process. They managed 12 different pool rates that applied to a spectrum of costs, and a different team member would manage each Excel sheet. Needless to say, integrating those sheets would often muddle appropriate pricing.

The institute also recently participated in a Defense Contract Audit Agency (DCAA) audit, which was especially tricky since research project estimates involve custom tasks using materials that can shift during the research process.

"Often, originally speced materials just don't work, so they have to be switched out. Helping the DCAA define an Estimating System Audit for our research projects could be difficult at times."



Flexible



Scalable



Fast

“We can analyze on a particular feature or component almost instantly. The standardized formatting of data by ProPricer is also a huge time saver.”

The Solution

For this customer, a combination of ProPricer Estimator Edition and ProPricer Contractor Edition enables accurate and fast estimation of materials' cost bases, labor hours, and more.

“Our Project Directors use Estimator, and through it, have access to much of the information that we do on the pricing side,” said the institute’s Associate Director of Sponsored Systems.

The nature of our customers’ government projects require constant monitoring and tweaking of not only supplier materials and costs, but also labor hours. ProPricer helped their pricing team immeasurably in automating these processes.

“ProPricer gives us great detail information that backs up our incremental estimates and final dollar amount,” said Griffin. “That same detail is then used by the government agency to validate that the price is right.”

Some agencies use ProPricer and others don't. The latter group is able to easily export contract data to an Excel format, which the agency at hand can tweak and then hand back to the institute to import into ProPricer. Each Excel cell contains a formula that enables a seamless transition of data to and from the ProPricer platform.

“During the DCAA audit process, there was never a question about ProPricer’s ability to calculate a valid number for final cost. The audit was more about ensuring we were able to keep our rates updated during the estimating process and that everyone involved used the most current and accurate information. Were we all pulling the same data? ProPricer was able to prove that we were.”

The Results

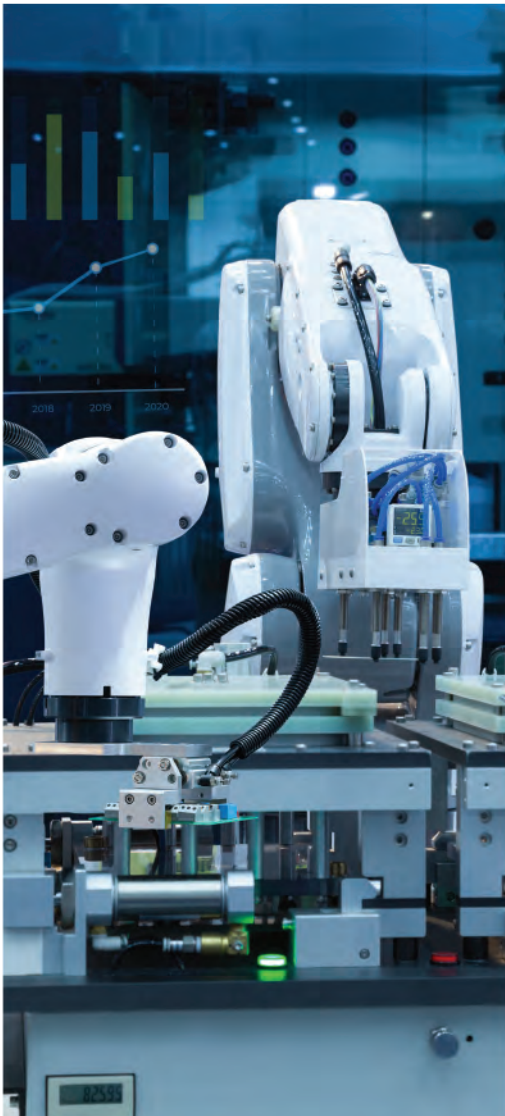
“The basis of each of our projects is a unique opportunity to do something different for the military. As a result, we spent a lot of time explaining to the DCAA during our audit how our engineering group chooses the materials they need in development—and those materials can often change. But while the materials may swap out, the end number to the government is consistent.”

This customer’s persistence paid off: they successfully passed the audit process.

For the organization’s sole-source contracts, ProPricer has definitely shortened costing and reporting time.

“Reporting is a huge deal for us. When we were using Excel only, we certainly didn’t have the one-click analysis that ProPricer can execute in minutes, if not seconds,” said the institute. “We can analyze on a particular feature or component almost instantly. The standardized formatting of data by ProPricer is also a huge time saver.”

“Seven years ago, we were executing proposals in the \$25 million dollar range. Now, we’re on \$250 million projects through task orders. Time is of the essence. Delivery is of the essence.”





“We recently needed to re-submit airfare costs as part of a \$2.4 billion dollar contract,” said the institute. “‘How long will it take for you to get back to us?’ the awarding agency asked. ‘We can get back in five days,’ we said. This was during a capability presentation; incredulous looks shot all around the room. ‘Better make it 10,’ they said. We repeated: ‘We can do it in five.’”

With ProPricer, this customer often surprises the government with short resubmission timelines.

“Every day counts prior to an award,” they said. “But even with its stressors, this is a wonderful place to work. There are lots of young, innovative people and we do crazy fun stuff.”

Stuff that appears to be changing the worlds of medicine and defense.

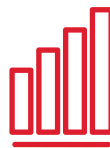
***“Every day counts
prior to an award.”***



Time Saving



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held in one place



Easily provide
audit-ready reports

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