**Paper 2 - ASCM 628 Contract Pricing and Negotiation**

Good Intentions Technology, (GIT) submitted a Firm Fixed Price Proposal (FFP) to the Federal Watchout Agency (FWA), in response to a Firm Fixed Price Solicitation, to build 75 B1-RD type Aerial Surveillance Cameras (ASC). GIT is a world leader in surveillance systems and has delivered over 750 of the B1 series cameras. The ASCs must be delivered no later than 24 months after receipt of order.

After a series of questions, information exchange, and clarification requests, GIT and the FWA have agreed to meet in a formal fact finding session at an undisclosed location. GIT responded to the FWA RFP with the Cost Summary Detail provided below, and is interested in a Cost Plus Fixed Fee (CPFF) arrangement. GIT’s Program Management asserts that a cost type effort may be better suited for delivering the FWA requirements, than the Firm Fixed Price.

Your task, in Paper 2, is to provide preparation documentation to support face-to-face meetings between GIT and the FWA. You must develop a simple fact-finding meeting agenda, which includes your pre-negotiation objectives that you expect to accomplish. Additionally, you must explain how you plan to document the structure of your future negotiation settlement, assuming that the FWA accepts the GIT Proposal, with no further discussion.

The Paper content should include framing and documenting each one the following points, for which you may take either the FWA or GIT perspective:

* High-level Fact-finding Meeting Agenda between GIT and FWA.
* Development of Pre-negotiation Objectives with explicit emphasis on cost analysis techniques that can be considered in evaluating the proposed direct labor, materials, and ODCs.
* Proposed Documentation for a negotiated settlement with objective support.
* Any Assumptions, such as regulatory, statutory, or operating guidelines used to accomplish the given specifications, in your Paper.
* Appropriate writing mechanics, formatting, and sources.

**Proposal Cost Summary Detail for the B1-RD ASC**

|  |  |  |
| --- | --- | --- |
| **Element** | **Rate** | **Proposed**  |
| Direct Material  |  | 3,300,000.00 |
| Direct Labor  |  | 2,425,000.00 |
| Subcontracts  |  | 3,250,000.00 |
| Other Direct Costs  |  | 78,950.00 |
|   |  |   |
| Total Direct Costs  |  | 9,053,950.00 |
| Indirect Costs  |  |   |
| Labor Overhead  |  | 2,179,460.00 |
| Material Overhead  | 10.00% | 330,000.00 |
| Subcontract Overhead  | 2.50% | 81,250.00 |
|   |  |   |
| Total Cost Input  |  | 11,644,660.00 |
| G&A  | 8.00% | 931,572.80 |
|   |  |   |
| Total Cost  |  | 12,576,232.80 |
| COM  |  | 2,647.59 |
| Profit  | 20.00% | 2,515,246.56 |
| Total Price  |   | 15,094,126.95 |

Your Paper 2 is expected to explicitly cover the requirements listed above, and should be a thematic, coherent, and relevant chronology, with smooth transitions. In all cases, provide SUPPORT for your negotiation with minimum, but sufficient and convincing detail for its implementation. Research these items for additional support, as needed, for framework.

Keep your thoughts organized by using good writing mechanics. Place a space between paragraphs, and please use double spacing and HEADINGS to match the requirements and major points of your Paper for a clear flow of your responses to the Assignment requirement. Abstracts are not required, and should not be included.

Your exposition should reflect considerable thought and go beyond restating the text. A minimum of four (4) peer reviewed sources are required. You are expected to follow the APA guidelines for citations. This means that statements of "facts" supported by references must be both cited within the text and be listed in the references section of at the paper’s end.

Your total response should be the equivalent of no less than 3 and no more than 5 typed, double-spaced pages not counting the Cover Page and Reference List. This paper is worth 25 points and is due on July 20, 2017. You are required to observe and pay strict attention to the Academic Integrity Policies and Guidelines in your writing. Submit your completed Paper to the Assignments Folder.

The information above is all that you need for completing this Assignment. However, you are allowed to make reasonable assumptions to support additional information that you need to sufficiently justify your narrative.

Prof Harden