


Enhanced WRAP Rate Product 2019

Description:	<p>The Enhanced WRAP Rates include a fully detailed WRAP rate analysis for the competitive bidding entity including overall Company, Cost Center, Fiscal Year, Industry Sector (i.e., Professional/Technical Services), location calculating Standard Plant and Field wraps decomposed to exposed G&A, OH and Fringe percentages.</p> <p>Decomposed Indirect Rates: Includes the detailed percentages of factors/costs which make up the G&A, OH and Fringe, such as Vacation, Sick Leave, Accidental Death and Dismemberment, PTO, Cost of Sales and other detailed costs which make up the WRAP rate.</p> <p>Cost Centers: Includes additional Cases which are calculated to forecast the WRAP that would be applied in different bidding situations</p>
Definitions of Cost Centers	<p>All analysis is based on most current available financial and business information on the bidding entity in question. Our calculations are empirical in nature and also include analyst judgment to predict what a bidder would likely use in these various situations:</p> <ol style="list-style-type: none"> 1) Business Unit/Standard is the estimated current WRAP rate for the bidding entity , used for much of their normal business including extensions, sole source, strong incumbencies, etc.. This is not their competitive WRAP rate. 2) Competitive is the WRAP rate estimate for competitive programs where the new business would comprise roughly 10% additional annual revenue. 3) Highly Competitive programs are those where the new business would comprise 10%-25% additional annual revenue. 4) Strategic or LPTA programs are those where the new business would contribute more than 25% in annual revenue to the bidding entity. This is their most competitive WRAP rate, also used for LPTA. <p>Impact of LPTA Procurements: With the advent of Low Price Technically Acceptable (LPTA) acquisitions some factors such as historically strong incumbency, demonstrated positive past performance, customer intimacy and superior technical solutions will no longer impact the outcome. Among the technically acceptable bids the lowest price wins. When the acquisition is LPTA expect aggressive downward applications of indirects to increase Pwin, with application of WRAPs normally reserved for Strategic Bids.</p>
Confidence Factor:	Margin of error is +/- 3%. Sufficient financial data was available to make accurate calculations.
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Organization Information:			
Company	Company Name	DACIS	ABC-01
Operating Unit	Company Cost Center Name	CAGE	12345
Location:	123 Main Stree Anytown, USA 56789	DUNS	123456789
Competitive Description	Services		
Industry Sector	Advanced Technology Products & Services		
Fiscal Year	Private Company. Analysis based on latest available data.		

Cost Elements	 Increasing Level of Importance and Potential \$ Contribution							
	Business Unit/Standard		Competitive		Highly Competitive		Strategic or LPTA	
Fringe	Contractor (%)	GOV Site (%)	Contractor (%)	GOV Site (%)	Contractor (%)	GOV Site (%)	Contractor (%)	GOV Site (%)
Holidays/Vacation/Sick	9.62%	9.62%	9.62%	9.62%	9.62%	9.62%	9.62%	9.62%
Personal Absence/Other PTO	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%
Employer FICA	9.10%	9.10%	9.10%	9.10%	9.10%	9.10%	9.10%	9.10%
Workers' Compensation	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Health Insurance	13.31%	13.31%	12.60%	12.60%	12.41%	12.41%	12.04%	12.04%
Life Insurance	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%
Pension Plan/Retirement	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
AD&D	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Salary Continuation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Short/Long Term Disability	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%
Miscellaneous	3.21%	2.92%	3.04%	2.75%	2.99%	2.70%	2.90%	2.61%
Total Fringe	43.3%	43.0%	42.4%	42.1%	42.1%	41.8%	41.7%	41.4%
Overhead								
Salaries and Wages	6.62%	1.85%	6.37%	1.65%	6.29%	1.58%	6.14%	1.45%
Depreciation/Amortization	5.11%	1.43%	4.92%	1.27%	4.86%	1.22%	4.74%	1.12%
Occupancy Allocation	21.38%	5.49%	20.58%	4.89%	20.32%	4.69%	19.82%	4.31%
Miscellaneous	1.48%	0.81%	1.43%	0.72%	1.41%	0.69%	1.38%	0.63%
Total Overhead	34.6%	9.6%	33.3%	8.5%	32.9%	8.2%	32.1%	7.5%
G&A								
Salaries and Wages	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%
IR&D (Costs - All)	3.68%	3.68%	3.68%	3.68%	3.68%	3.68%	3.68%	3.68%
B&P (Costs- All)	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%	4.17%
Employee Stock/Options	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Miscellaneous	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
Total G&A	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%
WRAP Rate	2.17	1.77	2.14	1.74	2.13	1.73	2.11	1.71

MPS Rate	
Current Material Handling Estimate	2.21%

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COMPETITIVE CASES,

All analysis is based on most current available financial and business information on the bidding entity in question. Our calculations are empirical in nature and also include analyst judgment to predict what a bidder would likely use in these various situations:

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Which scenario to use is somewhat subjective, such that the analyst using this data should take into account the circumstances of each bidding situation. Considerations include whether the bidding entity is breaking into a new customer or is retaining core business that has moved from Best Value to LPTA. The bottom line is that these levels indicate how far we think a CFO would allow the bidding entity to abate their WRAP in order to win.

Note: The profit/fee numbers in the table below are reflective of the types of fees we believe this company would apply in various competitive situations. The Prime Contractor will normally endeavor to maintain their Operating Margin, using every other possible gaming maneuver before lowering their Fee on a bid. One notable exception is the LPTA competition which generally forces all bidders to bid as low as possible.

Company Cost Center Name	Current Operating Margin	8.72%
	Estimated Target Bid Guidance	8.72%
Estimated Margins and Pass Throughs		
Estimated Margin for Prime Contractor		
	Services	
LPTA		4.72%
Cost Plus		7.72%
FFP		9.72%
FFP LOE		6.72%
Estimated Margin Prime Contractor Would Allow Subs to Take		
	Services	
LPTA or FFP LOE		4.00%
FFP		6.00%
Cost Plus		5.00%
Estimated Margin Prime Contractor Would Put on Subs		
	Services	
LPTA		0% (applying only Material Handling)
Cost Plus		5.72%
FFP		7.72%
FFP LOE		4.72%