

Innovation Technique 16 – Rates Only Pricing

Purpose: To alleviate the burden on vendors submitting complex pricing submissions when establishing an IDIQ/BPA. **This is highly recommended when awarding a single-award vehicle.**



- \$ Vendors submit their **best hourly rates only**.
- \$ Government applies rates to a **scenario or estimated number** to arrive at a total evaluated price.
- \$ Vendor’s rates should be input into the **same scenario/formula**
- \$ This technique is most applicable to **T&M/LH type contracts**
- \$ Avoid vendors “**gaming**” the system by submitting lower hours/rates.
- \$ **Differentiates** which vendors can perform the work.

Contractor Submission

Labor Category	GSA Rate	Discount	Discount Rate
Program Manager	\$138.05	10%	\$125.50
Sr. Tech Writer	\$121.04	15%	\$105.25
Technical Writer	\$102.64	5%	\$97.75
Jr. Tech Writer	\$85.50	20%	\$71.25



Government Evaluation

Labor Category	Discount Rate	Gov. Est. Hours	Subtotal
Program Manager	\$125.50	x 1,250	\$156,875.00
Sr. Tech Writer	\$105.25	x 1,920	\$202,080.00
Technical Writer	\$97.75	x 3,840	\$375,360.00
Jr. Tech Writer	\$71.25	x 960	\$68,400.00
Total Evaluated Price =			\$802,715.00

Sample from **CBP Investment Analysis Office (FAR 8.4)**

(3) FACTOR FOUR - Price

Pricing for Time-and-Materials or Labor-Hour BPAs under FAR Subpart 8.4 (Evaluation)

To help select the best value Quoter for this BPA opportunity, the Government will use the hourly rates from the BPA LCAT Pricing Rate Worksheet/Excel Spreadsheet. **The Government will apply those rates to an estimated number of hours for each labor category to arrive at a total evaluated price.**

Quoters shall submit the attached pricing worksheet. (Submitted before the Oral Presentation, Phase 2 only).