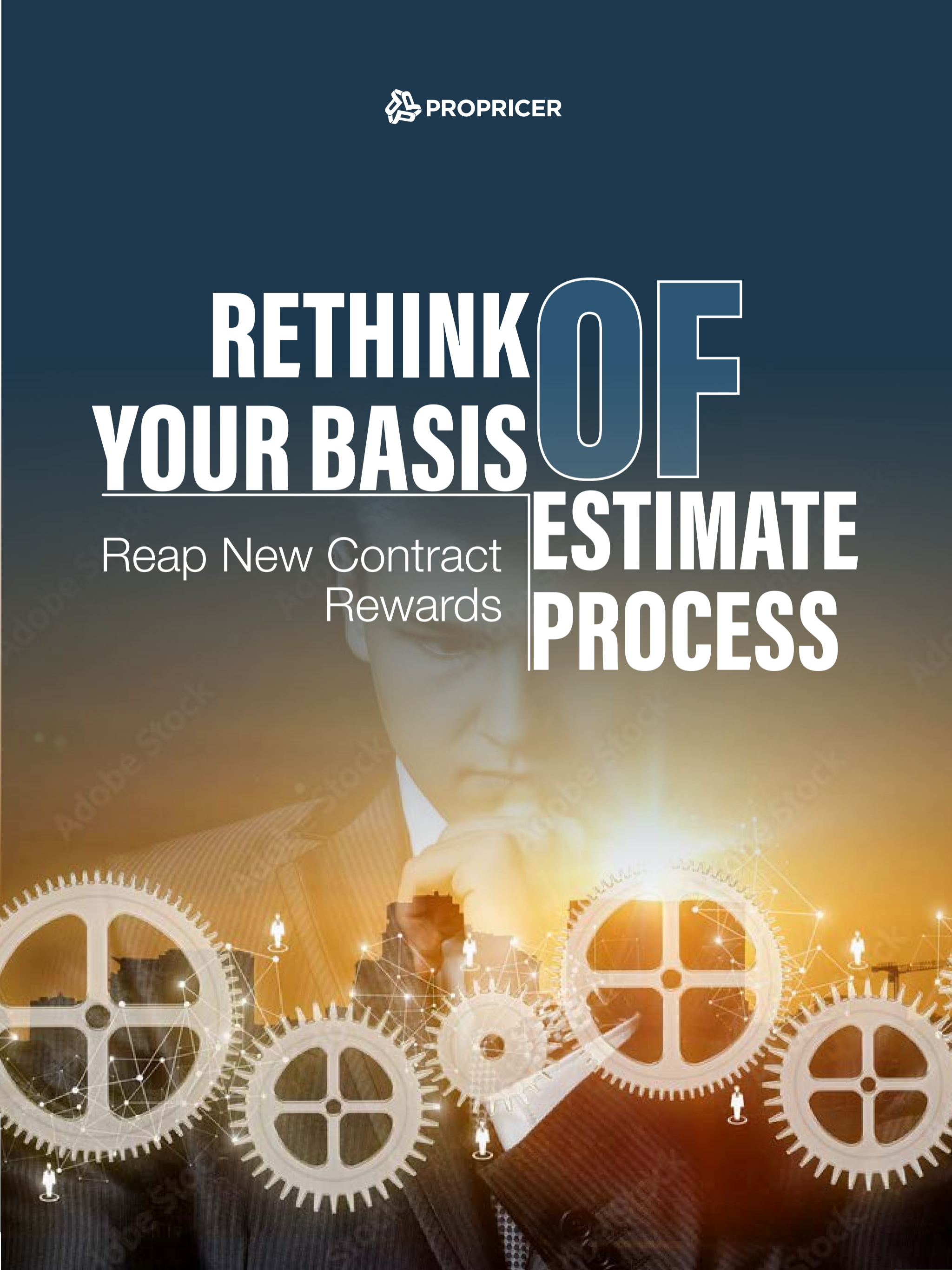


RETHINK **OF** YOUR BASIS **ESTIMATE PROCESS**

Reap New Contract
Rewards



Shift BOE to the first position. Move delays and non-compliance out of the picture.

You're always looking for ways to create a less stressful proposal process with a higher win.

Adopting a "BOE first" mindset can move your contracting firm's stance with any agency in the right direction.

For decades, contracting firms have written their Technical and Management Volume narratives before executing BOE justifications during a competitive procurement process. "We've always done it this way."

What you're about to read shuffles the deck.

DEFINE BOE, PLEASE

At its core, a Basis of Estimate (BOE) is a set of explanations. It's an organized collection of data and narrative writing that explains your thinking, methods, cost and price calculations, and assumptions you will use to get a scope of work done, as defined in a government Request for Proposal (RFP).

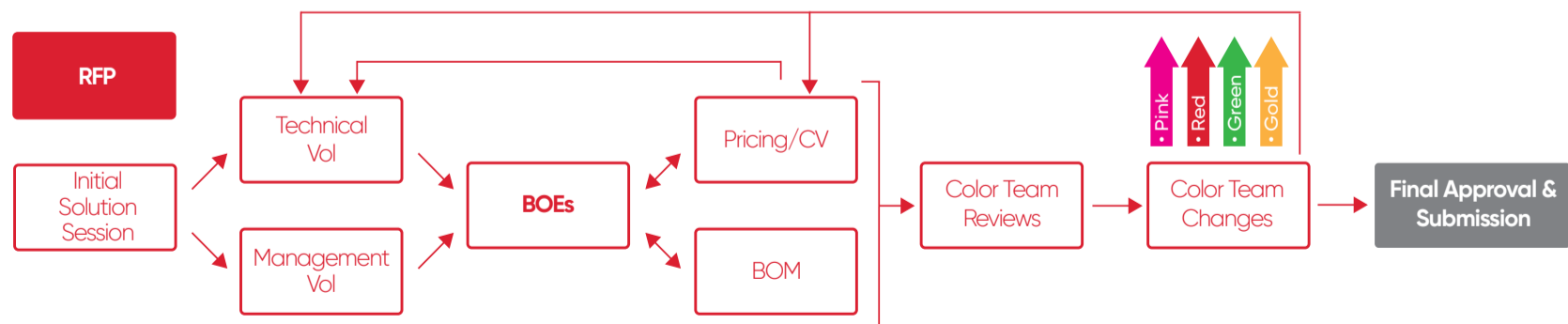
Your prospective government agency client uses the BOE to determine if you, as a bidding contractor, can handle the work or not.

Developing a credible BOE requires reliable historical and actual cost data—data that the government can track back to your applicable business system that generates that data. Examples: Your accounting system; or your purchasing, materials management, manufacturing, or timekeeping system.

The narrative section of a BOE is critical, as it helps you further verify and explain how you arrived at your cost estimate.¹ The BOE also enables you to justify how you calculated the total price for your required effort in a contract, including the profit you plan to charge. But you must develop the bulk of your BOE before pricing takes place, as you must first outline and substantiate cost elements to determine your margins.

Put another way: The BOE is an estimation of staffing and solutions you'll need to fulfill a government solicitation, as well as your costs incurred and final pricing, which includes the money you plan to make on the contract.²

Typical proposal workflow: BOE section follows Technical and Management Volumes



BD (Customer Intel/Budget)
PMO (Draft Solution)
Engineering (Draft Solution)
Pricing/Estimating (ROM)

- Labor
- Material
- Subcontracts
- ODCs
- Travel

- Pink
- Red
- Green
- Gold

In a typical proposal workflow, a Subject Matter Expert or technical writer authors a proposal's required Technical and Management Volumes before creating the BOE.

Sometimes, the SME(s) work on the Technical Volume and the BOE. In other cases, a technical writer authors the Technical Volume. Either way, when the work happens in this order, the Technical proposal determines what will be in the BOE. Often the writers tasked with both narratives struggle to write compelling text in the Technical proposal and a convincing justification in the BOE. It's a bit like the cart leading the horse.

The government tends to frown upon proposals that include the phrase "expert justification" to rationalize the costs and pricing in the BOE, especially if relevant BOE sections don't logically align with their respective Technical volume sections. And vice versa.

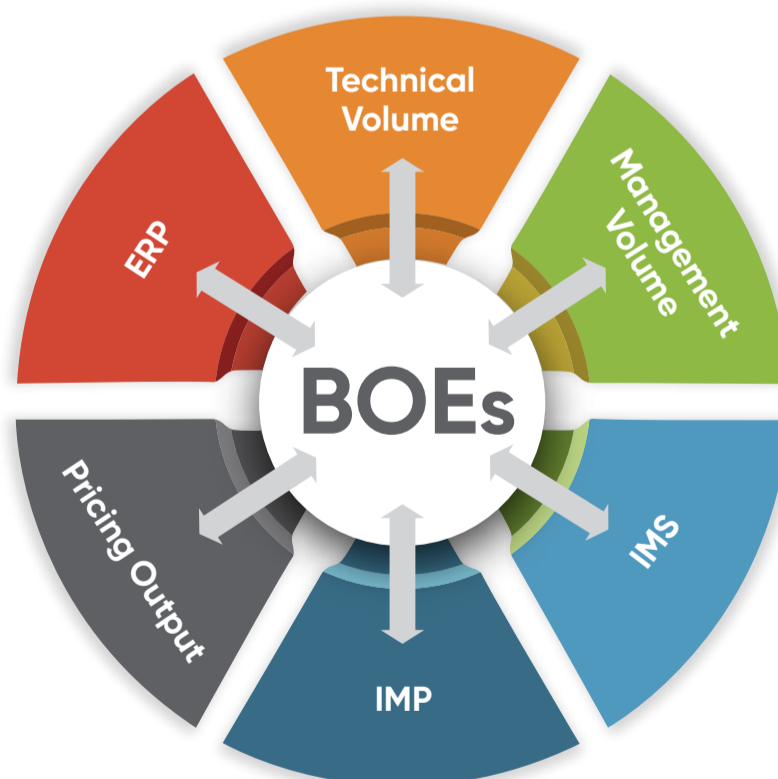
Any agency you're soliciting will want data to back up all narratives. So when there's misalignment between a Volume narrative and the BOE, often the latter has to be redone. Or the Technical Volume has to churn again. Or both.

Make BOE the central focus.

With the BOE at the forefront of your proposal, you can feed and create synergies among every other proposal component.

An agency reviewer can see how BOE data and narratives link to your Technical Volume, all other proposal facets, such as Pricing and your Management Volume, and your past performance on similar proposals—more easily justifying you as the contract winner.

Boes as the central focus of the proposal process





What makes a good technical SME?

Many contracting firm heads or procurement leads think they can act as both technical SME and technical writer for the BOE narrative and Volumes involved in a proposal. Doing it all is rare. If you're managing a team, you should focus your efforts on sourcing these two individuals—and it usually is two, though as described, sometimes you can find your unicorn. (Such as an engineer who is also an excellent communicator.)

Once you've sourced your people, your SME needs to be able to execute a cogent brain dump to your technical writer and pricing analyst—preferably through live sessions and a complete, thoughtful BOE.

Often a tech writer and Pricer will have several SMEs—a BOE author and others—that they can interview to blend perspectives in defining, writing, and pricing successful Volumes.

Putting BOE first lowers your risk.

Suppose you prove that your BOE consistently links to and rationalizes other proposal components. In that case, agencies are more comfortable doing business with you than with another firm that has failed to draw such pervasive, consistent synergies.

Since the page count for your BOE is often unlimited in RFPs, you can use the section as an informative place to sell your solution. From all kinds of perspectives—business, environmental, defense, and on—persuading the government that you have the most holistic view of the contract opportunity.

Other benefits of executing BOE first.

When you make your BOE a natural precursor to your Technical and Management Volumes, you can figure out the “why” of your decisions instead of just writing out narratives that illustrate the “what.”

You can more easily:

- Identify labor categories in your Volumes
- Substantiate multiple pricing runs—but not multiple per day
- Execute labor leveling and
- Anticipate fair scheduling.

Also, this approach allows your technical writers to stick to the Technical Volume after your SMEs have finished the BOE—much of the latter will inform the former.

Your writers' technical approach in the Volume narrative doesn't have to be limited; many technical writers learn how to language their sections from a BOE written by a knowledgeable SME.

Instead of doing 2 - 5 pricing runs per day, you'll see that you now have a 1-stop shop that feeds all other components, reducing your need for multiple runs when things change. And when the BOE does change, you'll know from the symmetries you've set up with other sections what needs to reflect those BOE modifications. As a result, you'll streamline processes and significantly reduce your time spent on rewrites.

Using this new approach, BOE is the central focus and single source of truth. Subsequently, the words you use to describe the same things are similar from section to section, pricing is consistent, and readability and understandability improve throughout the proposal.

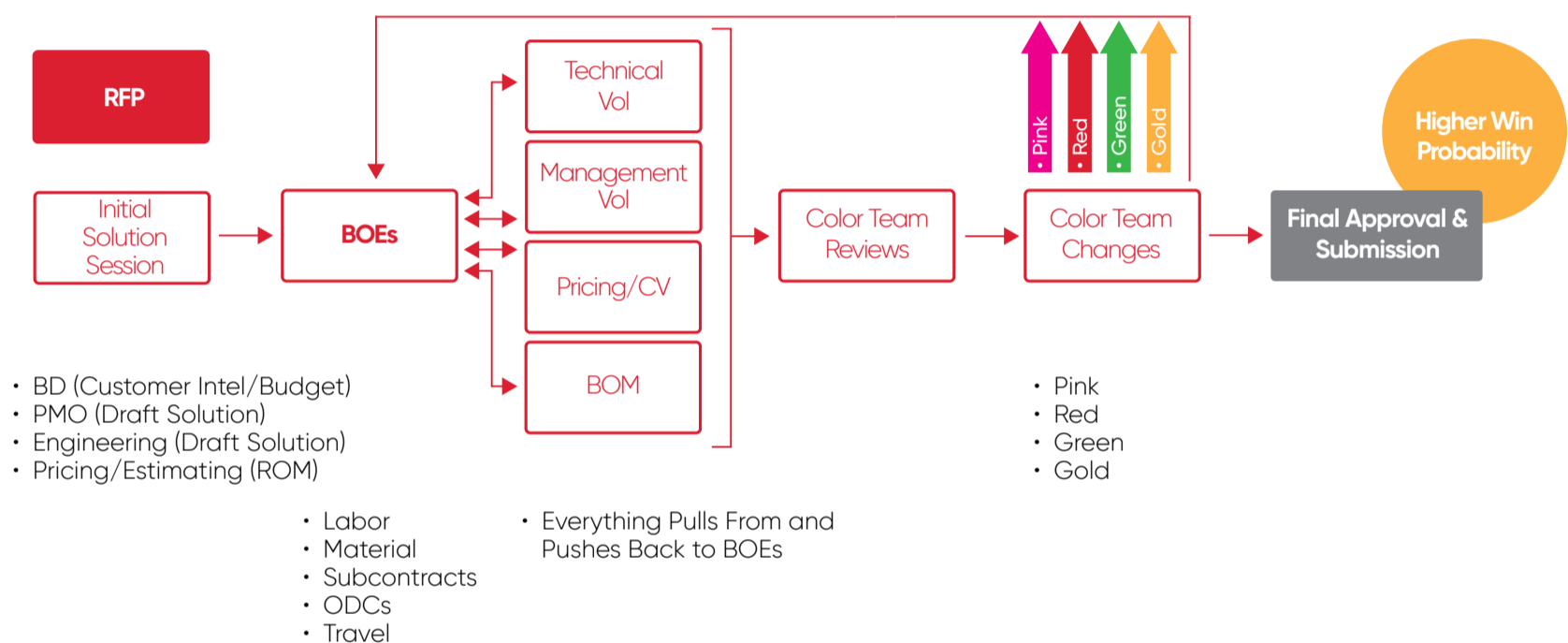
For instance, a reviewer focused on the Technical Volume can easily reference back to the BOE to substantiate costs.

This methodology enables you to:

- Prove to the agency why changes put a fixed-price contract at risk
- Use data-driven processes to keep complete, templated information in your volumes
- Include a BOE preamble in your Cost Volume that includes assumptions, so the Volume doesn't require crafting more than once.

Again, the BOE touches every area in a solicitation. Say your Key Personnel section lists a valuable SME who has authored your Volumes and the BOE. That's a selling point. The government loves this combination: The author of your narratives also knows enough to define how you came up with the estimates, how you're justifying the hours that validate your pricing, and many more cross-referenceable talents. A subject matter expert who is also an excellent narrative writer is worth their weight in gold.

New proposal workflow: Technical and Management Volumes follow BOE



Here, we've moved the BOE process up in the flow as the first component. As you can see, it feeds the Pricing function, Technical Volume, and Management Volume and lets you include past-performance references. We can't overstate this: The BOE can help you strengthen all other components in your workflow. Any changes in the BOE and other sections can flow back and forth throughout all elements.

Treated in this way, as the heart of the proposal, a BOE can help with negotiations in technology, labor, costs, and other components throughout the Technical and Management volumes.

Sometimes there will be a 20-person labor headcount in one section of a proposal, then a 25-person in another. Suppose the larger number is caught and has to reduce. That can be reflected and substantiated in the BOE section to get those extra five people back into the proposal.

Your BOE can become a fountain of substantiation.

Your BOE section is a great place to include graphics supporting your cost positions and infographics demonstrating your understanding of the tasks. In addition, proposal writers can pull info out and pare it down for the Technical Volume.

As an SME, you'll discuss and illustrate procedural deliverables, document assumptions, and contract risks. Then during

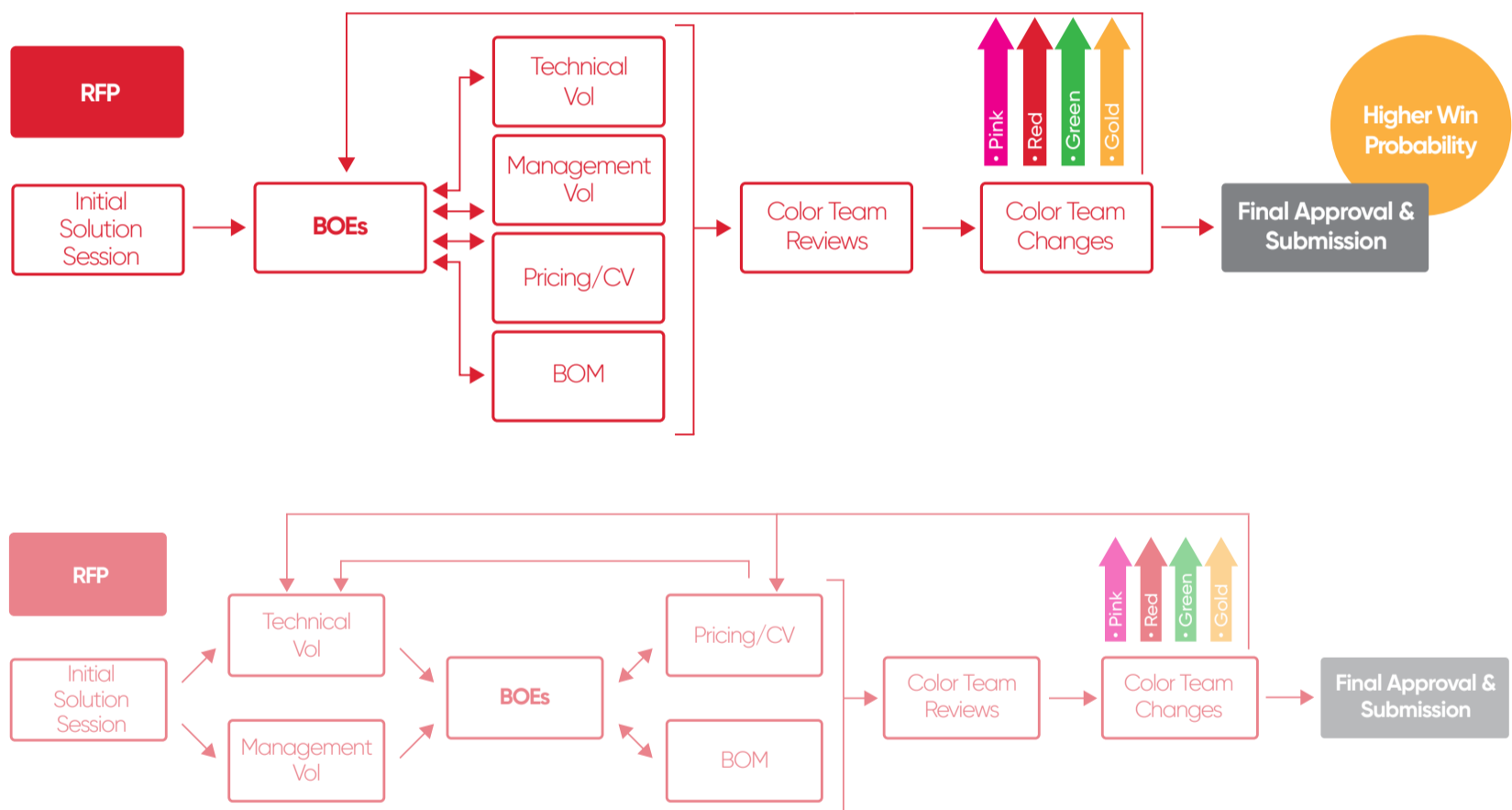
negotiations, you or another company representative can pull these risks out and speak to mitigation plans and assumptions that go along with them.

Example BOE content:

- You know that labor to produce a jet engine component requires 38 hours.
- You've done this before. Include links to previous proposals that contain this cost.
- You state you'd like reviewers to look at Appendix A, in-flight proposal attachments, and cost volumes at the links you provide.

ProTip: Here's where you can put ProPricer BOE Pro into practice to define labor categories, spend rationale, and more.

Comparing the two workflows: Save time, money, and burnout.



Looking at our two proposal processes, the bottom can create more burnout among your teams than the top. Simply, there is less drastic churn. Peer review and quality checks go faster, such as Quality Analysis (QA) discussions between your BOE and your Technical Volume author, your BOE SME and your Management Volume author, and your Tech Volume author and your Pricer.

With the top workflow, you're building evidence from the start of a proposal. While working on your Technical page count, know you'll soon be able to execute multiple pricing runs. Typically, no runs happen until the Technical and Management volumes are finished.

Fewer pricing runs can result in less redo for every component, less hassle and overtime for your people, and a higher win probability for every contract attempt.

The new approach also lets you create a library of BOEs you can reference for future proposals, allowing each BOE to be

done quickly. For example, say you're making 500 widgets for your current bid and just finished a proposal involving 250. You can double that cost number, then link to the past cost from your previous proposal as proof.

ProTip: *Get your Pricers involved early so they can color their exercises with the cost numbers and substantiations involved in the BOE.*³

New ProPricer BOE Pro: Ensure data integrity for flawless execution.

Standardize your BOE templates, create efficient workflows, and track estimate data as it changes with the BOE Pro software platform from ProPricer.

BOE Pro ties your proposal's cost estimates back to your BOE and Volume narratives, streamlining the data review process and ensuring the integrity of your costs and text.

Input BOE rationale and risks, enter assumptions text, attach related documents, and connect it all to your cost estimates in the same place. In doing so, you'll build more realistic estimates using a consistent methodology. And verification is a breeze.

Request a pre-demo call here.

Making BOE your top priority in the proposal process is a relatively simple adjustment that can help you win many new contract rewards.

Rethink and reap.

Sources

1. [ProjStream: How to Develop a Basis of Estimate for More Successful Government Contracts](#)
2. [Redstone Government Consulting: How to Develop a Basis of Estimate](#)
3. [ProPricer Webinar: Show me the Evidence - The BYOE Mindset](#)

Save Time & Easily Make
11th Hour
Cost Proposal
Changes





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