



MANAGING RISK.



DELIVERING RESULTS.



Introduction	1
Bid Protest	1
Business Systems Design, Evaluation and Validation	1
Contractor Accounting & Compliance Risk Assessments	2
Contractor Purchasing System Review (CPSR)	2
Cost Accounting Standards (CAS)	2
Cost Allowability	2
Cost Proposal Preparation	3
DCAA Audit Support	3
Federal Acquisition Regulation (FAR) and Agency Supplement	3
Forward Pricing Rate Development and Indirect Rates	3
GSA Schedule Consulting	3
Incurred Cost Proposals Development	4
Litigation Consulting and Expert Testimony	4
REAs and Claim Preparation	4
Service Contract Act (SCA) and Davis Bacon Act (DBA) Compliance	4
Terminations	5
Contact Information	back

Capital Edge Consulting

The experience you need to succeed.

Capital Edge consultants combine their unique backgrounds and experience in consulting, public accounting, industry, and DCAA to provide you with unmatched government contracting expertise.

This breadth of specialized experience enables us to provide the exact services and level of expertise you need to succeed. We've worked with government contractors ranging in size from startup to Fortune 100 companies in industries such as manufacturing, nuclear energy, professional services, biotech/pharmaceuticals, defense, and software. These companies work with a vast array of federal agencies.

Bid Protest

Deciding to submit a Bid Protest is a significant step for most contractors. There is concern about how the customer will react to such an action and if protesting a contract action will cause lasting damage to the company's reputation or customer relationship. It is critical to the company that the basis for the protest be clearly identified while presented professionally and unemotionally to minimize the likelihood of damaging the relationship with the customer. The important thing to remember is that the protest process ensures the integrity of the procurement process. Therefore, if a company believes an agency did not comply with the requirements of the procurement process it must protest; otherwise we lose the principal safeguard over the integrity of the procurement process. Our consultants have years of experience in assisting in the bid protest process. We review the information provided by the agency to determine if evaluation criteria were properly applied, if the agency properly performed their cost analysis, and perform other tasks directed by the protestor's legal counsel.



Business Systems Design, Evaluation and Validation

The government places tremendous emphasis on contractor business systems to help ensure compliance with applicable rules, regulations and standards. Therefore, these systems must be robust enough to provide government reviewers evidence that the underlying policies, processes and procedures will meet the requirements specified in those procurement rules, regulations and standards.

The business systems of interest to the government are the:

- Accounting System
- Estimating System
- Property Management System
- Purchasing System
- Earned Value Management System
- Material Management and Accounting System

Each of these systems have unique requirements. Some of them have "hooks" that feed information from one system to another. Others, while not directly tied together, rely on data generated by one of the other systems. Not all contractors will have all of the systems since some of them, like earned value, are contract specific. The specific requirements are dependent on cost accounting standards applicability but all contractors - regardless of size - should be working to ensure their systems comply with government expectations.

Contractor Accounting & Compliance Risk Assessments

Contractors need to ensure their systems meet the expectations of the customer. We can review your systems and processes to determine if they meet the applicable requirements. Should they meet the guidelines we will assist you in determining what corrective actions (if any) are required and assist in the development and execution of a corrective action plan. Needless to say it is far better to determine shortcomings yourself so they can be fixed before your customer finds them and a larger problem ensues. Our approach to these reviews allow us to tailor our risk assessment processes to fit your budget and evaluation criteria.

Contractor Purchasing System Review (CPSR)

With an approved purchasing system a contractor is no longer required to get consent to enter into a subcontract from individual contracting officers (with certain contract specific exceptions). An approved purchasing system can also result in higher proposal evaluations resulting in more contract awards. Therefore, a contractor triggering the threshold for a purchasing system review would be well served to ensure they pass a review on the first try.

Our consultants are familiar with the requirements that must be in place to successfully pass a purchasing system review. We review and assess existing policies, practices, and procedures to ensure they will result in purchases that will economically meet the company's requirements while providing maximum opportunities for potential vendors and subcontractors to participate in competing for company business. The goal is not only to successfully negotiate the purchasing system review, but to also ensure effective, economical purchasing of required goods and services.

Cost Accounting Standards (CAS)

Compliance with the cost accounting standards can be overwhelming and daunting to many contractors. We know the troublesome requirements in-depth and the steps to be taken in order to ensure compliance. It is important to be proactive to ensure that the cost accounting techniques you are selecting will meet those requirements in the future as well.

If things go wrong, we can also assist you in preparing cost impact statements. We confirm the cost impacts are properly calculated and that the adjustments are made only on those contracts containing the CAS clause. Cost impact statements by their nature are difficult, but we can manage the task to minimize the disruptions to your daily routines. We can help you with everything from evaluating your CAS contracting environment to settling issues with DCAA and administrative contracting offices.

Cost Allowability

Contracting with the Federal Government introduces contractors to a concept that is unique to the government contracting community – namely the concept of allowability. Through policy the government has defined the costs it will allow a contractor to include when determining a price in a cost based pricing environment. In order for a cost to be considered in determining a price (for fixed price contracts) or included in a billing (cost reimbursement contracts) it must be reasonable, allocable, and allowable.

To meet this requirement a contract must be able to identify unallowable costs so they can be properly treated for government contracting purposes. Years of experience allows us to help you identify unallowable costs at the point of original entry, account for them properly, and ensure they remain in the appropriate position in the cost allocation hierarchy for rate calculation purposes.

Need compliance training for your employees?

Our experts offer customized training options on a variety of topics in-house, at public seminars, and via the web.

Visit us on the web or email us at info@capitaledgeconsulting.com for more information.

Cost Proposal Preparation

We have a great deal of experience in preparing proposal cost volumes. While we do not provide advice on pricing strategies we can assist in structuring your cost volume so that it complies with the guidance in Table 15-2 of FAR 15-408 and section L of the Request for Proposal. Preparing a responsive cost volume is critical for winning new business. Our experience means we can help you develop a cost volume that will lower the risk of audit challenges.

DCAA Audit Support

The Defense Contract Audit Agency (DCAA) is responsible for reviewing business systems, CAS, and proposals to determine if you are meeting the applicable requirements. If your firm is being audited by DCAA for any reason, we can support you every step of the way. We've assisted clients with DCAA audits and know how to respond to the unique challenges they present.

Comprehensive Industry Coverage

Our experience covers all major practice areas.

No matter what industry you're in, chances are we have extensive experience working within it. That enables us to provide you with effective solutions.



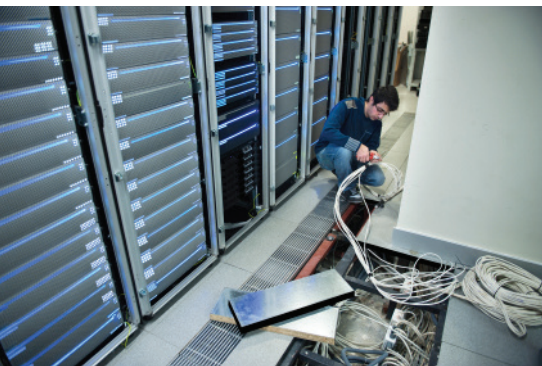
Federal Acquisition Regulation (FAR) and Agency Supplement

Federal procurement regulations require government contractors to partner with experienced professionals. We have the expertise to assist government contractors with regulations to create solutions in areas like cost allowability, contract management, contract financing, acquisition of commercial items, small business programs, as well as contract clauses.



Forward Pricing Rate Development and Indirect Rates

Establishing a proper indirect cost structure to recover those expenses that are not directly charged to contracts is a critical activity. For many contractors the indirect costs can be significant, often exceeding direct costs. Understanding how to define the indirect cost pools and related allocation bases ensures the allocation hierarchy is accepted by the government auditors. Identifying appropriate allocation statistics, establishing appropriate departments to capture costs, and creating cost groupings that reflect causal and beneficial relationships is a fundamental requirement. Our consultants understand the importance of creating a proper indirect cost structure and know how to identify viable options and recommend a structure that maximizes cost recovery.



GSA Schedule Consulting

We manage both prospective and current GSA contractors through the process of GSA scheduling. We understand the difficulty obtaining and administering a GSA Schedule contract while assuring you are safeguarding your organization against risks. Prospective government contractors must prepare proposals that minimize exposure to risk but attain ideal pricing. Once you have obtained a GSA schedule, we align the correct business infrastructure with administrative procedures to avoid compliance risk.

Incurred Cost Proposals Development


We can help you prepare Incurred Cost Proposals (also known as final indirect cost proposals), as well as prepare invoices, interpret invoicing requirements, and deal with government billing issues. Preparing your final indirect cost rate proposal is very complex and requires completion of the DCAA ICE (Incurred Cost Electronic) model. This model requires a large amount of detailed information – much of which is normally maintained outside of the accounting system. We have a great deal of experience in preparing these submissions and supporting the audit process. Don't do this alone.

Litigation Consulting and Expert Testimony

We have served as a valuable ally in many legal cases involving government contracts. As expert witnesses we assist your attorney in identifying and evaluating financial and economic issues. Our focus is on providing your litigation team with the expertise it needs to be most effective in resolving complex cost accounting and contract compliance issues.

REAs and Claim Preparation

Requests for Equitable Adjustments (REAs) are an integral part of contracting with the Federal Government. Whether the REA is due to a change work scope or site conditions, defective specifications, performance delay, or work disruption, the FAR provides a mechanism for government contractors to recover costs resulting from government actions or inactions. Our team understands how to prepare a well-documented request for equitable adjustment maximizing the likelihood of success.



Our clients range from Fortune 100 businesses to small, startup companies and we work with a vast array of federal agencies across the nation .

Service Contract Act (SCA) and Davis Bacon Act (DBA) Compliance

Contractors working on construction projects normally know they are subject to the Davis Bacon Act, an act approved by Congress on March 31, 1931. The Act requires the inclusion of minimum wage requirements for laborers and mechanics employed on the site of Federal Government contracts for construction, alteration or repair, painting and decorating of public buildings or public works. The act was amended in 1964 to include prevailing fringe benefit requirements. The act applies to U.S. covered contracts in excess of \$2,000.

Some contractors may not realize that certain areas of work within a non-construction based contract might also require them to pay employees the Davis Bacon Act wage determination rates. For example, if a contract includes construction work such as painting on a public building, in an amount exceeding the \$2,000 threshold (assuming that it can be reasonably segregated), the employees performing that task must be paid wages under Davis Bacon.

Similarly, the McNamara-O'Hara Service Contract Act of 1965 requires the payment of specified minimum wage rates and fringe benefits to employees working on service contracts and subcontracts in excess of \$2,500. Work performed by service employees may be skilled or unskilled. The Department of Labor issues a wage determination that provides wage rates and fringe benefits for corresponding classes of laborers and mechanics (under DBA) and service employees (under SCA) working under covered contracts.

The wage determinations are normally geographically specific and are referenced in the request for proposal and the resulting contract. Understanding how the wage determinations are applied can be difficult. Both of these laws have strict compliance requirements and are enforced by the Department of Labor. Sanctions are drastic and can include contract termination, suspension, and debarment. We understand the requirements of these laws and can help ensure that you have the safeguards necessary to comply.

Terminations

The potential to have a contract terminated for the convenience of the customer can occur for government contractors and subcontractors. What a contractor does after receiving such disheartening news will make the difference between recovering all allowable costs or a huge loss. We review contract performance and ensure that all allowable costs are included in the termination settlement proposal. We analyze the data to evaluate if there were events during performance that may entitle you to an equitable adjustment to the contract price before termination.

We will provide you with a well-documented termination settlement proposal including all the requisite schedules requesting the full amounts due under the termination for convenience provisions of the prime contract or subcontract. We will support you each step of the process including during the audit. There is no need to do this alone.



www.capitaledgeconsulting.com



**Managing Risk.
Delivering Results.**

CORPORATE HEADQUARTERS

11710 Plaza America Drive
Suite 2000
Reston, VA 20190

NATIONAL COVERAGE IN SATELLITE OFFICES

Boca Raton, FL San Diego, CA Los Angeles, CA San Francisco, CA
Denver, CO Phoenix, AZ Chicago, IL Columbus, OH
Philadelphia, PA Pittsburgh, PA



T: 703-870-3773 | 855-CAPEDGE F: 888-316-0695

info@capitaledgeconsulting.com