

Weighted Guidelines Approach Case Study

501 Madison Street SE, Suite 100 Huntsville, AL 35801 Phone: (256) 704-9800 www.redstonegci.com

CASE STUDY

Background

The client, a small business in Massachusetts, approached our consulting firm for assistance in their fee negotiations with the Government. The Government took exception to our client's proposed fee as well as the fee of three of their subcontractors. As the negotiations commenced, the Government was willing to provide a 6% fee across the board. The fee initially proposed was 9%, leaving an additional 3% to be justified.

Outcome

We began by assisting our client in the negotiation process by using the Weighted Guidelines Approach pursuant to DFARS 215.404-71 to justify their proposed fee for services.

Throughout the negotiation process, we made several advisements concerning not only supporting justifications to the proposed fee but also recommendations on which percentages to make concessions and which to hold firm. In the end, we assisted the client in receiving a fee percentage of 7.99% on the total contract. This increase of 1.99% from the Government's original offer nets roughly an additional \$200k to our client!

About Redstone Government Consulting

Redstone GCI is a consulting firm focused on fulfilling the needs of government contractors in all areas of compliance. With a singular mission to help contractors through the multiple layers of "red tape," we allow contractors to focus on what they do best – support their mission with the U.S. Government. We are home to a group of consultants made up of GovCon industry professionals, CPAs, attorneys, and retired government audit and acquisition professionals.

Our focus and knowledge of audit and compliance functions administered by DCAA and DCMA will always be at the heart of what we do. However, for the past decade, we've strategically grown to support other areas of the government contractor back-office with that same level of focus and expertise. We've added expertise in contracts management, subcontract administration, proposal pricing, various software systems, HR and employment law, property administration, manufacturing, data analytics/reporting, Grant specialists, M&A, and many other areas. When we see a trend in the needs of contractors, we act to ensure we can provide the best expertise in the market to fulfill those needs.

One thing our clients can be certain of is that with the Redstone GCI Team in your corner, there is no problem too big and no issue too technical for our team to tackle.