

stated in this letter is still in effect and will not be affected by any of the requirements of the DD Form 633 as reflected here.

QUESTION. Have you any examples of good submissions that we can use for training our people and for the education of our contractors?

ANSWER. Yes. We are attaching an actual submission with only the contractor's name and other identifying characteristics disguised, e.g., the item, unit costs and total amounts. It is, of course, a simple proposal, but it illustrates the method very well. Each submission may require more or less detail dependent upon the procurement situation. We consider this a good proposal that substantially meets the requirements of P. L. 87-653. However, there are three areas where even this proposal could be improved; e.g., (1) Schedule A - Raw Material Costs - should identify base for raw material requirements, i.e., production experience under present contracts, etc.; (2) contractors' reference to pro-rata share of indirect selling expense in item 10 could be improved by explanation of how he actually pro-rates the expense, and (3) references to "past experience" (items 6B, 8C, D and G) should be explained by dates and type of experience and its relation to current procurement.