How to Prepare a Cost Bid

1. The starting point is bid cost drivers
* The number of hours for each labor category
* The direct charges (other than labor)
	+ Documents
	+ Travel
	+ Consultants
	+ Materials
1. Collect the company parameters
* Hourly labor rates for each labor category
* Number of paid vacation days
* Number of paid holidays
* Number of paid sick days
* Overheat rate
* Fee rate (profit rate)
1. Calculate the Direct Labor Cost as

$$DL= \sum\_{All Categories}^{}\left(Hours Bid-Paid Leave\right)\*Category Hourly Rate$$

1. Calculate the Overhead Cost as

$$OVHD=DL\*Overhead Rate$$

1. Calculate the Other Direct Costs as

$$ODCs=\sum\_{All ODCs }^{}Item Cost$$

1. Calculate total Project Cost as

$$PC= \sum\_{}^{}DL+OVHD+ODC$$

1. Calculate the Fee as

$$Fee=Fee Rate\*PC$$

1. Calculate the Total Project Price as

$$Price=PC+Fee$$