

<b>Structured Approach Profit/Fee</b>				
<b>Contractor</b>			<b>RFP/Contract No.</b>	
<b>Business Unit</b>			<b>Contract Type</b>	
<b>Address</b>				
<b>Contractor Effort</b>				
<b>1. Cost Category</b>	<b>Government's Cost Objective (a)</b>	<b>Weight Range (b)</b>	<b>Assigned Weight (c)</b>	<b>Weighted Profit/Fee ((a) x (c)) (d)</b>
<b>Material Acquisition</b>		<b>1% to 5% (.01 to .05)</b>		
<b>Direct Labor</b>		<b>4% to 15% (.04 to .15)</b>		
<b>Overhead</b>		<b>4% to 9% (.04 to .09)</b>		
<b>Other Costs</b>		<b>1% to 5% (.01 to .05)</b>		
<b>General Management (G&amp;A)</b>		<b>4 % to 8% (.04 to .08)</b>		
<b>1.A Total</b>				

<b>Structured Approach Profit/Fee Objective</b>				
<b>2.</b>				
<b>Factor</b>	<b>Measurement Base (a)</b>	<b>Weight Range (b)</b>	<b>Assigned Weight (c)</b>	<b>Weighted Profit/Fee 1.A(a) x (c) (d)</b>
<b>Cost Risk</b>		<b>0% to 7% (0 to .07)</b>		
<b>Investment</b>		<b>-2% to +2% (-.02 to +.02)</b>		
<b>Performance</b>		<b>-1% to +1% (-.01 to +.01)</b>		
<b>Socioeconomic Programs</b>		<b>-.5% to +.5% (-.05 to +.05)</b>	0	0
<b>Special Situations</b>				
<b>2.A Total Other Factors</b>				
<b>3. Subtotal Profit/Fee Lines 1.A(d) (from page 1) + 2.A(d)</b>				
<b>4. Less Facilities Capital Cost of Money</b>				
<b>5. Total Profit/Fee Objective Line 3 - 4</b>				

**Rationale**  
**Structured Approach Profit/Fee Objectives**  
**Contract No. [CONTRACT NUMBER]**

A Structured Approach Profit/Fee Objective, HHS-674, was developed for this *[Type of Contract]* contract. A rationale of the Government's profit objective is detailed as follows:

**Material Overhead**

The profit weight measurement for this element is 1% to 5%. The weight of *[PERCENTAGE]*% was determined the assigned weight.

**Direct Labor**

The profit weight range for direct labor is 4% -15%. The weight of *[PERCENTAGE]*% was determined the assigned weight within the labor category. *[RATIONALE]*

**Overhead**

The provide weight range for this element is 4%-9%. The weight of *[PERCENTAGE]*% was determined the assigned weight within the labor category. *[RATIONALE]*

**Other Costs**

The profit weight measurement for this element is 1%-5%. The weight of *[PERCENTAGE]*% was determined the assigned weight within the labor category. *[RATIONALE]*

**General Management - G&A**

The profit weight measurement for this element is 4%-8%. The weight of *[PERCENTAGE]*% was determined the assigned weight within the labor category.  
*[RATIONALE]*

**Other Cost Factors**

**Cost Risk**

The profit weight range for this element is from 0%-7%. The weight of *[PERCENTAGE]*% was determined the assigned weight within the labor category. *[RATIONALE]*

**Investment**

The profit weight range for this element is from -2% - +2%. The weight of *[PERCENTAGE]*% was determined the assigned weight within the labor category. *[RATIONALE]*

**Performance**

The profit weight range for this element is from -1% - +1%. The weight of *[PERCENTAGE]*% was determined the assigned weight within the labor category. *[RATIONALE]*

**Socioeconomic Program.**

The profit weight range for this element is from -.5% - +5%. The weight of 0% was determined the assigned weight within the labor category because socioeconomic programs are not mandatory for overseas procurements.

**Special Situations**

*[RATIONALE]*

**Total Profit/Fee Objective**

The results of the analysis allowed the Contract a profit/fee of *[\$AMOUNT]* or *[PERCENTAGE]*%.

\_\_\_\_\_  
Contracting Office Signature

\_\_\_\_\_  
Date