The purpose of this Amendment is to answer a question received in response to BAA 08-007 entitled “Basic Research Challenge”.

Question 1: Could you please confirm if the start date is July 1, 2008 or June 1, 2008 for the subject BAA? Page 10 indicates a June 1 start date, but please confirm.

Answer Number 1: The award start date is 07 July 2008. As a result of this correction, the paragraph entitled, “Cost Proposal” on page 10 of the BAA is hereby deleted in its entirety and revised to read as follows:

“Cost Proposal

Provide a detailed 4-year budget proposal showing a cost breakdown of all costs by cost category and by the funding periods described below.

The budget should adhere to the following guidelines:
Detailed breakdown of all costs, by cost category, by the calendar periods stated below. For budget purposes, use an award start date of 07 July 2008. The cost should be broken down to reflect funding increment periods of:

(1) Three months (07 Jul 08 to 30 Sep 08),
(2) Twelve months (01 Oct 08 to 30 Sep 09),
(3) Twelve months (01 Oct 09 to 30 Sep 10),
(4) Twelve months (01 Oct 10 to 30 Sep 11), and
(5) Nine months (01 Oct 11 to 30 Jun 12).

Note that the budget for each of the calendar periods (e.g., 07 July 08 to 30 Sep 08) should include only those costs to be expended during that calendar period.

Annual budget should be driven by program requirements. Elements of the budget should include:

- Direct Labor - Individual labor category or person, with associated labor hours and unburdened direct labor rates.
- Indirect Costs - Fringe benefits, overhead, G&A, Cost of Money (COM), etc. (must show base amount and rate).
- Travel - Number of trips, destination, duration, etc.
- Subcontract - A cost proposal as detailed as the proposer's cost proposal will be required to be submitted by the subcontractor prior to grant award.
- Consultant - Provide consultant agreement or other document that
verifies the proposed loaded daily/hourly rate.

- Materials - Specifically itemized with costs or estimated costs. An explanation of any estimating factors, including their derivation and application, shall be provided. Include a brief description of the proposer's procurement method to be used (competition, engineering estimate, market survey, etc.).

- Other Direct Costs - Particularly any proposed items of equipment or facilities. Equipment and facilities generally must be furnished by the contractor/recipient. Justifications must be provided when Government funding for such items is sought. Include a brief description of the proposer's procurement method to be used (competition, engineering estimate, market survey, etc.).

- Grant Specific Costs – Costs not normally associated with contracts, such as Graduate Assistant tuition, laboratory fees, report and publication costs

The above information should be included in the proposal package. The entire proposal package including the technical and cost proposal should be scanned into a single pdf file and attached to the SF 424 (R&R) Form at Field number 20 entitled "Pre-Application"