

CONTRACT COST OR PRICE ANALYSIS WORKSHEET

BEFORE AND AFTER OPENING BIDS

Step 1: Develop Independent Cost or Price Estimate BEFORE Opening Bids or Proposals

REQUIRED for all procurement actions above the Simplified Acquisition Threshold. An independent price or cost estimate can be established through reliance on a wide variety of research and/or data points. Check all that were used to formulate this estimate:

_____ Market research that identifies the median rate or price for a particular type of supply or service.

_____ Review of historical pricing including old proposals, bid tabulations, and invoices.

_____ Interviews/discussions with experienced personnel, e.g., accounting, engineers, procurement staff, etc.

_____ Consideration of prior personal experience.

_____ Pricing paid by similar entities for similar work.

_____ Due to emergency or exigent circumstances, a formal independent estimate could not be performed; however, an estimate was contemplated or discussed, based on the data points indicated above.

_____ Other:

Anticipated Scope of Work: _____

Attach the methodology used to develop the estimate and all supporting information.

Date: _____ Estimate: \$ _____

Any Unique Considerations:

Prepared by: _____ Date: _____

Step 2: Cost or Price Analysis Required After Opening Bids or Proposals Exceeding the Simplified Acquisition Threshold

After evaluating the bids or proposals, either a cost or price analysis must be completed to confirm the pricing of the top rated vendor is reasonable. The method and degree of analysis is dictated by the facts, circumstances, and complexity of the procurement. At a minimum, each bid/proposal should be compared to each other and to the Independent Cost Estimate developed in Step 1 above.

Number of bids/proposals received: _____

Scope of Work if different from that anticipated in the Independent Cost Estimate:

A Price or Cost Analysis is Required

1. Price Analysis

Less complex; involves the review of a proposed price without evaluating its separate cost elements and proposed profit. Used most commonly for commercial items or for competitive sealed bidding procurements.

Resources used; check all that apply:

_____ Compared proposed prices received in response to the solicitation; Competitive Sealed Bidding requires at least two Responsible offerors/bidders and assumes no unusual actions that negatively impacted competition.

_____ Compared historical proposed prices and contract prices with current proposed prices for the same or similar goods or services; can consider changes in quantity, delivery schedules, economy.

_____ Compared offer with competitively published catalog prices, published market prices, or similar indices.

_____ Compared proposed prices with independently developed price estimates and/or market research.

_____ Compared to prices set by law, regulation, FEMA's Equipment Rate Schedule or Federal Supply Schedules.

OR

2. Cost Analysis

Includes evaluation of the separate cost elements (i.e. labor hours, overhead, materials, etc.) and proposed profit or fee in an offeror's proposal. Used most commonly when procurement is through Competitive Proposals, or Competitive Sealed Bidding with insufficient price competition. Also used to evaluate professional services procurements, including architectural and engineering services, and for contract modifications/change orders.

Necessary steps:

_____ Verified the individual cost elements add up to the total proposed price.

_____ Verified each cost item is necessary and reasonable for the required scope of work.

_____ Compared the costs proposed for individual cost elements with previously incurred actual costs and independently developed estimates.

_____ Considered input from experienced personnel to assist in the analysis of hours, materials, and equipment proposed, quantities, tooling, testing, head counts, productivity, and similar factors.

_____ Consulted the resources referenced above for price analysis to the extent available to aid in confirming proposed pricing.

If profit is negotiated as a separate element of the contract price, include documentation of any discussions with the contractor and confirm the anticipated profit allocation is reasonable. The complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates for similar work may be considered. Hourly rates for T&M contracts should incorporate profit and overhead within the rate. Cost-plus-percentage-of-cost contracts are prohibited.

Step 3: Assemble Documentation and Confirm Pricing is Reasonable

Attach documentation of the analysis performed in Step 2 and the resulting determination. Offeror's costs should be determined reasonable prior to proceeding. Proceeding without this determination may jeopardize reimbursement.

Reasonable Price Proposed: \$ _____

Contractor Name: _____

Signature of Project Officer: _____

Name and Title: _____

Date: _____

Signature of Department Head: _____

Name and Title: _____

Date: _____