Pursuant to 2 C.F.R. § 200.323, some form of **cost or price analysis** must be performed in connection with every federally assisted procurement action, including contract modifications, that exceed the simplified acquisition threshold.[[1]](#footnote-2) Such an analysis is also highly recommended for any procurement action where competition was inadequate.

Anticipated Scope of Work:

**Step 1: Develop Independent Estimate BEFORE Receiving Bids or Proposals**

**REQUIRED** for all procurement actions regardless of size. An independent 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 price for a particular type of supply or service.

[ ]  Review of historical pricing including that included in old proposals, bid tabulations, invoices.

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

[ ]  Consideration of prior personal experience.

[ ]  Pricing provided by other cooperatives or municipal power 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:

Attach a summary description of methodology used to develop estimate and supporting information.

Date: Estimate:

Any Unique Considerations:

Prepared by:

**Step 2: Cost or Price Analysis**

After receipt of bids or proposals, you must complete either a cost analysis or a price analysis to confirm the pricing presented is reasonable. The method and degree of analysis is dictated by the facts, circumstances, and complexity of the procurement.

Date: Price Proposed:

Contractor Name:

Scope of Work if Different from Anticipated:

Method of Procurement:

[ ]  **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 procurements through sealed bidding.

Resources used; check all that apply:

[ ]  Compared proposed prices received in response to the solicitation; 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 or regulation; includes FEMA’s Equipment Rate Schedule and Federal Supply Schedules.

[ ]  **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 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.

[ ]  Sought 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.

In any case where cost analysis is performed, you must also negotiate profit as a separate element of the contract price. For this, include documentation of any discussions you have with the contractor and confirm the anticipated profit allocation is reasonable. You may consider 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. Cost-plus-percentage-of-cost contracts are prohibited.

**Step 3: Assemble Documentation and Confirm Pricing is Reasonable**

Attach a summary of the analysis performed and the resulting determination. All costs should be determined reasonable prior to proceeding. Proceeding without a determination that costs are reasonable may jeopardize federal reimbursement.

 \_\_\_

Signature of Applicant Representative Date

Print Name and Title: \_\_\_\_

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source. Pursuant 2 C.F.R. § 200.320(f), this method may be used only under certain circumstances. If a noncompetitive procurement method was used, indicate the applicable circumstance below. Attach additional documentation in support, if necessary.

Date of Event: \_\_\_\_\_\_\_\_\_\_ Disaster Declaration No. and Date Declared:

Contractor Name, Contract No.:

Brief description of the product or service procured:

Expected dollar value:

[ ]  The item is available only from a single source. Indicate the basis for this conclusion, including a description of all attempts to identify additional sources.

[ ]  The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.

[ ]  The Federal awarding agency (e.g., FEMA) or pass-through entity (e.g., state division of emergency management) expressly authorized noncompetitive proposals in response to a written request from Applicant; or

[ ]  After solicitation of a number of sources, competition was determined inadequate.

Explain why it is necessary to contract non-competitively. A justification based on public exigency or emergency should explain the nature of the public exigency or emergency, including why procurement other than through noncompetitive proposals would cause unacceptable delay in addressing the public exigency or emergency. Failure to plan does not justify noncompetitive procurement based on public exigency or emergency.

[ ]  A public health threat is at issue. If this box is checked, attach a letter from a public health authority documenting the threat and duration.

[CONTINUED ON FOLLOWING PAGE]

How long you will need to use the non-competitive procurement?

Describe the impact it will have on your community if you are not able use the non-competitive procurement for that amount of time (e.g., how long do you anticipate the exigency or emergency will continue; how long will it take to identify your requirements and award a competed procurement; or how long would it take another contractor to reach the same level of competence)?

Describe the results of any market survey or research conducted to help you determine whether you could have used full and open competition consistent with applicable law (or, if you did not conduct a market survey or research, explain why not).

Describe the results of any conflicts of interest and organizational conflict of interest reviews you conducted (or, if you did not complete a conflict of interest and organizational conflict of interest review, explain why not).

Include any other points you think are necessary for the justification.

 \_\_\_  **\_\_\_\_**

Signature of Applicant Representative Date

Print Name and Title: \_\_\_\_

1. Pursuant to 2 C.F.R. § 200.88, the simplified acquisition threshold is set by the Federal Acquisition Regulation at 2 C.F.R. Subpart 2.1 and is currently $250,000. [↑](#footnote-ref-2)