

Complete before awarding or entering into contract



Georgetown Independent School District **DETERMINATION OF COST OR PRICE ANALYSIS (REASONABLENESS)**

Purpose: Federal regulations require documentation of cost analysis or price analysis for every procurement action at or above \$150,000 (*see* 2 C.F.R. § 200.323). The Determination of Cost or Price Reasonableness form is used to document the analysis showing that the offered price is fair and reasonable. The form is kept as part of the procurement file to demonstrate that the procurement process was conducted in an open and fair manner and that the District received the most advantageous price.

Instructions:

1. Complete a separate Determination of Cost or Price Reasonableness form for each vendor being recommended for contract award. Complete all applicable sections according to the instructions given. An incomplete Determination of Cost or Price Reasonableness form cannot be approved.
2. Provide a detailed discussion of your price analysis or cost analysis. A Determination of Cost or Price Reasonableness form that lacks sufficient detail cannot be approved.
3. Sign in blue ink and date the form.
4. Maintain a copy on the grant file subject to retention schedules
5. Submit completed form to the **INSERT TITLE** prior to contract award.

An improperly completed and/or unsigned form will be returned.

Prepared by: _____

Date: _____

Email: _____

Phone Number: _____

Department: _____

Subject: Determination of Cost or Price Reasonableness

Good or service to be acquired: _____

[Procurement Type, e.g., RFP, RFQ] #: _____

Independent Estimate Produced before Receiving Bids or Proposals: Yes (attach supporting document(s))

Vendor: _____

Amount: _____

**(Attach written quotation or other information that documents the estimate of cost or price reasonableness)
(As necessary include unit costs, rates, schedules, price estimates, and budgets, etc.)**



I. Procurement Type

This expenditure of \$150,000 or more is being made under one or more of the following (check those that apply and attach supporting documentation):

For items A – C, please complete Section II (Price Analysis)

- A. Interlocal agreement or purchasing cooperative (TEC 44.031(a)(4) / Tex. Gov't Code Ch. 791; 2 C.F.R. § 200.318(e)), including construction services
- B. Request for Proposals (or Competitive Sealed Proposals) for goods or services, including construction services
- C. Competitive Bidding for goods or services, including construction services

For items D – K, please complete Sections III (Cost Analysis) and IV (Profit)

- D. Sole source (as defined under TEC 44.031(j))
- E. Emergency procurement (as defined under TEC 44.031(h))
- F. Competitive Bidding, Competitive Sealed Proposal, or Request for Proposals (where the solicitation is publicly posted) where only one (1) bid/proposal is received
- G. Professional services (as defined under TEC 44.031(f) and/or Ch. 2254 of the Tex. Gov't Code) where no price competition exists prior to selection
- H. Design Build; Construction Manager-Agent
- I. Price adjustment to Purchase Order No. _____ or Contract No. _____ (and already procured under item A – I)
- J. Extension of an existing contract past its initial term. Contract extension is allowed under procurement method or contract, if allowed by Board policy.
- K. Cost-reimbursement contract

Note: When using federal funds, Construction Manager-at-Risk or other Cost-Plus contracts are prohibited.

II. Price Analysis: If the expenditure is being made under items A, B, or C in Section I (Procurement Type) above, complete this Section only. You are not required to complete Sections III or IV.

Price offered is considered fair and reasonable for the following reason(s), and if applicable, is supported by attached documentation and/or a detailed discussion of the price analysis (select at least one applicable situation):

- Comparison of previous district purchase order and contract prices with current proposed price, for the same or similar items. Both the validity of the comparison and the reasonableness of the previous price(s) have been established. *Attach the referenced purchase orders/contracts, amounts, issuance dates, and how they are similar to the current purchase.*
- Comparison with Vendor's published price lists, market prices, pricing indexes, and discount or rebate arrangements. *Attach published price list or other published pricing information used (a vendor's quotation or correspondence does not qualify as a published price list).*
- Comparison of proposed price with independent estimates, which were determined to be allowable under 2 C.F.R. Part 200, Subpart E—Cost Principles. *Attach estimates used.*
- Comparison of proposed price with prices obtained through market research for the same or similar items. *Attach documentation of research conducted.*
- The order is priced in accordance with existing GISD Purchase Order No. _____ and/or GISD Contract No. _____, which was competitively established.
- Other reason (specify and attach supporting documentation if applicable): _____



III. Cost Analysis: *If you selected D–K in Section I (Procurement Type), complete this Section and attach a detailed breakdown of the vendor’s proposed costs (e.g., labor, materials, profit, reimbursable expenses).*

After analyzing and verifying vendor’s cost information, it is determined that each of the cost items listed by the vendor is allocable, reasonable, necessary, and therefore, allowable in accordance with 2 C.F.R. Part 200, Subpart E—Cost Principles for the following reason(s) (select at least one applicable situation and attach supporting documentation and/or a detailed discussion of the cost analysis):

- Comparison of costs proposed with actual costs previously incurred by the same vendor for the same or similar work.
- Comparison of costs proposed with actual costs of previous same or similar work performed by other vendors.
- Comparison of costs proposed with previous cost estimates from the vendor or other vendors for the same or similar items or work.
- Comparison of costs proposed with the District’s independent estimate, which was determined to be allowable under 2 C.F.R. Part 200, Subpart E—Cost Principles. *Attach independent estimate.*
- Comparison of costs proposed with the methods proposed by vendor with the requirements of the solicitation, *i.e., do the costs reflect the technical approach proposed and the work required?*
- Verification that the costs proposed conforms to the appropriate set of cost principles.
- Verification of the accuracy of the cost and pricing information submitted and evaluating the application of audited or pre-negotiated (e.g., by the Federal Government) indirect cost (e.g., overhead) rates, labor and fringe benefit rates, or other factors.
- Verification of the accuracy of cost and pricing information proposed and evaluation of the effect of vendor’s current practices on future costs.
- Verification of the accuracy of the cost and pricing information submitted and evaluation of vendor’s projected cost trends.
- Other reason *(specify and attach supporting documentation if applicable):*

IV. Profit: *If you selected D – K in Section I (Procurement Type), complete this Section.*

Negotiated profit amount (attach supporting documentation): _____

Profit negotiated is considered fair and reasonable for the following reasons, and is supported by attached documentation and/or a detailed discussion of the cost or price analysis (you must complete each item below and explain reasoning; attach additional pages and/or supporting documents if necessary):

Consideration of the complexity of the work to be performed. _____

Consideration of the risk borne by the contractor. _____



- Consideration of the contractor's investment. _____

- Consideration of the amount of subcontracting. _____

- Consideration of the quality of contractor's record of past performance. _____

- Consideration of industry profit rates in the surrounding geographical area for similar work. _____

CERTIFICATION:

I certify that the information provided above is true and correct to the best of my knowledge and belief. I further certify that I have determined that the costs or price offered or the fee negotiated are necessary, fair, and reasonable.

Full Name of Individual Preparing Form

Signature Date

APPROVED:

Level One: **INSERT TITLE**

Signature Date

Level Two: **INSERT TITLE**

Signature Date

Level Three: **INSERT TITLE**

Signature Date