

# Appendix IX: Cost Analysis Form

| COST ANALYSIS SUMMARY (For New Contracts Including Letter Contracts)<br>(See Instructions below)  |  |                   |  |                   |                      |                      |          |
|---|--|-------------------|--|-------------------|----------------------|----------------------|----------|
| SOLICITATION #  |  |                   | SUPPLIES AND/OR SERVICES TO BE FURNISHED |                   |                      |                      |          |
| PREPARER'S NAME, DEPARTMENT, TITLE, PHONE   |  |                   |  |                   |                      |                      |          |
| DIVISION(S) AND LOCATION(S) WHERE WORK IS TO BE PERFORMED   |  |                   | APPROVAL SIGNATURE                       |                   |                      |                      |          |
| DETAIL DESCRIPTION OF COST ELEMENTS   |  |                   |  |                   |                      |                      |          |
| 1. DIRECT MATERIAL<br>A. PURCHASED PARTS<br>B. SUBCONTRACTED ITEMS<br>C. OTHER - (1) RAW MATERIAL<br>(2) STANDARD COMMERCIAL ITEMS<br><br><div style="text-align: right;">TOTAL DIRECT MATERIAL</div> |  |                   | Vendor A Proposal                        | Vendor B Proposal | Independent Estimate | Analysis             |          |
|   |  |                   |  |                   |                      |                      |          |
|   |  |                   |  |                   |                      |                      |          |
|   |  |                   |  |                   |                      |                      |          |
|   |  |                   |  |                   |                      |                      |          |
| 2. MATERIAL OVERHEAD<br>(RATE % x \$ BASE *)  |  |                   |  |                   |                      |                      |          |
| 3. DIRECT LABOR   |  | ESTIMATE<br>HOURS | RATE/<br>HOUR                            | Vendor A (\$)     | Vendor B (\$)        | Independent Estimate | Variance |
|   |  |                   |  |                   |                      |                      |          |
|   |  |                   |  |                   |                      |                      |          |
|   |  |                   |  |                   |                      |                      |          |
|   |  |                   |  |                   |                      |                      |          |
|   |  |                   |  |                   |                      |                      |          |
|   |  |                   |  |                   |                      |                      |          |
|   |  |                   |  |                   |                      |                      |          |
| TOTAL DIRECT LABOR  |  |                   |  |                   |                      |                      |          |
| 4. LABOR OVERHEAD   |  |                   |  | Vendor A (\$)     | Vendor B (\$)        | Independent Estimate | Variance |
| OH Rate<br>X BASE (labor total above)   |  |                   |  |                   |                      |                      |          |
| TOTAL LABOR OVERHEAD  |  |                   |  |                   |                      |                      |          |
| 5. OTHER DIRECT COSTS   |  |                   | Vendor A (\$)                            | Vendor B (\$)     | Independent Estimate | Variance             |          |
| A. SPECIAL TOOLING/EQUIPMENT<br><br><div style="text-align: right;">TOTAL SPECIAL TOOLING/EQUIPMENT</div>   |  |                   |  |                   |                      |                      |          |
| B. TRAVEL<br>(1) TRANSPORTATION   |  |                   |  |                   |                      |                      |          |

| (2) PER DIEM OR SUBSISTENCE                            |                           |                  |                          |          |
|--|---------------------------|------------------|--------------------------|----------|
| <i>TOTAL TRAVEL</i>                                    |                           |                  |                          |          |
| <b>DETAIL DESCRIPTION OF COST ELEMENTS (continued)</b> |                           |                  |                          |          |
|  | Vendor<br>A (\$)          | Vendor<br>B (\$) | Independe<br>nt Estimate | Variance |
| C. INDIVIDUAL CONSULTANT SERVICES                      |                           |                  |                          |          |
| <i>TOTAL INDIVIDUAL CONSULTANT SERVICES</i>            |                           |                  |                          |          |
| D. OTHER   |                           |                  |                          |          |
| <i>TOTAL OTHER</i>                                     |                           |                  |                          |          |
| E. SUBTOTAL DIRECT COST AND OVERHEAD                   |                           |                  |                          |          |
| 6.   | GENERAL                   | AND              | ADMINISTRATIVE           | (G&A)    |
| RATE %   |                           |                  |                          |          |
|  | X \$ BASE (Use 5.E above) |                  |                          |          |
| 7. ROYALTIES (if any)                                  |                           |                  |                          |          |
| 8. SUBTOTAL ESTIMATED COST                             |                           |                  |                          |          |
| 9. CONTRACT FACILITIES CAPITAL AND COST OF MONEY       |                           |                  |                          |          |
| 10. SUBTOTAL ESTIMATED COST                            |                           |                  |                          |          |
| 11. FEE OR PROFIT                                      |                           |                  |                          |          |
| 12. TOTAL ESTIMATED COST AND FEE OR PROFIT             |                           |                  |                          |          |
| 13. Discounts  |                           |                  |                          |          |
| 14. Option Costs (specify)                             |                           |                  |                          |          |
| 15. ADJUSTED COST                                      |                           |                  |                          |          |

SEE ANALYSIS GUIDELINES FOR ASSISTANCE IN COMPLETING THIS FORM.

## ANALYSIS GUIDELINES

### 1. **DIRECT MATERIAL**

- A. Analyze Purchased Parts: Provide a consolidated price analysis of material quantities included in the various tasks, orders, or contract line items being proposed and the basis for pricing (vendor quotes, invoice prices, etc.).
- B. Subcontracted Items: Analyze the total cost of sub contract effort and supporting written quotations from the prospective subcontractors.
- C. Other:
  - (1) Raw Material: Review any materials in a form or state that requires further processing. Analyze priced quantities of items required for the proposal. Consider alternatives and total cost impact.
  - (2) Standard Commercial Items: Analyze proposed items that offeror will provide, in whole or in part, and review the basis for pricing. Consider whether these could be provided at lower cost from another source.

### 2. **MATERIAL OVERHEAD**

- A. Verify that this cost is not computed as part of labor overhead (Item 4) or General and Administrative (G&A) (Item 6).

### 3. **DIRECT LABOR**

- A. Analyze the hourly rate and the total hours for each individual (if known) and discipline of direct labor proposed. Determine whether actual rates or escalated rates are used. If escalation is included, analyze the degree (percent) and rationale used. Compare percentage of total that labor represents for each bid.

### 4. **LABOR OVERHEAD**

- A. Analyze comparative rates and ensure these costs are not computed as part of G&A. Determine if Government Audited rates are available.

### 5. **OTHER DIRECT COSTS**

- A. Special Tooling/Equipment: Analyze price and necessity of specific equipment and unite prices.
- B. Travel: Analyze each trip proposed and the persons (or disciplines) designated to make each trip. Compare and check costs.
- C. Individual Consultant Services: Analyze the proposed contemplated consulting. Compare to independent estimate of the amount of the services estimated to be required and match the consultants' quoted daily or hourly rate to known benchmarks.
- D. Other Costs: Review all other direct charge costs not otherwise included in the categories described above (e.g., services of specialized trades, computer services, preservation, packaging and packing, leasing of equipment and provided bases for pricing. Scan for duplication or omissions.

6. **GENERAL AND ADMINISTRATIVE EXPENSE**
  - A. See notes on labor overhead above and check whether the base has been approved by a Government audit agency for use in proposals.
7. **ROYALTIES**
  - A. If more than \$250, analyze the following information for each separate royalty or license fee; name and address of licensor; date of license agreement patent numbers, patent application serial numbers, or other basis on which the royalty is payable; brief description (including any part of model numbers or each contract item or component on which the royalty is payable); percentage or dollar rate of royalty per unit; unit price of contract item; number of units; and total dollar amount of royalties.
8. **SUBTOTAL ESTIMATED COST**
  - A. Compare the total of all direct and indirect costs excluding Cost of Money and Fee or Profit. Note reasons for differences.
9. **CONTRACT FACILITIES CAPITAL AND COST OF MONEY**
  - A. Analyze the offerors' supporting calculations and compare to known standard.
10. **SUBTOTAL ESTIMATED COST**
  - A. This is the total of all proposed costs excluding Fee or Profit. Determine the competitive range. Question outliers.
11. **FEE OR PROFIT**
  - A. Review the total of all proposed Fees or Profit. Remember that many grants prohibit cost plus percentage of cost contracting, and may cap A&E profits.
12. **TOTAL ESTIMATED COST AND FEE OR PROFIT**
  - A. Analyze the range of total estimated costs including Fee or Profit, and explain the variance to an independent estimate. Identify areas for negotiation or areas to be challenged. Explain your conclusions regarding fair and reasonable pricing.
13. **DISCOUNTS**
  - A. Review basis for Discounts and range between offers.