**Cost/Price Analysis for Formal Procurement**

*2 CFR 200.323(a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.*

The purpose of a cost/price analysis is to (a) determine the estimated cost of a product or service; (b) determine if the bid pricing received is reasonable; and (c) determine if the cost can be sustained by the SFA’s budget.

SFA Name: Date:

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| --- | --- | --- | --- |
| **Product or Service** | **Current Cost** | **Estimated Cost** | **Reasonable & Sustainable** |
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**Product or Service:** Identify the product or service to be procured. Ex: groceries/program foods, paper and supplies, type of equipment, pest control services.

**Current Cost:** Enter the most recent cost paid if applicable

**Estimated Cost:** Enter the anticipated price based on previous annual increases, CPI adjustments, pricing from catalogues or internet sources, etc.

**Reasonable & Sustainable:** Enter “Yes” if the cost is determined to be reasonable and can be sustained by the nonprofit school food service account.