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PROCUREMENT NEWS

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CPSR IMPACT

For contractors subject to a CPSR, the purchasing file should tell the complete pricing story.

COST AND PRICE ANALYSIS UNDER GREATER SCRUTINY

Cost and price analysis is becoming an especially important GovCon compliance issue because contractors need to do more than conclude that a proposed price is reasonable. They need a defensible record showing how that conclusion was reached, what data was used, why the comparison was appropriate, and what adjustments were made. Current FAR 15.404-1 continues to make the objective clear: proposal analysis is intended to ensure the final agreed price is fair and reasonable.

FAR 15.404-1

A prior purchase price can provide a valuable benchmark, but it does not automatically establish that today's proposed price is fair and reasonable. Contractors should validate that historical data remains comparable to the current procurement before relying on it as the basis for price analysis.

Meaningful Competition

Multiple quotes alone do not automatically establish that a price is fair and reasonable. Contractors should evaluate whether vendors competed independently, responded to the same requirements, and submitted comparable offers under similar terms and conditions.

Subcontract Pricing

Prime contractors are responsible for evaluating proposed subcontract prices rather than relying solely on a supplier's quote. FAR 15.404-3 requires appropriate cost or price analysis of proposed subcontract prices and the results to be included as part of the prime contractor's proposal.

Bring your compliance questions to the experts at JA White!