

**UCOP PROCUREMENT SERVICES
COST AND PROFIT ANALYSIS FORM**

The US Presidential policy for the Office of Management and Budget (commonly referred to as 'Uniform Guidance') [Section § 200.323](#), requires the University (as a non-federal entity) to perform a **Cost Analysis (including profit)** on each transaction, without price competition, which also exceeds the Simplified Acquisition Threshold (currently \$249,999.99).

| | | |
|----------------------|-------------|-----------|
| Requisition or PO #: | Amount: \$ | Supplier: |
| Preparer: | Department: | |

COST ANALYSIS

Cost Analysis is defined as **an evaluation of actual or anticipated cost data, including material, labor, overhead, and profit. As a starting point, the University must have determined the price is reasonable before awarding the purchase to the supplier.**

The University must negotiate profit as a separate element of the price for each contract in which there is no price competition. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the supplier, the supplier's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. The cost plus a percentage of cost method of contracting must not be used.

Please **describe the Supplier's cost breakdown for this transaction**, using the following cost types as a base:

- (a) Purchased parts.
- (b) Subcontracted items.
- (c) Raw material.
- (d) Engineering labor.
- (e) Engineering overhead.
- (f) Manufacturing labor.
- (g) Manufacturing overhead.
- (h) Other general and administrative (G&A).
- (i) Profit.

A sample Independent Cost Estimate (ICE) is provided on the next page for assistance drafting the cost analysis.

By signing below, you are certifying that the above identified supplier is the only supplier that can provide the equipment or services you or your department requires, and that the above information is true.

| | | |
|----------------|-----------|------|
| | | |
| Name and Title | Signature | Date |

A sample Independent Cost Estimate (ICE) format is below. Use categories as applicable.

Labor (including subcontractors)

| Title | No. of Hours | Hourly Rate* | Total Cost |
|-------|--------------|-----------------|------------|
| | | | |
| | | | |
| | | | |
| | | Subtotal | |

Materials/Supplies

| Description | Quantity | Unit Costs | Total Cost |
|-------------|----------|-----------------|------------|
| | | | |
| | | | |
| | | | |
| | | Subtotal | |

Required Travel (if any)

| Travel (To/From) | No. of Trips | Price Per Trip | Total Cost |
|------------------|--------------|-----------------|------------|
| | | | |
| | | | |
| | | | |
| | | Subtotal | |

Indirect Costs (Overhead - Can also be expressed as percentage)

| Description | Quantity | Unit Costs | Total Cost |
|-------------|----------|-----------------|------------|
| | | | |
| | | | |
| | | | |
| | | Subtotal | |

Subtotal: \$ _____

Profit (__%): \$ _____

Total Estimated Amount: \$ _____