



Internal Request # 8258

[Previous Page](#) / [User's Menu](#) / [Print Request](#)

Question	We are reviewing the Federal Transit Cluster for the City of Everett where they purchased electric buses through DES. They charged over \$3 million to the grant for these purchases. We confirmed the City has an agreement with DES. But since this was a purchase with federal dollars, do we need to verify a cost/price analysis was performed?
Background	We reviewed the bidding and procurement planning guide where it says that DES does do formal, competitive bidding and we only need to verify the City has an agreement. However, in the planning guide for KCDA, it states that they are compliant and we only need to verify the government has a contract, and that it applies when using federal funds as well. However, it doesn't state for DES that it applies when using federal funds as well. So do we need to make sure a cost/price analysis was performed from DES to show compliance with federal requirements of bidding, or as we do with KCDA, do we only need to ensure there is an agreement in place?
Category	Grants (Federal)
Entity	City of Everett ~ City/Town (07)
Response	<p>Yes, the entity must confirm the lead agency (in this case DES) performed a cost or price analysis. I believe DES performs some form of cost or price analysis as I noted estimates in their public documents. However, the City should consult with DES and get confirmation.</p> <p>According to FTA (the awarding agency) guidance (copied below), if the lead agency did not perform the analysis, then FTA allows the agency (City) to perform it before the award is made.</p> <p>FTA has a lot of guidance on procurement and contracting (very specific contract language must be included in all contracts), including piggybacking, and cost or price analysis requirements. If the procurement doesn't meet the requirements, particularly related to quantity of products solicited, they cannot piggyback.</p> <p>FTA FAQs Question: We have been using the Piggybacking Worksheet from the BPPM to verify that the contract meets FTA requirements. Item 9 on the worksheet states: "Was a cost or price analysis performed by the original contracting agency, documenting the reasonableness of the price? Obtain a copy for your files." In the agency's award recommendation they state they find the pricing offered by the contractor "to be fair and reasonable based on market price analysis of like products." When I contacted the agency to obtain a copy of the analysis I was told that there wasn't an analysis document, but that it was a standard phrase they use. They stated that they did have other contracts with the contractor to make some comparisons with, though. My question is this "Since I can't obtain a copy of the analysis used to make the fair and reasonable determination, do we have a problem utilizing this contract?"</p> <p>Answer: Our view is that the awarding agency or your agency must make an independent determination of price reasonableness; i.e., that the price to be paid is fair and reasonable. To do this, a price analysis must be performed. If the awarding agency did not document its price analysis at the time of award, then your agency could do its own price analysis and document the file before an award is made. You should review prices paid for similar buses under competitive situations and document your files accordingly. (Revised: May 2010)</p> <p>I will follow-up on the other observations you made about co-ops and get back to you. I can see that our testing strategy can be clarified in the next update. I appreciate you bringing this to my attention.</p> <p>Thank you for using the HelpDesk!</p>
Changes	
Status	CLOSED ~ Closed 4/19/2019 ~ Technician DENADELF