



## Cost/Price Analysis

In preparation for the following year's bid, the Child Nutrition Committee shall meet to review all the present year's bid documents and the following year's proposed bid documents. The committee shall be comprised of Child Nutrition (SFA) representatives from all areas of the Cooperative.

### Procedure for Cost/Price Analysis of Formal Bid (IFB)

- The usage reports from the previous year's contracts (supplied by the vendors) shall be evaluated by the Child Nutrition Committee. The usage and price of each item shall be reviewed.
- The total value of all products from each vendor shall be used in the review. This figure shall be used to aid in total value of the following year's total bid value. All vendor totals shall be totaled to give an overall bid value.
- The total value of all additional items and quantities to be added to the following year's bid shall be forecasted by all schools in the Cooperative.
  - The Committee shall review all items and quantities requested
  - An estimated additional cost to the bid shall be included
- The total value of the bid shall be based on the following:
  - Present bid total
  - Estimated value of new items
  - Percentage increase of total bid value which equals the estimated worth of next year's bid
- The bid documents shall be finalized, and a formal bid shall be completed.
- **The estimated total sales value of the bid is included in the IFB**
- The Committee shall meet to review of the new (next year) bids submitted by all vendors.
  - All submitted bids shall be summarized according to the example below:
    - Vendor A - bid value \$2,000,000
      - Low on 250 items
      - Missing 32 items
    - Vendor B - bid value \$1,999,000
      - Low on 225 items
      - Missing 54 items
    - Vendor C - bid value \$250,000
      - Low on 52 items
      - Missing 192 items
- A comparison of all prices submitted by each vendor shall be reviewed.
- Criteria used in awarding the bid shall be:
  - Price and quality of items on each vendor's bid
  - Number of low items and missing items from each vendor's bid
- Based on the above criteria, the bid shall be awarded.