PHASE I: CONTRACT FORMATION

Activity 4: Independent Government Cost Estimate (IGCE)

Determine whether an Independent Government Cost Estimate or an Independent Government Price Estimate is required.

Collaborate with the customer to ensure that the data collected is current, valid, and reliable for the Independent Government Cost Estimate or Price Estimate.

Consult with the customer to ensure that any standards, practices, and procedures normally used in the applicable industry is applied in the Independent Government Cost/Price Estimate.

Assist the customer in determining which method would be most appropriate for building the Independent Government Cost Estimate or Price Estimate.

Cooperate with the customer in determining whether lump sum cost estimating is the appropriate method.

Cooperate with the customer in determining whether top-down cost estimating is the appropriate method.

Cooperate with the team in determining whether bottom-up cost estimating is the appropriate method.

Assist the customer in compiling the costs/price by primary elements based on the estimating method selected by the customer.

Ensure that the applicable escalation to the labor in either the Independent Government Cost/Price Estimate.

Ensure that the customer applied the applicable fringe benefit rate(s) to the labor costs in Independent Government Cost Estimate.

Ensure that the applicable overhead rate(s) was applied accurately in the Independent Government Cost Estimate.

Ensure that the applicable G&A rate is applied to all required costs in the Independent Government Cost/Price Estimate.

Ensure that the applicable profit/fee is applied accurately in the Independent Government Cost/Price Estimate.

Ensure that the customer applied the applicable escalation to the labor in either the Independent Government Cost/Price Estimate.

Assist the customer in compiling the other direct costs accurately for the Independent Government Cost/Price Estimate.

Revise the IGC/PE if necessary.

Determine if the Independent Government Cost/Price Estimate is an acceptable tool to use for proposal evaluation (fair and reasonable pricing).