

## **RATIONALE FOR THE DEVELOPMENT OF THE INDEPENDENT GOVERNMENT COST ESTIMATE**

Reference: **State your procurement action here**

The following information is provided regarding the rationale for the Independent Government Cost Estimate (IGCE) for the subject procurement request. This information is provided to assist contracting personnel in the evaluation of the Contractor's proposal and as a basis to negotiate the total estimated costs for the procurement action as appropriate. The final pricing decision is the Contracting Officer's responsibility.

### **GENERAL INFORMATION**

The Statement of Work (SOW) and corresponding IGCE were prepared by the Contracting Officer's Representative (COR), or the Contracting Officer's Technical Representative (COTR), or the Point of Contact (POC) as identified herein. The COR hereby certifies that the work required is definitive in the SOW and that the IGCE was developed by the COR/COTR.

The estimate for this procurement was developed using information from the following sources, as applicable, to derive the costs associated with the various elements contained on the IGCE such as: Technical experience/expertise; contracts personnel; JTR; GSA; Industry standards or publications; any other Government sources (i.e. graphics, shipping, printing, etc.) purchase history and costs incurred under similar efforts.

### **SPECIFIC ESTIMATING METHODOLOGY**

**Labor Costs:** The labor composition, levels of expertise, and estimated hours provided were developed by the **COR/COTR/POC (pick one)** based on my expertise and the approach that would be used to perform this work in-house. I am qualified to make this type of assessment being considered experts in both knowledge and discipline of the type of effort to be performed under this SOW that I developed. The labor mix and hours established on the IGCE only provide a baseline of what might be expected for this requirement. It should be recognized that there are a variety of acceptable approaches that could be employed to ensure satisfactory completion of this effort.

The labor rates utilized to develop the IGCE were verified by the Contracting office through DCAA and by using wage grade determinations. The Wage Grade Determination is applied to provide labor rate statistics based on industry standards on labor categories determining the rate of pay. The labor estimate is considered to reflect an accurate probable cost of performance of the work called for under the SOW for this procurement.

**Indirect Costs:** The indirect rates, as provided on the IGCE, such as overhead, G&A, and/or handling rates, were applied to their respective base costs according to the Contractor's accounting system and were

verified by the contracting office through DCAA. (Use this verbiage if applicable to your procurement)

**Material Costs:** Material costs, as provided on the IGCE, such as software, hardware, computer time, and the like, were estimated using past historical data for similar or like items. (If this verbiage is not applicable to your procurement say the following: No additional material costs were identified for this procurement.)

**Travel Costs:** Travel requirements are expressed in the SOW. The estimate for travel costs are based on SATO recommendations for unrestricted commercial airfare and rental car rates. Additionally input was calculated from using GSA recommended lodging and meals (per-diem). Other incidental expenses were calculated in accordance with the Joint Travel Regulations. (If this verbiage is not applicable to your procurement say the following: No travel costs are anticipated for this procurement.)

**Other/Miscellaneous Costs:** Other costs associated with this procurement such as consultant costs or Sub-Contractor costs were identified and were estimated using historical data for similar efforts on previous contract/delivery order/purchase order\_\_\_\_\_. (If this verbiage is not applicable to your procurement say the following: There are no other costs anticipated for this procurement.)

**Fixed Fee:** The fixed fee rate of \_\_\_\_\_% as stated in the base contract is hereby utilized. (If this verbiage is not applicable to your procurement please delete in its' entirety.)

**CONCLUSION**

By using the sources identified and information presented herein as a baseline for developing the IGCE, the estimate provided hereunder is considered to represent a reliable, realistic, and reasonable cost estimate for the work to be performed. Therefore, this IGCE could be used as a basis for negotiating costs under the subject contract/delivery order/purchase order (pick one).

**CERTIFICATION STATEMENT**

I certify that the referenced Independent Government Cost Estimate (IGCE) was prepared solely by cognizant Government employees, independent of and without the direct or indirect involvement of any existing or prospective Government contractor. The information contained in the IGCE has not been discussed with, or revealed to, any representative of any business organization or other entity, or any individual person within or outside the United States Government; except as specifically authorized and documented herein. I hereby acknowledge that the release of such information would constitute an unauthorized release of advance procurement or procurement information.

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Name Contracting Officer's Representative Date

