

Formal Procurement (Pre-Solicitation)

Initial Price/Cost Analysis Estimate

Date: 6/23/21

Preparer: Buffy Carter

Estimate: \$8,000,000.00

Product Specifications: Include Description, Quantity, Delivery Schedule, Etc.

Items include fresh dairy items, milk substitutes, juice, yogurt, sour cream, and cottage cheese. As this is a cooperative solicitation, delivery schedules are to be negotiated between individual Child Nutrition Director and the awarded contract holder post award.

✓	Price Analysis Method(s) Used:	Further Explanation:
	◆ Adequate Price Competition	<p>The contract value estimate is based on the sales history for the 2019-2020 and 2020-2021 school years. Two school years were used for the contract estimate due to COVID-19 restrictions and circumstances.</p> <p>The price analysis is based on the contract item pricing and the Consumer Price Index (CPI) average for the 2020-2021 school years.</p>
	◆ Catalog/Market Pricing	
	◆ Set by Law or Regulation	
✓	◆ Previous Purchases/Historical Pricing	
	◆ Contracted by Federal Government	
	◆ In-House Estimates	
	◆ Paid by Other Districts	
	◆ Compared to a Substantially Similar Item	
	◆ Provided by RFIs	
✓	Other Factors to Consider	
✓	◆ Market Conditions	<p>Market conditions are volatile due to Covid-19 which may adversely affect pricing. As this is a cooperative solicitation with participants from across the state, ensuring maximum competition is always a concern. Product availability continues to be a factor of concern due to the Federal Child Nutrition guidelines.</p>
	◆ Quantity or Size	
✓	◆ Geographic Location	
✓	◆ Extent of Competition	
	◆ Terms and Conditions of the Acquisition	
	◆ Technology	
✓	◆ Unique Government Requirements	

Cost Analysis: (Possible considerations—Unit Costs, Delivery, Labor, Processing, Installation, Profit etc.)

The Analysis included a review of the current contract pricing and the milk CPI averages from the 2020-2021 school years (August 2020-May 2021). The future contract value was estimated using the average total sales from the current and previous school years. The geographical make up of Kentucky and regional locations of the distributors are two factors that have limited the competition in the past for the cooperative bid. The combination of the those two factors with the volatile market due to COVID-19 could restrict competition even further for the 2021-2022 school year.

Supporting Documentation Attached)