

NIH Manual 6015-1

Appendix 2

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**Financial Analysis of Contract Proposals and Modifications
Cost Analysis vs. Cost Realism**

DISTINGUISHING DIFFERENCES	COST REALISM	COST ANALYSIS
ANALYSIS MUST BE PERFORMED ON ALL COST REIMBURSEMENT CONTRACTS	YES	NO
COST AND PRICING DATA REQUIRED	NEVER	SOMETIMES
PRIMARY PURPOSE IS TO ENSURE THAT COSTS ARE NOT SIGNIFICANTLY UNDERSTATED	YES	NOT NEC.
CAN ADDITIONAL DOCUMENTATION BE REQUIRED OF THE OFFEROR WHEN DOING THE ANALYSIS?	USUALLY NO	YES
WITH ADEQUATE PRICE COMPETITION MUST AN ANALYSIS BE PERFORMED IF A COST REIMBURSEMENT CONTRACT WILL BE AWARDED?	YES	NO (PRICE ANALYSIS YES)
INTENSIVE PRELIMINARY WORK REQUIRED IN FORMATION OF THE SOLICITATION	YES	NO
PROBABLE COST ESTIMATE MUST BE DEVELOPED FOR COST REIMBURSEMENT CONTRACT	YES	NO