



Selected Shorts Video Series

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A&E Consultant Contracts:

Independent Cost Estimate (ICE)
and
Cost Analysis
Video 8 – Introduction
(Part 2 Cost Analysis)

*Provide a safe,
sustainable,
integrated and
efficient
transportation
system to
enhance
California's
economy and
livability.*

Caltrans

Division of Local Assistance



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A&E Consultant Contracts:

ICE/ Cost Analysis – Introduction (Part 2 Cost Analysis) (Video 8)

Script:

Welcome to Part 2, Cost Analysis video series. This series provides guidance on the cost elements required in the negotiation. The Cost analysis series is divided into four parts: Introduction, Other Direct Costs, ICE vs Cost Proposal, and Final Negotiation. This introduction video introduces the parts of the cost analysis workbook.

Cost analysis compares the local agency's independent cost estimate with the consultant cost proposal and evaluate if the cost proposal is fair and reasonable. The cost analysis can serve as a documentation to support the negotiation process required under 23 CFR 172.7.

By this time local agency should have gone through the process of ranking, evaluating and choosing the top three most qualified consultants. Local agency should also have a completed independent cost estimate and is now ready to proceed with their request for a cost proposal. Some pointers to remember. Cost proposals are to be opened one at a time starting with the highest ranked consultant.

A quick review of the cost analysis workbook. The cost analysis workbook contains five worksheets. Instructions, Other Direct Costs, ICE vs Cost Proposal, Final Negotiation Memo and Cost Analysis Notes. Other Direct Costs and ICE vs Cost Proposal are the only worksheets needed for this exercise. The ICE vs Cost Proposal captures the direct labor costs. Non-labor costs associated with the project such as mileage, travel, printing, etc. are recorded in the Other Direct Costs worksheet. The final negotiation memo and cost analysis notes are optional. They can be used to document the negotiation process.

This concludes this video on introduction to Part 2 Cost Analysis. Please proceed to the first main worksheet, Other Direct Costs.



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References:

Caltrans Division of Local Assistance Main Website

<https://dot.ca.gov/programs/local-assistance>

Visit the A&E Resources website to find the latest tools, resources and guidance for A&E consultant contracts.

[Consultant Selection and Procurement | Caltrans](#)

23 CFR, Part 172 Administration of Engineering and Design Related Service Contracts
(23 CFR 172.7(a)(1)(v))

<https://www.ecfr.gov/cgi-bin/text-idx?rgn=div5&node=23:1.0.1.2.3>



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