



MEMO

TO: HUD-DR & MIT TEAM
FROM: [REDACTED], Engineering & CIP
DATE: [REDACTED]
**RE: Update #_ to Cost Reasonableness Memo for the [REDACTED]
Project as part of CDBG Grant B-16-MH-48-0002**

A requirement in procurement with HUD funding is the documentation of cost reasonableness. The federal standard is:

§200.323 Contract cost and price.

(a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

The Cost Reasonableness Memo dated <Date of original Cost Reasonableness Memo> determined the professional services contract related to the design of the project to be reasonable as an hourly not-to-exceed contract in the amount of \$<Original Contract Cost>.

Additional costs were added with <number of previous CIS's> changes-in-services described in their respective cost reasonableness memos. Costs added changed the contract to a not-to-exceed amount of \$<Current Contract Cost>.

Additional fees were requested by the design engineer for the following for this Change in Service <This CIS#>:

- <Summary of scope/reasoning behind this CIS>
- [REDACTED]
- [REDACTED]

The additional work noted by the design engineer is considered legitimate and reasonable. The city performed an analysis of the scope items to check that the consultant's fee was deemed reasonable. This was based on the design engineer's labor rates, and an estimate of the level of effort required to complete the scoped work.

After negotiation by the analysis of the proposed hours and personnel tasked with the scoped work, the consultant's fee estimate was \$<This CIS Fee>. It is determined for this cost to be allowable, feasible, and reasonable to reach the intended goals of the project.

Certification Approved by:

The Project Manager (PM) of the City of San Marcos, Texas certifies that the Cost Reasonableness summary provided above for the stated Project is accurate, complete, and in conformance with Office of Management and Budget requirements on the date certified.

_____ **Date:** _____