

Free cost and pricing data essay sample

[Economics](#), [Money](#)



The reason behind why government invitation for contracts and tenders extended is because it is done to determine the level of competition and the magnitude and the weight of these contracts. Weight, in this context, means the how costly is the contract for the government, or the amount of money involved.

The invitation is usually the last item in the process and method of gathering cost and data because it varies with the type of contract. In other words, it is a variable cost and fluctuates with the amount, and time involved.

The other ways that the more accurate data can achieved is through budgeting and forecasting the costs of the contract. This will enable the government and the officers involved to determine that the costs and bid reflect the fair price of the contract and, there is no element of cartel formation in order to achieve price of the contract.

If the cost and pricing data is inaccurate or defective, it would exhaust the government funds required for other projects, and as a result there would be a halt on government development activities. It would also exhaust the backup funds of the government the government would not be able to initiate new projects.

The cost for obtaining the certified cost and pricing data would be absorbed by VectorCal using project management techniques. For example, the treatment of this would be just like a long-term insurance or office supplies, where first an asset is create and then from that office expense is deducted using the expectation of how much it has been utilized. This is to give the fair picture to the cost statement. Currently, the companies are absorbing this data using the above method in the implementation of the project.

References

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Federalregister. gov, (2014). Federal Register | Federal Acquisition Regulation; Definition of Cost or Pricing Data. [online] Available at: <https://www.federalregister.gov/articles/2010/08/30/2010-21026/federal-acquisition-regulation-definition-of-cost-or-pricing-data> [Accessed 8 Nov. 2014].