

# Fair Market Value

The CFI considers the Fair Market Value (eligible cost) of an item to be the price of the item after normal and/or educational discounts.

## 6.5.3 Reporting of items involving in-kind contributions

Items involving in-kind contributions must be reported at fair market value. This constitutes the eligible cost to be reported to the CFI.

Example: A supplier offers a price reduction on the sale of equipment.

|   |         |
|---|---------|
| List price  | \$500   |
| Normal discount   | (\$20)  |
| Educational discount  | (\$80)  |
| Price after normal and educational discounts/<br>Fair market value (eligible cost)                  | \$400   |
| Discount offered as a contribution toward the CFI-funded<br>project (eligible in-kind contribution) | (\$100) |
| Net selling price (cash consideration)  | \$300   |

# Fair Market Value Assessment

- comparison with other bids
- comparison with previous purchases
- comparison with purchases from the same vendor
- comparison of similar items in the market place



# Fair Market Value Assessment Bid Evaluation

| Evaluation criteria                             | Weight | Supplier 1 | Supplier 2 | Supplier 3 |
|---|--------|------------|------------|------------|
| <b>Technical: features and performance</b>      | 40%    | 34         | 28         | 35         |
| <b>Management plan/proponent qualifications</b> | 25%    | 24         | 23         | 21         |
| <b>Proposal</b>                                 | 5%     | 5          | 3          | 3          |
| <b>Total:</b>                                   |        | 63         | 54         | 59         |
| <b>Meets minimum requirements</b>               |        | Yes        | Yes        | Yes        |

# Fair Market Value Assessment

## Supplier Pricing Information - Bid Summary

|   | Supplier 1  | Supplier 2  | Supplier 3  |
|---|-------------|-------------|-------------|
| <b>List price</b>                                     | \$23,800.00 | \$24,400.00 | \$30,000.00 |
| <b>Normal discount</b>                                | \$1,000.00  | \$1,000.00  | \$500.00    |
| <b>Educational discount</b>                           | \$1,500.00  | \$1,000.00  | \$500.00    |
| <b>Price after normal &amp; educational discounts</b> | \$21,300.00 | \$22,400.00 | \$29,000.00 |
| <b>In-kind contribution</b>                           | \$2,000.00  | \$1,500.00  | \$9,000.00  |
| <b>Net selling price</b>                              | \$19,300.00 | \$20,900.00 | \$20,000.00 |