

**DEFENSE CONTRACT MANAGEMENT AGENCY**

**Cost and Pricing Center, Commercial Item Group**

**CIG Pricing Team (DCMA-AQKT)**

**6th Avenue & Kipling Street, Building 16**

**Denver, CO 80225**

MEMORANDUM FOR <CUSTOMER/REQUESTOR ACTIVITY> <DATE>

SUBJECT: Commerciality Assessment and Price Reasonableness Recommendation: <Prime Contractor name (and subcontractor if applicable) and proposal identifier (e.g., proposal number, RFP number, contract number)>

# EXECUTIVE SUMMARY OF FINDINGS

***<SHOULD BE LIMITED TO PAGE 1 OF THE REPORT***.>

This is a summary section and should include only a high-level results of the analysis. Detail support for the analyst’s findings will be presented in the respective sections of this report. The format can be a brief narrative, table, bullet statements, or any combination of formats>

This section should contain the following information: <The tables should also fit on Page 1. If there are a large number of parts a summary table should be created and the list attached as a separate file, but referenced in the executive summary. Then a summary of the total price proposed and recommended by DCMA should be included below.>

* Commerciality Review:

|  |  |  |  |
| --- | --- | --- | --- |
| **P/N** | **DESCRIPTION** | **CONTRACTOR ASSERTION** | **DCMA RECOMMENDED** |
| 111 | EXAMPLE | Commercial, FAR 2.101(3)(ii) | Commercial, FAR 2.101(3)(ii) |
|  |  |  |  |
|  |  |  |  |

* Fair and Reasonable Price Review:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **P/N** | **DESCRIPTION** | **CONTRACTOR PROPOSED** | **DCMA RECOMMENDED** | **DIFFERENCE**  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **TOTAL PRICE** |  |  |  |  |

* Summary of potential risks identified during the review.

Please see the applicable section of this report for additional detail.

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# DESCRIPTION OF PROPOSAL AND CUSTOMER SUPPORT REQUESTED

<The format can be a narrative, table, bullet statements, or any combination of formats>

1. Description of the acquisition (contract action)
2. Proposed Period of Performance (PoP)
3. Customer’s name and contact information
4. Name of Contractor (Prime and/or Sub)
5. Program Name
6. Type of pricing support/analysis provided (i.e., commerciality assessment, fair and reasonable price recommendation, redacted invoice review.)
7. Original agreed to due date and updated due date if original due date is extended
8. Commercial Products and/or Services being proposed
9. Proposed Dollar Value
10. Type of pricing support/analysis provided (i.e., commerciality assessment, fair and reasonable price recommendation, redacted invoice review.)
11. Original agreed to due date and updated due date if original due date is extended
12. Any other applicable information and/or tables to summarize the proposed item(s) (e.g., established contract terms, pricing agreements, procurement history (i.e. sole source), etc.)

|  |  |
| --- | --- |
| <Contract, RFP, or BOA Number> |  |
| Contractor Name |  |
| Contractor CAGE Code |  |
| Proposal Number |  |
| Proposal Date |  |
| Proposal Amount |  |
| Contract Type |  |
| Program Name |  |
| Period of Performance (PoP) |  |
| DCMA Case Number |  |
| < Add or delete as applicable > |  |

# REFERENCES

< A list of documents or other sources referenced in but not attached to the report >

1. < Document name and other relevant information about the reference (e.g., Date) >
2. < Document name and other relevant information about the reference (e.g., Date) >
3. < Document name and other relevant information about the reference (e.g., Date) >
4. < Document name and other relevant information about the reference (e.g., Date) >

# PRIME CONTRACTOR BUSINESS SYSTEMS

#

|  |  |  |  |
| --- | --- | --- | --- |
| **SYSTEM DESCRIPTION** | **STATUS** | **DATE OF CO DETERMINATION** | **RESPONSIBLE AGENCY & AUTHORITY** |
| Accounting |  |  | DCMA – DFARS 242.75 |
| Estimating  |  |  | DCMA – DFARS 215.407-5-70 |
| Earned Value Management  |  |  | DCMA – DFARS 234.2 |
| Material Management and Accounting  |  |  | DCMA – DFARS 242.72 |
| Property |  |  | DCMA – DFARS 245.1 |
| Purchasing  |  |  | DCMA – DFARS 244.3 |
| CAS Disclosure Statement  |  |  | DCMA – FAR 30.202-7 |

This section should contain:

* Describe the impact (risk) of any estimating and/or purchasing system deficiencies and actions taken to mitigate the risk on the proposal evaluation.

# STATEMENT OF ADEQUACY OF CONTRACTOR’S SUBMISSION

This section should contain the following information:

* Narrative summary of contractor’s commerciality assertion (FAR 2.101) including a ***summary*** of contractor’s basis of commerciality and supporting rationale

The contractor’s submission sufficiency review must include an explicit statement on the information received for an analysis such as ***“The proposal and/or information received was adequate to support a recommended position for negotiation.”***

# SUMMARY OF GOVERNMENT TECHNICAL EVALUATION

<A copy of the executive summary from the Technical Evaluation highlighting pertinent information relied upon to support the Analysts’ recommendations.>

# DCMA MARKET RESEARCH

<Provide a brief summary of the market research performed and the results of the market research; ensure Market Research data is included in the Case File.>

This section should contain the following information:

* Narrative summary of the market research analysis from both the price analyst and technical engineer.
* Narrative should include any market findings of the following:
	+ Alternate market sources offering the identical P/N for sale
	+ Possible like/similar alternative parts,
	+ Description of possible alternate P/N’s technical capabilities, pricing differences, quality differences, availability, or other critical information that would help the customer conduct negotiations

# DCMA COMMERCIALITY ASSESSMENT

<Include a narrative summary of the contractor’s commerciality assertion, including the contractor’s basis>

<Include a clear statement of DCMA’s commerciality recommendation along with details supporting the recommendation. Identify the specific FAR 2.101 commercial item definition for the DCMA recommendation.>

Note: DCMA Commerciality Recommendation summaries can be in narrative format, table, bulleted, or any other format is acceptable to clearly and concisely support the recommended position.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Prime Contractor P/N | Subcontractor P/N | Description | Prime Contractor Assertion | DCMARecommendation | Note |
|  |  |  |  |  | 1 |
|  |  |  |  |  | 2 |

Notes:

1.

2.

“The recommendations provided in this report do not constitute a Commercial Item Determination (CID). DCMA’s evaluation is limited to whether the proposed item(s) meet the FAR 2.101 definition of a commercial item. This information is provided to assist the contracting officer in making a Commercial Item Determination (CID). Please see Section GOVERNMENT COMMERCIALITY RECOMMENDATION of this report which provides additional information on the commerciality recommendation.”

# DCMA PRICE ANALYSIS

<Include the following:

* Proposed and recommended prices/amounts.
* Narrative summary of DCMA’s analysis and supporting rationale including data/information relied upon to support DCMA’s recommendation.
* Include applicable information and/or tables summarizing commercial sales data, historical prices, pricing agreements, procurement history, contract terms/conditions, etc.
* As applicable, attach a Price Analysis spreadsheet with the supporting detailed calculations. The Price Analysis spreadsheet shall be marked FOUO.
* Summary of the contractor’s proposed prices/amount and, as applicable, the contractor’s basis for the proposed prices.

The format can be narrative, table, bullet statements, or any combination of formats. The following is an example of the table format.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Prime Contractor P/N | Subcontractor P/N | Description | Total Quantity | Contractor Proposed | DCMARecommendation | Difference | Notes |
|  |  |  | # | $ | $ | $ | 1 |
|  |  |  | # | $ | $ | $ | 2 |
|  |  | Total Proposed | Price | $ | $ | $ |  |

Notes:

1.

2

If pricing support was performed, include the following statement: “The price recommendations provided herein form an adequate basis for negotiation of a fair and reasonable price.”

# RESTRICTIONS

1. The contents of this report should not be released or disclosed, other than to those persons whose official duties require access in accordance with DoD 5200.1-R, Information Security, January 1997 (as amended), Appendix 3, paragraph AP3.2.3. This document may contain information exempt from mandatory disclosure under the Freedom of Information Act. Exemption 4, of the Freedom of Information Act, which addresses proprietary information, may apply.
2. Proprietary data determinations should be made in the event of an external request for access. Unauthorized disclosure of proprietary information violates 18 U.S.C. 1905 (Disclosure of confidential information generally) and, if the information is contractor bid or proposal or source selection information, 41 U.S.C. 423 (Restrictions on disclosing and obtaining contractor bid or proposal information or source selection information). Any person who unlawfully discloses such information is subject to penalties such as fines, imprisonment, and/or removal from office or employment
3. This restriction addresses the release of subcontractor information or data to the prime contractor (or a high-tier subcontractor) as prescribed in DFARS PGI 215.404-3(a). **Prior to releasing this report to the prime contractor**, the contracting officer must ensure it complies any written restrictions provided by the subcontractor. For assistance, please contact DCMA.

NOTE: Restrictions 1 and 2 above are required. \* ***Restriction 3 above is required for subcontractor proposal analysis to support the prime contractor or higher-tier subcontractor.***

If the analysis is subcontractor field pricing assistance to a prime contractor the analyst (or other responsible Government personnel) shall obtain written restrictions from the subcontractor for the release of their data provided to the Government for analysis. The analyst shall prepare a second separate report to comply with the subcontractor’s written restrictions for release to the prime contractor and attach it to this report. A contracting officer (PCO or ACO) shall review the second report to ensure compliance with the subcontractor’s written restrictions before releasing to the prime contractor.

(If Applicable) Include the following Restriction 3 in the un-sanitized report provided to the PCO/ACO.

3. This restriction addresses the release of subcontractor information or data to the prime contractor (or a high-tier subcontractor) as prescribed in DFARS PGI 215.404-3(a). This report does not comply with the written restrictions on the release of subcontractor information or data provided by <Subcontractor Name> contained in Tab <Letter>. Tab <Letter> contains a second report complying with these written restrictions. Prior to releasing the second report, the responsible contracting officer must ensure it complies with the written restrictions provided by the subcontractor.

(If Applicable) Include the following Restriction 3 in the sanitized report to be released to the prime contractor (or a high-tier subcontractor).

3. This memorandum is releasable to the prime contractor in accordance with the subcontractor’s written restrictions on the release of subcontractor information or data provided by <Subcontractor Name> contained in Tab <Letter>. Prior to releasing this memorandum to the prime contractor, the responsible contracting officer must ensure it complies with the written restrictions provided by the subcontractor.

# ADDITIONAL INFORMATION

Upon request, the cost/price analyst can provide a more detailed explanation of the results or perform a more in-depth analysis of any of the elements in the report. Also upon request, the cost/price analyst can provide copies of the documents in the case file used to prepare this report.

If you would like DCMA support in your negotiations, please contact the undersigned, <Name of Preparer> at <Phone Number> or <e-mail address> to discuss the type of support needed.

**Upon completion of your negotiations please provide <Name of Preparer> with a copy of the Commercial Item Determination or the Exception to Obtaining Certified Cost and Pricing Data, and the Price Negotiation Memorandum as prescribed at FAR 15.406-3(b)**.

DCMA would appreciate your comments concerning the support you received and any recommendations on how we can better serve our customers. Please complete a survey at [https://pubapp.dcma.mil//CustSat/main.jsp](https://pubapp.dcma.mil/CustSat/main.jsp)

# REVIEWS AND APPROVALS

<Name of Preparer >

DCMA Commercial Item Group - Contract Price/Cost Analyst

<Name of Reviewer/approver >

DCMA Commercial Item Group - Engineer

<Name of Reviewer/approver >

<Title of Preparer (e.g., Lead Price/Cost Analyst) >

# ATTACHMENTS

Tab A – <Document Name and Date (if applicable)> Tab B – <Document Name and Date (if applicable)>

NOTE: If applicable, attach all in-depth analysis / reports as illustrated above. If there are no attachments to the report enter “None” after the ATTACHMENT section name (i.e.,

**ATTACHMENTS**: None).