

Additional Guidance for Contractors on the Changes in DCMA's Field Pricing Assistance

FAR 15.404-3 requires contractors to conduct appropriate cost or price analyses to establish the reasonableness of proposed subcontract prices and instructs them to obtain and analyze certified cost or pricing data before awarding any subcontract, purchase order, or modification expected to exceed the certified cost or pricing data threshold. Defense Pricing and Contracting (DPC) issued Class Deviation 2018-O0015 on May 31, 2018 to increase the threshold for obtaining certified cost or pricing data to \$2 million.

DFARS/PGI 215.404-3(a)(ii) states that it may be appropriate for the contracting officer or the ACO to provide assistance to a contractor or subcontractor at any tier, when the contractor or higher-tier subcontractor has been denied access to a subcontractor's records in carrying out the responsibilities at FAR 15.404-3 to conduct price or cost analysis to determine the reasonableness of proposed subcontract prices. Under these circumstances, the contracting officer or the ACO should consider whether providing audit or field pricing assistance will serve a valid Government interest.

DCMA Director VADM Lewis issued guidance in a memo dated April 28, 2020 regarding DCMA's realignment of cost and pricing resources to work that is most important to support lethality and readiness as required by the National Defense Strategy (NDS). This will impact the field pricing assistance that DCMA provides to prime or higher-tier contractors when performing reviews of subcontractor proposals. DCMA will no longer accept requests for review of proposals with a total price of less than \$2 million.

What to expect

If a contractor requests DCMA assistance for the review of a subcontractor proposal IAW DFARS/PGI 215.404-3, DCMA will contact the requestor to inform them of the new threshold, provide a written declination memorandum, and decline the request. If a requestor wishes to appeal the denial, information will be provided in the declination memorandum on how to appeal. DCMA will consider other risk factors in the appeal process and may decide to accept a review for less than \$2 million based on risk.