



## WELCOME TO DCMA's COMMERCIAL ITEM GROUP (CIG) FAQs

*These answers are situation specific. The answers are the opinion of the individual analysts who answered them, at the time the question was asked, and do not constitute a DCMA position.*

**Use Ctrl+F to search for specific questions**

<p>Question: Can you provide me with some more information on the support you provide? Please explain how things work after the KO emails you, and what are the typical timelines until receipt of a report?</p>	<p>Answer: Typically we are requested from a PCO to <b>dcma.boston-ma.eastern-rc.mbx.commercial@mail.mil</b> we will ask them to fill out the request letter (on our homepage <a href="http://www.dcma.mil/commercial-item-group">www.dcma.mil/commercial-item-group</a> . Once returned, we assign it to one of our 6 geographically separated teams; Boston, Philadelphia, St. Petersburg FL, Phoenix, Denver and Indianapolis. We will take on cases for commerciality-only, price reasonableness-only or commerciality and pricing together.</p> <p>Timelines depend on the information provided by the prime contractor. As an estimate, we are averaging 38 days on all case types on the aggregate. We are also operating within our goal to recommend commerciality within 10 days of receiving all of the information. We follow that up with a formal report.</p>	<p>Asked/answered on July 2017</p>
<p>Question: We have received a request regarding an acquisition of NEW commercial items. Since these are newly-developed items no history is available. They are a subcontractor to a large prime. The prime provided "Supplier's Assertion of Commerciality" (see attached) form. I need some assistance in what questions/review should take place in order to verify that these items are commercial. The form supplied by the Prime does not seem to be</p>	<p>Answer: The Prime needs to perform a Commercial Item Determination per 244.402. They area also ". Expected to exercise reasonable business judgment in making such determinations, consistent with the guidelines for conducting market research in FAR Part 10."</p> <p>There is a difference between the subcontractor asserting commerciality and the prime contractor reviewing that and making a determination that the parts/services they are buying are, in fact commercial per FAR 2.101. You should require the prime to provide a commercial item determination, and perform price analysis of their subcontractor. Their CID should provide you with enough information, and market research to show things like:</p> <ul style="list-style-type: none"> <li>• Are there other suppliers that make this product? Was it competitive?</li> </ul>	<p>Asked/answered on July 2017</p>

<p>comprehensive and/or informative. The Prime did not provide a Price Analysis to the Buying Command nor did they provide a commercial item determination.</p>	<ul style="list-style-type: none"> <li>• Is there a reason it wasn't competitive i.e. sole source justification?</li> <li>• What part of the definition in 2.101 do they believe it meets?</li> <li>• Where are these products selling other than the military?</li> <li>• If it is "of-a-type", how similar is it to the commercially available one?</li> <li>• What are the similarities and differences? Does the function change?</li> </ul>	
<p>Question: How can we access your database?</p>	<p>Answer: Our database is stored on <a href="http://www.dcms.mil/commercial-item-group">www.dcms.mil/commercial-item-group</a> . Here you will have the ability to see a searchable part list of items which have been reviewed for commerciality, by our DCMA CIG, another office or agency, have a PCO Determination made, or has another type of agreement on commerciality.</p>	<p>Asked/answered on July 2017</p>
<p>Question: We have been requested to coordinate with the DCMA Commercial Item Group in order to determine if a subcontractor's proposed parts are currently deemed as commercial. The subcontractor has asserted commerciality for these items. While we understand that there is not enough time to do a review, we were hoping that the Commercial Item Group could check the database to see if a determination has already been made.</p>	<p>Answer: For your awareness, our database is accessible to you at <a href="http://www.dcms.mil/commercial-item-group">www.dcms.mil/commercial-item-group</a> . On the example you provided, remember it's the prime's responsibility to perform a Commercial Item Determination per 244.402. The prime should have performed an analysis on each part, to include market research, and make a written determination on whether each part was commercial or not. The CIG was involved with the purchasing system review for this prime and found their policy and practice to have deficiencies. We are in works to pursue recourse with the DACO. As a result, I do not believe this is a proposal issue, rather a systemic one. In the mean time I checked our database, and we have not looked at any of those parts yet, but we have looked at ones with similar nomenclature. Please feel free to review yourself and if you think any are similar parts we can provide our analysis.</p>	<p>Asked/answered on July 2017</p>
<p>Question: Our office requests the assistance of commercial group for this subject assignment. I have uploaded the documents to AMRDEC pertaining to the assist Commercial Recommendation of (4) Part Numbers from subcontractor response to the prime's bid invitation</p>	<p>Answer: CIG is doing a lot of teaching and emphasizing the scrutiny on having the prime contractor to do their due diligence. In this case, why is the prime requesting sales history? CIG is not going to assist prime contractors when they show no evidence of market research. We happen to have contractors policies, which clearly state that they will perform market research to help with making a commerciality determination. In my opinion, this commerciality determination can be performed by the prime without sales data. These parts are noise suppression/ ear protection/ head protection. I believe the prime has a responsibility per 244.402 and perform market research to see if these items or items similar to these items exist in the commercial marketplace. Looking quickly, these are not overly complex items with military unique capabilities. The core functionality of these items doesn't change from military vs. non-military. There are many noise suppression ear protection devices, I would want the prime to compare the COTs items to the ones they are buying from their supplier, and see if they determine them to be within the realm of "of-a-type".</p>	<p>Asked/answered on July 2017</p>

<p>Question: Please tell me whether your service to assist with a commercial item determination is mandatory at some levels or simply an optional service DCMA provides. If it is mandatory, can you please provide the reference that prescribes this.</p>	<p>Answer: There is nothing mandatory about using us, we are just here if you need support. NDAA 2013 stated that DoD was required to implement a cadre of experts to assist with commercial item acquisition. Follow on NDAs have stated things like as a PCO, you shall rely on a prior commercial item determination, unless you believe it was made without foundation or in error; in which case you need your HCA to overturn. As a result, we are collecting CIDs so that you have the information to rely on. We have a listing of parts that our team has looked at available on our resource page for your information as well. <a href="http://www.dcms.mil/commercial-item-group">www.dcms.mil/commercial-item-group</a></p>	<p>Asked/answered on July 2017</p>
<p>Question: I received the attached MOA from a contractor that I work with asking if we would be amenable to entering into an agreement on commercial items. I have not encountered the MOA before and did not want to step outside of my authority by entering into this. Can you let me know if there are common and whether there is any precedent that has been set in the use of them?</p>	<p>Answer 2017: DCMA has established Memorandums of Agreement (MOAs) between DCMA and the contractors. To date, these MOAs discuss best practices and procedures when that contractor is proposing commercial items. Although the CIG has been involved with providing insight into the MOA language, it is not our group who has been involved with the implementation of these. Mr. Keith Freeman has been the POC for DCMA MOAs. Currently, we are not recommending that a listing of parts be agreed to as commercial, only the rules of engagement. These MOAs are not to restrict the PCO in anyway, and are simply an agreement between DCMA and the contractor. Update 2019: DCMA is in the works of reviewing MOAs and identifying areas for future improvements.</p>	<p>Asked/answered on July 2017 Update August 2019</p>
<p>Question: I currently have a proposal from Prime Contractor. They are claiming commerciality on the item being procured. They have stated that the facility this product is made makes only commercial items. Could you help evaluate the facility and products to determine commerciality?</p>	<p>Answer: The FAR definition doesn't allow us to consider a facility, or a company to be commercial. Rather we have to perform a review on a part-by part basis. As you are aware, the definition of commercial in 2.101 does not include items that are made exclusively at a commercial facility. I attached our request form, also available on <a href="http://www.dcms.mil/commercial-item-group">www.dcms.mil/commercial-item-group</a> and if you fill it out, and provide us a part, part list in question we can provide our commercial recommendation(s) back to you.</p>	<p>Asked/answered on July 2017</p>
<p>Question: I am currently working on a non-commercial requirement which the prime wishes to provide a commercial proposal for. Prime is stating that they have provided this item to the Government as a commercial item before, and provided contract # as reference The provided contract does not reference the Part Number that I am buying. I am reaching out to you for assistance to see</p>	<p>Answer: Unfortunately, I don't have any records of the part in question. Please check out the database on <a href="http://www.dcms.mil/commercial-item-group">www.dcms.mil/commercial-item-group</a> because the list is ever-growing. This only means the CIG has not reviewed it and does not have record of a CID. It does not mean no CID was ever done. Keep in mind that the part number was on a FAR 12 contract, it should have a written CID by the contracting officer. In this specific case, we don't really have a prior CID to overturn, since the prior PCO is no longer in that office, and there is no CID in the contract file. NDAA guidance has indicated a once-commercial, always commercial approach which restricts your ability as a PCO to have a different opinion than a previous contracting officer. If you do feel</p>	<p>Asked/answered on July 2017</p>

<p>1) if you have this contract and its attachments on file, and/or 2) if you have any record of the Government buying this item as a commercial part?</p>	<p>that the prior CID was made without merit or in error, we can proceed with our review, and if overturned, you would need to be prepared to present it to your HCA. We will help assist you with a review, since there is no actual CID as a basis to start from.</p>	
<p>Question: I have received several questions from my PCO offices regarding general commerciality for specific NSNs. Is there a general repository that DCMA keeps identifying the items determined commercial or that DCMA has reviewed? The contracting officer will still need to make the commerciality determination; however do we have any market research or rationale available to help them in making a determination? Or is a support request or audit required for each commercial item question?</p>	<p>Answer: You can send specific questions into our group to this inbox <a href="mailto:dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil">dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil</a></p> <p><a href="http://www.dcma.mil/commercial-item-group">www.dcma.mil/commercial-item-group</a> is a link to where you can find out database, you should be able to search by part number, NSN or description. Our internal database is always a little bigger than what you see since we push updates about every 2 weeks. We can handle one request letter for a part listing, opposed to one for each part. We will evaluate each part separately, or possibly consider some low risk and evaluate the higher dollar ones, in instances with several hundred parts, depending on workload.</p> <p>DCMA CIG Contracting Officers will serve as determining officials for all Commercial Item review requests submitted to DCMA. We will be able to assist you; we have a request letter attached, also available on the resource page. Let us know if we can help!</p>	<p>Asked/answered on July 2017</p> <p>Updated August 2019</p>
<p>Question: I'm putting together a presentation to brief my command based on the conference. One of the presenters had said that just because it's GSA doesn't mean it's commercial. Do you have any feedback for that? I thought it was a good nugget but didn't want to just tell people that without giving them any context.</p>	<p>Answer: Our understanding is that the GSA Contracting Officers' commerciality determination process isn't documented in the form of a written CID as it would be at a buying command. If it was, it would make it easier for us to validate and rely upon that CID. With respect to items on GSA Schedule Contracts, we always need to verify that the item on the GSA Schedule Contract meets the entire commercial item definition in FAR 2.101. We have heard that GSA requires contractors to show evidence of commercial invoices in order to get on a GSA schedule; however one sale isn't evidence of customarily used by the general public. The way the definition reads in 2.101 definition 1 is that there may be 1(i) sold or 1 (ii) offered for sale. GSA would meet the intent of 1(ii) offered for sale, but there needs to be further analysis to show that it meets the body of what is in definition 1, which is of a type customarily used by the general public. CIG analysis would look to see if there is a market for same or similar items first. We have found service contracts on GSA which use the language "involves commercial or non-commercial services, or a blend of both." As a result, we</p>	<p>Asked/answered on July 2017</p>

	<p>have decided that an item or service offered on GSA does not solely conclude an item's commerciality.</p>	
<p>Question: We recently issued a FAR 12 RFP, and we are requesting the contractor provide justification package demonstrating the commerciality of the parts we are buying. The contractor refuses to provide any more information. Do you have any suggestions on how to proceed?</p>	<p>Answer 2017: When the Government issued the FAR 12 RFP, the Government was stating that this is a commercial solicitation. So to make that determination, and then ask the contractor to support it, isn't entirely fair. If you were questioning commerciality the better approach would have been to issue a FAR 15, and have the contractor take exception to the FAR 15 clauses, and then it would be on them, not you to prove commerciality. I tend to agree with the contractor on this one. However, I would recommend using as much outside market research as you can, or send us a request to help.</p> <p>Update 2019: DCMA CIG office could assist your case in completing market research and completion of CID documentation on your behalf. DCMA offers multiple services in relation to commercial items. DCMA Contracting Officers has the authority to complete CID and assist your case.</p> <p>Submit a request via: <a href="mailto:dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil">dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil</a></p>	<p>Asked/answered on July 2017  <b>Updated August 2019</b></p>
<p>Question: Our office has just received a request from a prime contractor for pricing assistance with a CID. While it appears as though the prime in this case has made some attempts to collect data from the subcontractor (and have received some information from the subcontractor) to support the CID they have not received sufficient evidence to support the subcontractor's claim and determine price reasonableness. They also have not received a denial of access letter or any correspondence stating the subcontractor will provide additional support to DCMA. The sub originally asserted that these are customizable parts. How would the CIG recommend handling this situation?</p>	<p>Answer: Important to remember that it's the primes responsibility. The prime made a business choice to choose this subcontractor and that sub is the prime's responsibility. In the discussion about making sure the prime is doing their due diligence, that doesn't always mean requesting sales data/invoices from the sub. It means doing market research, what are these items? Are there other companies that make them? What are the differences between the ones that are "googleable" (commercially available/COTs) and the ones this particular subcontractor is providing. That is all the type of market research the prime should be able to do without any conversation with the subcontractor. You mention customizations, are these types of customizations commercially available as well? These are the things to think about. The prime should know what they are buying, what customizations they are asking for, and the technical details behind the requirement. Remember the prime asked the sub to propose XYZ in an RFP process, so it's not like they don't understand the product they are asking for. No sales data? No problem. If it is commercial you should be able to find some sort of similar item available during market research, if you can't, I would question the commerciality of the item. You'll likely find the similar -to COTs solution to be less expensive, but we just need to be able to explain the difference, and make sure that difference doesn't take you outside of the "of-a-type" commercial box.</p>	<p>Asked/answered on July 2017</p>

<p>Question: I attended the CIG Conference in January, and there was a lot of discussion and focus on market research. Could you please provide what sort of tools you use and links to sites that are helpful?</p>	<p>Answer: We have compiled a list of helpful links accessible by everyone. It is on our team site, and I attached a copy. In the future we will make it available on our public resource site <a href="http://www.dcmamail.commercial-item-group">www.dcmamail.commercial-item-group</a> and a very similar listing is published in the Draft DPAP commercial guidebook. One of the mind-set changes we are trying to push is to stop googling the part number, and start googling what the item is. That way you will find COTs variations of the product, and you can compare how similar the COTs versions are, to the one you are buying.</p>	<p>Asked/answered on July 2017</p>
<p>Question: In respect to uploading our CIDs back into your database, what specific information would you like to see and in what format?</p>	<p>Answer: For now, you can send it to <a href="mailto:dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil">dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil</a> in the format you have it, we hope the near future will add an upload tool capability which can streamline our process, as well as keep the information coming in a consistent manner. Would expect at least the part number, contractor and the written CID.</p>	<p>Asked/answered on July 2017</p>
<p>Question: Does your group have any dollar thresholds to accept cases?</p>	<p>Answer 2017 &amp; Update 2019 threshold: This has been a moving target as a way to manage workload; however our latest guidance will always be posted on our website <a href="http://www.dcmamail.commercial-item-group">www.dcmamail.commercial-item-group</a> which as of today we will accept formal requests for Prime commerciality reviews (FAR12) in excess of \$1M for commerciality and 2M for price analysis and we will accept FAR15/commercial subcontractor requests as long as the supplier exceeds \$2M. We are also here for general questions, and informal support under these thresholds. We can accept any case at the discretion of our Director.</p>	<p>Asked/answered on July 2017 Update August 2019</p>
<p>Question: I'm writing for more information on the subject and how the process of a commercial item determination works. I'm involved in discussions with Prime contractor over the commerciality of services for software updates to a Navigation System. There was no information provided showing that these were sold in substantial quantities or based off a catalog price. The Navigation system itself was previously considered noncommercial by a DoD Contracting Officer. The buying command and contractor are in differences over commerciality, how can we proceed?</p>	<p>Answer: With commercial services, we are either working with definition 5 or 6 of 2.101 commercial items. With definition 5, it has to be services of a commercial item. Knowing that the navigation system was considered is non-commercial; the only way to make the services commercial is via definition 6. With 6, you are correct, we need to be able to prove that similar services are offered and sold competitively in substantial quantities in the marketplace. The only question is what these services are, how similar they are to commercial services. The "Services of a type" is where it becomes subjective. What are they actually doing? What is the service? and how does it compare, with, let's use Garmin software updates as an example? If the prime could prove that the service of software updates is of a type offered by Garmin on updating software on their GPS units, then maybe you have a way to consider it commercial. I would just seriously question the similarity in software updates from the prime on this navigation system to Garmin's. Garmin's legacy approach was a plug in, download, pay-for update, little-no complicated effort on the user. More recent innovations allow</p>	<p>Asked/answered on July 2017</p>

	<p>for systems to be automatically updated, without payment, as it is built into the unit cost upfront. I am doubtful your contractor has the same/similar approach. Additionally, needing substantial quantities is a requirement. Are these services, the way they are offered by the prime sold in substantial quantities and are they based on a catalog or market pricing? We can certainly take this on as a case, but I wanted to help answer your original questions upfront.</p>	
<p>Question: I understand your organization was set up to us in the buying community of DoD regarding acquisitions where contractors claim an item is commercial. Specifically for example, to help us determine a commerciality when our engineers say an engine component is not similar to a commercial part even though a sole source contractor provides documentation to support their commerciality claim. Also, to assist in determining price reasonableness before we can begin negotiations. My questions: Are you set up for business yet? If so, do you have email addresses and POCs to send requests to? If not, when can we expect your office to be open for business and who do we follow-up with?</p>	<p>Answer 2017: We are open, officially as of June 2016. Please send all requests to <a href="mailto:dcmabostonmaeasternrc.mbx.commercial@mail.mil">dcmabostonmaeasternrc.mbx.commercial@mail.mil</a> Our threshold has changed over time, best bet is to check with <a href="http://www.dcmamil.commercial-item-group">www.dcmamil.commercial-item-group</a> to see what it is during your acquisition. We can always provide some level of support. Idea being that every case is a learning experience and it is the best way to learn. We have over 18,000 parts (August 2019) including other agencies recommendations and PCO decisions. Your description of our analysis is exactly correct; we will recommend commerciality and perform price reasonableness. I attached our template for requesting assistance. Please ensure you fill out prime and sub, assuming there is a sub. We are emphasizing 244.402 which states that the prime shall make a commercial item determination, and rather than us the Government doing it, we are working at the prime level to make sure they are doing their due diligence. We are also augmenting Purchasing system reviews, to support disapproval of systems for those primes who are not doing what is required of them.</p>	<p>Asked/answered on July 2017</p>
<p>Question: We are at an impasse, the contractor is claiming commerciality, and wont supply any more information, and we do not believe it is commercial. What can we do to get past this?</p>	<p>Answer: You are not alone, and this is not the first time. There are a few options to explore here. We can review the part for you, but if you want to continue independently, here are some tools: CIG has emphasized the market research approach. Internally we have been limiting the RFI process and forcing independent research to be done in order to make a recommendation. Placing more reliance on independent research of what the item is. Instead of searching for the part number, search for the part nomenclature. Learn about the product/family of products you are buying. Find the similar-to COTs item, and compare the one you are buying. Does it differ in Form, fit and function; mainly function? If you still believe it is not commercial we can explore some other options:</p>	<p>Asked/answered on July 2017</p>

	<ul style="list-style-type: none"> <li>• Leverage pricing. For example, we had a \$3000 oil filter. The contractor wouldn't provide technical information regarding the filter; we couldn't decide how different or similar it was to commercial variants. However, making a joint commercial/price decision may help get more information; "sure, oil filters are commercial, and they start at \$15. You have not provided any information showing how this one is different than the COTs ones at e.g. autozone." More information to support price analysis may help reassess commerciality and pricing.</li> <li>• CAR process, through DCMA we issue corrective action reports when a contractor is not being compliant, it can lead to payment withholds.</li> <li>• If it is "commercial" why didn't we compete it? If you are missing required data in order to make the commerciality yes/no, let's re-look at the requirements. Can other companies make it? We have seen before the impasse lead to no bid, Gov't buying data rights, and competing it.</li> <li>• TINA waiver (not ideal solution) but it is an option.</li> </ul>	
<p>Question: What's the expected turnaround time once the request has been made.</p>	<p>Answer: It depends. Based on the information you submitted to our inbox <a href="mailto:dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil">dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil</a> . Once you submit your request form one of our team members will contact you for more information or answer your question (Approx. 3 days). After the final package is received and based on the information we received from the contractor and number of unique parts. A turnaround date will be determine.</p> <p>Our goal is to let you know informally about commerciality within 10 days of receiving adequate information from the contractor. Additionally, we are averaging around 50 days from request to report for commercial and pricing.</p>	<p>Asked/answered on July 2017</p> <p>Update August 2019</p>
<p>Question: I have received a request for a commerciality review to be performed for a proposal they submitted as a subcontractor to prime contractor. Prime had done their own commerciality review and determined that the item being supplied by Subcontractor is not a commercial item. Subcontractor does not agree and would like a governmental determination to be made. Can your team support this?</p>	<p>Answer: Yes, but the approach is going to be working with the prime. The prime's responsibility is to be able to determine the supplier's parts/services as commercial or not. [over several email exchanges &amp; telecom] In looking further into the Prime's CID, it does not appear that their own internal policy has the flexibility of "of-a-type" commercial items. The prime's policy and procedures requires a base COTs item or a COTs item with 3(i) or 3(ii) modifications. Working with the prime contractor we explained our expectations and thought process, and they were able to make a determination that the subcontract was commercial.</p>	<p>Asked/answered on July 2017</p>

	Important here: the approach was evaluating what the prime did, rather than what the sub submitted.	
Question: I was informed that this is the correct email to send a list items to be determined commercial and have them reviewed by the Center of Commerciality Excellence with DCMA? Could you please confirm is this is the correct email? Also, I am under the understanding that there is a specific form that needs to be completed to have items reviewed. If this is still the case, could you please forward me a copy of this form so that I may begin completing it for review?	Answer: Our thresholds will be published on our resource page <a href="http://www.dcma.mil/commercial-item-group">www.dcma.mil/commercial-item-group</a> . We have 6 locations all have various industries they specialize in. <a href="mailto:dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil">dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil</a> is a central email box, accessible by all of the supervisors & leads. Our request template is also on our resource page. Once accepted, it will be sent to the associated lead at each location for dissemination to an analyst. The assigned analyst and you can work out an agreed to due date and definitive scope of the review.	Asked/answered on July 2017
Question: We have a proposal and there are five parts on it that we are looking at. Two of the parts are commercial and we have reviewed them and recommended that the PCO accept them as commercial parts. The other three parts use a similar-to pricing basis but the similar-to claims are based on the two commercial parts. In a case like this do we need to treat these three parts as commercial for review purposes or if we verify that they are similar can they be accepted as proposed?	Answer: As far as commerciality is concerned, you would want to make sure that the 3 parts are actually similar to those that you've already recommended as commercial; and don't alter the function of the original; as well as thinking about size, shape, etc.  Pricing wise, based on the phone call, you had previously taken decrements to the proposed prices of the 2 commercial items. And the other 3 proposed prices are based on the 2 commercial prices. If you had rationale to recommend a lower price on the commercial 2 parts, I assume the same rationale would apply to the 3 remaining. Use the same thought process.	Asked/answered on July 2017
Question: I had a request from another CMO to review the claims of commerciality on a proposal submitted to Prime on an aircraft part for the Jet. Subcontractor supported their claim of commerciality by stating: 1. Similar parts are on the GSA schedule;	Answer: GSA is a data point that helps to get us toward commerciality, but just because something is on GSA doesn't make it commercial. We spoke with GSA about a year ago and their employees do not perform a commercial item determination. We have also found items on GSA which use the following language "involves commercial or non-commercial services, or a blend of both." This helps us at least realize that not everything is commercial on GSA. ? I would say you have no evidence of commercial so far. I agree with your assessment of the 4 customers, this doesn't appear to be a	Asked/answered on July 2017

<p>2. Six similar units were sold to 4 customers over the past several years. They are:</p> <ul style="list-style-type: none"> <li>a. Prime - 1 unit. I cannot track the end use nor find any POC at Lockheed.</li> <li>b. Major defense company- 1 unit. I cannot track the end use nor find any POC at the company.</li> <li>c. small business A - 1 unit. I called and they sold it to a prime on a military program.</li> <li>d. small business B - 3 units. 2 P.O. are marked for re-sale to Korea Aerospace Industries on military aircraft and the third P.O. is marked for resale to "KAI" with no end use noted.</li> </ul> <p>I have the position that these facts do not show commerciality. Subcontractor claims that these facts, esp. the inclusion on the GSA schedule, show commerciality.</p> <p>Based on these facts, is my position of the Subcontractor item not being commercial correct?</p>	<p>commercial product. I would challenge you however, to analyze the market a little bit. Think about what the item actually is, and how different is the closest-commercial item. Is there a market for any item(s) similar to this item? Do these seem to be something customarily available in the marketplace?</p> <p>Even if you were to prove that one of these sales is commercial. The "AND" in definition #1 tell us that sold or offered for sale AND customarily used by the general public. A commercial sale alone does not mean the item is commercial. You have to be able to prove the market exists for the same/similar item as well.</p>	
<p>Question: I was interested in what kind of training you offer as indicated in your brochure as follows: Training and Assistance - Besides our continuing outreach to the acquisition community, our experts can provide you with an overview of techniques and other tools used to evaluate commercial items and commercial item pricing.</p> <p>Also, I was interested in the turnaround time for assistance in determining price as fair and reasonable when only one offer is received.</p>	<p>Answer: We just finished up a big training conference. The Navy sent 10-11 individuals to represent the Agency. Various smaller agencies have reached out to us via <a href="mailto:dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil">dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil</a> and requested a training day, session, etc. We have teams set up in 6 locations, and we would likely send representative(s) the closest location to you give your team a lesson or information on commerciality or price analysis/whichever you are looking for. I cc'd the lead closest to you. We are here to provide any level of support you are interested in. We have visited a few buying commands, ICATs, DCMA, DCAA offices, and other locations. We have had inquiries about specific cases where agencies have simply asked us to support walking them through our thought process, how to evaluate commerciality and price reasonableness as well. We are working with DAU and DCMA training group to help develop more organized course work as well.</p>	<p>Asked/answered on July 2017</p>

<p>However, market research indicated there were several offers who could supply the item/service.</p>	<p>To answer your specific question, turnaround time; I am no sure the specific example of 1 offeror, in a solicitation where multiple offerors were expected affects the turnaround time of our price reasonableness analysis. We are currently averaging 55 days to complete a price analysis that includes 28 days to receive adequate information. As you can tell; about half of our timeline is trying to get information that the prime should have provided as part of their proposal for commerciality and price reasonableness support. We can also assign a "mentor" on acquisitions under our threshold, we can at least have someone who your analyst can regularly bounce ideas off of and make sure they are asking the right questions.</p>	
<p>Question: Our office has recurring requirements at very low and high dollar values that have been determined to be both commercial and non-commercial over the years. Your guidance mentions to NOT deviate from previous determinations without running it up the chain. Is the dollar value for this thought process at \$1M for official commercial item determinations?</p>	<p>Answer: The NDAA and DPAP guidance discussing 'once commercial always commercial' does not have a threshold associated with it. The concept is that if a part was considered commercial in a formal D&amp;F by a contracting officer, than you should rely on that determination for future determinations. While there is no threshold associated with this policy, formal D&amp;Fs for commercial determinations are only required when it exceeds \$1M. As a result you wouldn't have had to make a formal commercial item determination on parts previously if the buys were below that value. The grey area is the &gt;TINA, &lt;\$1M buys where there is no requirement of certified cost and pricing data (CC&amp;PD), but are not required to have a formal D&amp;F commercial item determination. Inherently, but not requiring CC&amp;PD, you are essentially agreeing that it is a commercial product. For sakes of the policy as it is in the NDAA, the "once commercial always commercial" only pertains to PCO's. Unless more guidance comes out, a part being on a FAR 12 contract, or a prime contractor CID are not the same as a PCOs formal D&amp;Fs -CID.</p>	<p>Asked/answered on July 2017</p>
<p>Question: Our office procures a lot of items that could be determined either commercial or non-commercial using the FAR 2.101 guidance. We are considering calling any items that have to be built or designed to drawings "non-commercial", and we are trying to put together other criteria that would allow us to better make our determinations. Do you have any additional guidance on making determinations?</p>	<p>Answer: A lot of items are in that grey area. You really have to look at the application, and whether the need for that market exists outside the Government. I would say build &amp; designed to drawings is a good data point, but there are situations where a company might be in the business of making custom welding studs. I would argue that if the military-needed welding studs were made to a specific drawing, for military, it doesn't necessarily make them non-commercial. It could be that all of their customers need custom-sized studs. In which case I would look at prior sales from the company to see how the military ones fit into their normal commercial operations. If they made studs normally 4 inches to 8 inches, let's say, and the military needs one to be 4 feet, the thought that this may be beyond the limits of what they normally make for the</p>	<p>Asked/answered on July 2017</p>

	commercial market place, and consider it non-commercial. But if the ones for the military are similar size, function, and material, I would be inclined to say they are a commercial product. Overall we look at form, fit and function of the product; with an emphasis on function.	
Question: The DPAP memo talks about the requirement for converting prior FAR Part 12 procurements to FAR Part 15, but makes no mention of FAR Part 13. While I understand that FAR 13.5 does not apply to non-commercial items, we still use FAR Part 13 for non-commercial items below \$150K. If we are not using FAR Part 15, do we still have to make a written determination to counter previous determinations?	Answer: Interesting scenario. I think conceptually the idea was that you would need to put in writing why you are changing from a FAR 12 to a FAR15 i.e. commercial acquisition to a non-Commercial acquisition. For you, everything is under SAT, regardless of commerciality or not. My initial thought is you should probably document and justify and instances where you had a part that you considered commercial and are not considering non-commercial. While it might not be required by the policy verbatim, it seems to be to be the direction the department is headed. There is added scrutiny to reverse a decision to acquire an item commercially, and then change directions, and consider it noncommercial.	Asked/answered on July 2017
Question: I am not familiar with requesting a commercial item determination. We are questioning the commerciality of 4 items. I am hoping you can send me or make the commercial determinations for these 4 parts. I looked in the DCMA instruction and couldn't find much to help me understand. I attached the request form.	Answer: We are setting up a database to collect the PCO determinations; however, for now, that would be part of our review. DCMA CIG office could assist your case in completing market research and completion of CID documentation on your behalf. DCMA offers multiple services in relation to commercial items. DCMA Contracting Officers has the authority to complete CID and assist your case. Part of our review would be to see if a PCO has made a determination before	Asked/answered on July 2017 Update August 2019
Question: am writing to see if you can direct me to the policy for Commercial Item Determination when the request is coming from the prime contractor on the subcontractor. I just received two SAFA requests from Prime asking for CID for a subcontractor's part. One request had some documentation from the subcontractor to support their claim, the other had nothing but a letter stating that the subcontractor will only share documentation with the USG.	Answer: The CIG understands that proprietary data and competition sensitive data exists. Normally, DCMA can be asked to perform field assistance for the Prime when they are denied access. In the non-commercial world we would expect the denial letter from the sub. Conversely, with commercial we expect the primes to perform market research. We have turned several prime-requested-cases away where the prime asked us recommend commerciality of their supplier. An example recently was the prime questioning the commerciality of a seal. The prime came to us and said they were denied access to invoices and needed us to recommend commercial or not commercial. What we are trying to train the Prime's to do is think about the product they are buying, and compare other items in the of-a-type category. Engine seals, how does the one you are buying compare to those which are sold every day online. How is	Asked/answered on July 2017

<p>According to DFARS 244.402, it is the contractor's responsibility to make the determination on the subcontracted supply or service, but what if the sub won't provide enough documentation or sales data for the prime to make a determination? Should the prime contractor refer the CID to the PCO? Local DCMA? You?</p>	<p>this one different? The prime contractor is requested to purchase this seal, as such; they must know the technical specifications/details about it. What else exists in the marketplace that is similar to this? Are seals like this customarily available in the marketplace? How different is this one compared to the ones available customarily? CIG believes that if the Prime did their looked into this, and answered those questions based on market research; they would be able to decide on commercial or noncommercial. With commerciality, the need for invoice insight is not always necessary. If the prime does all of the above, and still is confused or unable to make the determination, we can be a resource to help assist in the thought process.</p>	
<p>Question: If all the parts of an item the contractor is building are commercial-off-the-shelf items is or can the end item considered commercial as well? Even though the end item is used for government purposes only.</p>	<p>Answer: You would want to focus your analysis on Commercial item 2.101 definition #4. I would presume, the item in question is more than likely commercial. Without knowing the exact example, I am unable to provide a definitive recommendation. The question to think about is if these COTs items are normally combined and sold together to the general public.</p>	<p>Asked/answered on July 2017</p>
<p>Question: I have been assigned a case to determine if certain part numbers are sold to commercial customers for commercial purposes in addition to determining whether the price is fair and reasonable. I am aware that as a Price Cost Analyst I am not formally making a "Commercial Item Determination". I am wondering if the Cost and Pricing Center has a specific report template for a determination like this - or whether I should try to modify a CPAR report to suit my purposes and report back to my requestor.</p>	<p>Answer: We do have a template (attached). It is important to know that we have a reference site, where we keep our most up to date information. Any changes to the template would be reflective there. <a href="http://www.dcma.mil/commercial-item-group">www.dcma.mil/commercial-item-group</a> DCMA Contracting Officers has the authority to complete CID and assist your case. Submit a request via <a href="mailto:dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil">dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil</a></p>	<p>Asked/answered on July 2017</p>
<p>Question: I am currently in possession of a proposal for our program that includes a supplier who's material in the Bill of Material is slightly over \$1M and the Prime is stating that the material is COTS. They have not yet sent me their Commercial determination information but I am trying to find out what I</p>	<p>Question: You are certainly on the right track; per 244.402 it is the prime's responsibility to determine the subcontractor's parts commercial. As a PCO/Contract specialist, you have the responsibility to review that determination, and discuss your opinion in the pre-clearance memorandum, as you discussed. We are simply here to help. When you get the information from the prime, if you look at it and simply want another set of eyes, we can do that. Or if you want to review in your own team and then have a conversation about what you did, what to look for, that's great too. You</p>	<p>Asked/answered on July 2017 Update August 2019</p>

<p>need to do to proceed and if your offices can offer any assistance. I have requested the Prime provide a Commercial Item Determination which will then be reviewed and talked to in our pre clearance memorandum, but I'm not sure if there is anything your offices provide that I can utilize in helping me make our final determination. Is there anywhere I can go to see what your Item Centers can do that may be of help in this process?</p>	<p>also don't have to wait until you receive the information. We emphasize market research, and you can start thinking about what the items are. For more information on market research visit our portal <a href="http://www.dcms.mil/commercial-item-group">www.dcms.mil/commercial-item-group</a> and click on " helpful link" to find research links</p> <p>If they are truly COTs you should be able to go buy them online and I don't mean "request a quote" where you end up needing to register, and if you are a Government employee you never actually get the quote. I mean you or I could enter our credit cards and purchase the items. We don't see a whole lot of actual cots items, so in the event you don't find it as COTs, you can look at what the item is, and find ones out there that you can actually buy and compare them to each other, what is different, do they have the same function, etc. Feel free to reach out if you have more questions, or want full support from our team.</p>	
<p>Question: I was looking through the commercial case database; I noticed DCMA has completed the case on a part I am reviewing on an acquisition. The part number is attached. Do you know if a report was produced to explain the findings for this effort? If so, can I get a copy of the findings?</p>	<p>Answer: Great to hear you found our database on <a href="http://www.dcms.mil/commercial-item-group">www.dcms.mil/commercial-item-group</a> . I attached the subject report where we recommended commercial for the part in question. Please let me know if you have any questions on the report, or the analysis itself. I have also cc'd the analyst in case.</p>	<p>Asked/answered on July 2017</p>
<p>Question: I attended the 2017 CIG conference in Dayton Ohio. I heard that the threshold is \$10 Million for a review; however, you will enter in a review at \$1 Million. Please clarify if a review can be done at \$1Million. Also, I would like to get a copy of the MOA you signed as it may affect our contract.</p>	<p>Answer: We have moved our thresholds around since we were established to help maintain a steady workload. For current information please review our website <a href="http://www.dcms.mil/commercial-item-group">www.dcms.mil/commercial-item-group</a> DFARS requires a Commercial Item Determination be made on acquisitions exceeding \$1M. The CIG threshold for commercial determinations is \$1M, and for price reasonableness CIG threshold is \$2M or TINA. Requests for both commercial and pricing will be accepted over \$1M. For subcontract work, the threshold for C/C&amp;P or P is \$2M.</p> <p>The CIG will review and answer any questions submitted by the customers. Please send your questions to : <a href="mailto:dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil">dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil</a></p>	<p>Asked/answered on July 2017 Update August 2019</p>
<p>Question: The prime has submitted a CID for all of the parts they deem as Supply Chain</p>	<p>Answer: The CIG does not believe this is an acceptable approach</p>	<p>Asked/answered on July 2017</p>

<p>Hardware; is this type of submittal acceptable? In lieu of providing a CID for the particular part that we are reviewing. We are concerned about stating that certain groupings of parts are commercial, in lieu of part by part determinations. If acceptable, how will price reasonable be determined on each part?</p>	<p>In short, we believe a part by part review should be conducted for commerciality. Additionally, no facility, division or company is “commercial” by the definition in 2.101 we are evaluating either parts or services. There may be instances where the CIG is asked to review all of the parts in a particular family, in which case we would consider the parts in that family to be commercial. Lastly, NDAA 2017 section 877 introduces the treatment of comingled items purchased by contractors such as plant stock. Not sure of the exact items you are questioning; however, for items valued at less than \$10,000 that are purchased by the company prior to the release of the RFP, to be used on multiple contracts and are not identifiable to any particular contract should be treated as commercial items.</p>	
<p>Question: We have received the attached letter from the contractor which indicates a change in their company policy, reducing their commercial discount percentage for the Government from X% to Y%. We are requesting that you review to ensure that 1) This reduction in discount percentage is in fact across the board from the contractor to DoD and not just for this proposed contract, and 2) That no other commercial customers of this contractor are receiving a higher discount percentage.</p>	<p>Answer: We have reviewed parts from this contractor previously. The proposal discussed that they customarily provide a percentage discount to the Government, and their preferred customers. However, our recommendation was not related to the % discount; rather an analysis and what the similar items are selling for. We found the closest comparable item we could, and worked with our engineers to find similarities and differences. We then estimated the value of those differences and provided a recommended price. As a result, the reduction from X% to Y% off the catalog price didn't and won't impact our recommendation. Catalog prices alone, inclusive of % off catalog prices is not a thorough price analysis technique. Does this help? We are less concerned with the % discount other customers are getting, and more focused on the fair market value based on what the item is.</p>	<p>Asked/answered on July 2017</p>
<p>Question: I'm writing in regards to the above referenced BAM. I am the Pre-Award Section Chief here and all of our items are commercial in nature. We do not have NSNs however. Each of the machines we buy for the most part are all different. We rarely buy the exact same machine twice. I have checked without Policy department and they said if we complete a CID or S20 form (which we do) that we would be required to send this to you. I don't believe this would be beneficial because we would have no NSN</p>	<p>Answer: It would still be beneficial if you could send us CIDs because our database offers search capability by part#, NSN or part description. I am not sure how many other agencies are buying similar items to you, but it may help for your own internal records and consistency.</p> <p>Keep an eye on our resource page <a href="http://www.dcmamail.commercial-item-group">www.dcmamail.commercial-item-group</a> we should have an upload tool soon for all the CIDs. In the meantime sending to <a href="mailto:dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil">dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil</a> will do just fine.</p>	<p>Asked/answered on July 2017</p>

<p>and just a FSC with the nomenclature listed. Please advise.</p>	<p>The tool would allow you to fill out as much info as you can, you can leave part number or NSN blank and then submit the written determination your CO has made. – if submitting to <a href="mailto:dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil">dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil</a> just provide as much info as you can. I hope that helps, Thanks</p>	
<p>Question: Please find attached request and support for a Commerciality determination with respect to our subsidiary, signed-contractor</p>	<p>Answer: I have a few things for discussion. Our charter is to help buying commands make commercial item determinations. We were only were making recommendations in 2017. Since then (2019 update) DCMA CIG office could assist your case in the completion of CID. We are required to ensure there is a Government-benefit for each request. A request from a contractor, such as this, without context, is not something we can add to our workload right now. When you propose to the Government, and in line with 244.402, perform a determination of commerciality of your supplier, then the PCO may reach out to us for support. Additionally, we will advise the PCO against considering your entire subsidiary commercial. 2.101 definition allows for parts and services, not facilities, companies, or interdivisional.</p>	<p>Asked/answered on Oct 2017 Update August 2019</p>
<p>Question: I see a link on the <a href="http://www.dcma.mil">www.dcma.mil</a> homepage for "AQ Commercial Items List" but it's not currently operational. The expectation is that this link will help support contracting officers as they implement the DPAP memo of 2 Sep 2016 entitled "Guidance on Commercial Item Determinations and the Determination of Price Reasonableness for Commercial Items." Will that link be operational soon? I do have a EWAM account, but I don't see that tool available when I access EWAM.</p>	<p>Answer: [resolved] originally the database was hosted on a DCMA internal SharePoint site, and has since been moved on our publically available website and resource page. It is still a very basic spreadsheet-based file, with searching capabilities; however a more robust solution is coming in the future. Either way, this database is accessible on <a href="http://www.dcma.mil/commercial-item-group">www.dcma.mil/commercial-item-group</a> this is available to everyone, including the contractors, as a result the information is very basic; more information can be requested to <a href="mailto:dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil">dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil</a> if you are working on a similar/specific item let us know. EWAM access would no longer be a requirement for the CIG database.</p>	<p>Asked/answered on Oct 2017</p>
<p>The final rule on commercial items did not include the FY2018 change to enable reliance on prior FAR Part 12 contracts. How can that authority be implemented now, rather than waiting months for a DFARS rule to be published?</p>	<p>Answer: I think we can hope that DPAP issues similar guidance, like they did with the NDAA 2013 &amp; 2016 by providing a letter, and incorporating it into PGI. For how we have to stick with the guidance we have.</p>	<p>Asked/answered on Feb 2018</p>

<p>Market research is exempted below SAT (see FAR 10.002). Just as a clarification, does this regulation extend to commercial item determinations? If so, why is it expected across all values during contractor reviews by DCMA?</p>	<p>The recent DFARs rule (Jan 31 2018) talks about market research for price analysis being required, and doesn't have a dollar threshold associated with it. Also research a prime would perform when buying subcontractor is discussed in 244.402. CIG isn't expecting a multiple page comprehensive report when it's a \$30 keyboard, but we also don't expect only a checkmark when it's a \$3000 part. The level of the review should be commensurate with the dollar value.</p>	<p>Asked/answered on Feb 2018</p>
<p>You state GSA catalog is not a determinant of commerciality. This seems in conflict with the 2018 Commercial Items handbook which states (pg 4) items on GSA federal supply schedules are considered commercial items. How are contractors to navigate this?</p>	<p>During the webinar, it was mentioned that CIG would take an action to work this with GSA and DPAP. CIG investigated the conflict and believes that the 2018 handbook doesn't state this. The opening paragraph of the handbook talks about the purpose of the handbook is for those seeking assistance evaluation commercial items, determinations or pricing, to include GSA parts. – I personally do not interpret this to mean GSA items are commercial, rather that those items that are commercial, on a GSA schedule can also be evaluated using this handbook. CIG will discuss with GSA/DPAP but I do not believe this sentence indicates that GSA parts are commercial.</p>	<p>Asked/answered on Feb 2018</p>
<p>For which definitions is Technical Analysis/evaluation required? This is major focus of audits/reviews. Your presentation did not dive into this.</p>	<p>I would suggest most of them, possibly excluding COTS. Most of the analysis involves comparison to a similar item; it really depends on the level of expertise in comparing those two items. If the analyst/contract manager/buyer is able to make a substantiated opinion of similarity than that is their prerogative. Engineers provide the technical insight which can help us make an informed decision. Please reach out to <a href="mailto:dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil">dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil</a> if you have more to offer on this answer.</p>	<p>Asked/answered on Feb 2018</p>
<p>Why can't real property be a commercial item?</p>	<p>Great question. We have to remember that commercial is simply an exception to certified cost and pricing data; which is part of FAR 15. It is not common that a Defense acquisition professional purchases real property. After doing research, it appears that there acquisitions, which procure goods and services for the military, and then there are investments, which are into real property. As a result, real property isn't acquired using FAR procedures. If anyone has more information pertaining to this Q&amp;A please reach out to <a href="mailto:dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil">dcma.boston-ma.eastern-rc.mbx.Commercial@mail.mil</a></p>	<p>Asked/answered on Feb 2018</p>
<p>If we have a Commercial contract with the government, do we have to do Market Research for price reasonable for commercial items purchased in support of the contract?</p>	<p>I believe so, per 244.402 for commerciality. For pricing as well under new DFARs language requiring market research for price analysis. This rule was from NDAA 2017, and became final in Jan 2018.</p>	<p>Asked/answered on Feb 2018</p>
<p>Are for example plumbing installations considered commercial?</p>	<p>It depends, it might fall under architecture &amp; engineering services, which have different rules as they associate with real property. But might also fall under services</p>	<p>Asked/answered on Feb 2018</p>

	definitions 5 & 6 if we have insight as to how they are bid compared to how the commercial market procures these services.	
Would it be logical to start with the premise everything is commercial and then justify why it's not, if it isn't?	We have certainly tried to change culture here. DoD is a very large organization. However, Commercial is a exception to certified cost and pricing data; so the logical process flow is that we follow FAR 15, and then look at particular exceptions, commercial being one of them, and then evaluate it as FAR 12; rather than the reverse.	Asked/answered on Feb 2018
If the product is commercial is the service commercial?	Not necessarily, but certainly helpful. If the product is commercial, we would typically start our research with definition #5. This definition is for services of items considered commercial. The second part of the definition talks about how the source of these services provides similar services in a similar manner in the commercial market. This goes back to terms and conditions being similar.	Asked/answered on Feb 2018
Is there a length of time that existing CIDs are good for, for multiple procurements?	No, that's the best part about what we are doing. Is trying to provide consistency between 1 procurement to the next. I believe that consistency is part of the charter. Timeliness would affect pricing, but shouldn't affect commercial decisions. Under current guidance, we have no time limits for the validity of a CID.	Asked/answered on Feb 2018
How or can you determine nondevelopmental NRE to be commercial?	NRE is difficult, I have seen it proposed as a service, and I have also seen the final product, which includes NRE, proposed. I think overall concept is for commercial acq, we are looking for things to be done in a similar manner to the commercial marketplace. If a company has nondevelopmental NRE, and they charge all of their commercial clients that adder charge, I wouldn't expect it to be any different in the Government. However, if this NRE is unique to the Government, that is when there is a struggle.	Asked/answered on Feb 2018
Please elaborate on value based pricing, fear is that anyone could justify pricing.	Agreed. When I first heard this, I had similar feelings. But it goes both ways. For items such as the procuring the 120 <sup>th</sup> spare engine, how valuable is that spare-when there are 119 in cue prior?. Either way, Value pricing is difficult from DCMA, DCAA or even buying command perspective. It's really the user who determines the value. It's not the answer to pricing, just an allowed alternative. This same concept exists commercially, as supply decreases, and demand increases, price increases. Value pricing is simply another data point as you build your price position.	Asked/answered on Feb 2018

