

Foreign Contractor Field Pricing and Assist Audit Information Sheet

Overview:

This document provides information to US Government personnel as to how to request proposal field pricing/or assist audit services for foreign contractors/suppliers.

It is important to know that the USG has entered into agreements for financial audit services with the following nations listed below. Pursuant to these agreements, pricing/audit services are performed by the respective Host Nation's (HN) audit agency instead of DCMA (Defense Contract Management Agency) or DCAA (Defense Contract Audit Agency):

- Canada
- France
- Germany
- The Netherlands
- The United Kingdom

Requests for reciprocal pricing/financial audit services of the foreign contractors/suppliers in the above nations are subject to the applicable Annex of the respective International Agreement signed at the Secretary/Minister of Defense level. These international agreements can be found through the following link:

<https://www.acq.osd.mil/asda/dpc/cp/ic/reciprocal-procurement-mou.html>

Certain major programs are also subject to cooperative agreements with various foreign nations (e.g. Evolved Sea Sparrow Missile). These cooperative agreements may contain provisions that influence proposal development and review. In some cases, existing program cooperative agreements require that each signatory nation's government, including nations other than those identified above, provide pricing/financial audit services on their respective participating contractors. It is important to understand these provisions and to identify them in your requests. Additional detail regarding individual cooperative agreements with regard to policy and procedures for audit requests can be accessed at their respective program offices.

Both types of agreements (Reciprocal and Cooperative) provide for reciprocal "no-cost" pricing/financial audit services regarding contractor proposals (including technical evaluations) and each country retains the rights to review their nation's contractor proposals.

Working in an environment with foreign contractors and foreign nations presents distinct challenges such as:

- Language barriers
- Data exchange incompatibilities
- Business and cultural differences
- Multiple time zones and varying work schedules
- Country clearance requirements prior to undertaking site visits in foreign countries
- Email size constraints

Foreign Nation Audit Reports/Work Products:

- Vary from nation to nation
- Are derived from using each foreign nation's local practices and methodologies
- Will not be provided in the same format or provide the same level of detail as a DCAA audit report or DCMA price analysis report
- Require considerable time to complete

Additionally, clarification of audit results can be requested from the assigned foreign nation auditor through the POCs listed in the instructions below. Requestors are also encouraged to provide comment on the feedback questionnaire that is included in some nation's audit reports

Based on historical data, audit reports should not be expected in less than **120 days** from request with some nations requiring greater timeframes.

Export Controlled Information:

Requestors should be cognizant of Export Controlled Information (i.e. International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR)) as all Government personnel have the responsibility to safeguard US Export Controlled Information they may come in contact with during the performance of their official duties.

Specific to pricing/financial audit services, prime contractors have the responsibility to determine if pre-award proposals and supporting documentation contain Export Controlled Information before a request for HN pricing/financial audit services can be submitted. Financial audit services cannot be requested of a HN if the proposal contains Export Controlled Information and there are no current authorizations or exemptions granted by the prime contractor.

If the proposal and/or supporting documentation contains Export Controlled Information, requestors should coordinate with the prime contractor to answer the following questions:

(1) In the accomplishment of the scope of review requested, will HN representatives need access to Export Controlled Information?

(2) If Export Controlled Information needs to be accessed to perform the requested pricing/financial audit services, the following needs to be answered/documented:

- Is the HN authorized (or granted an exemption) to access the Export Controlled Information?
- If Yes, a copy of the written authorization/exemption from the prime contractor's Export Controls Empowered Official must be provided with the complete request package.

For DCMA requestors, more detail on Export Controlled Information can be found within DCMA-MAN 2501-11, Section 10. For non-DCMA requestors, more detail on Export Controlled Information can be found at the export control authority responsible for export controls on your program.

Request Process:

For non-Canadian foreign contractors/suppliers:

Contractors/suppliers in nations **not** governed by reciprocal agreements or **not** in programs subject to cooperative agreements, audits are performed by DCAA in accordance with the criteria set forth in DFARS PGI 215-404-(c) (i); Fixed-price proposal exceeding \$10 million or Cost-type proposals exceeding \$100 million. Requests for proposals not meeting the criteria threshold should be sent to the cognizant DCMA Contract Management Office utilizing the DCMA Foreign Contractors Pricing Support and Assist Audit form. For DCMA requestors, the form is also located on the DCMA-MAN 2401-01 Resource Page.



International_Pricing_Request_Form_072

For foreign contractors/suppliers in nations with reciprocal agreements (France, Germany, Netherlands and United Kingdom) or in programs subject to cooperative agreements:

- Requests for field pricing and assist audits made to foreign nation audit agencies by DCMA **must be initiated by DCMA International**. DCMA International will initiate the request upon receipt of the DCMA Foreign Contractors Pricing Support and Assist Audit form from the PCO or CONUS DCMA personnel
- Utilize the DCMA Foreign Contractors Pricing Support and Assist Audit form.
- Send complete request packages to the: dcma.wiesbaden-germany.intl-cmd.list.pricing-team@mail.mil email 'Inbox'.
- For proposals and supporting documentation that exceed DCMA IT size limits, please instead use a large file transfer site. Recommended sites include but are not limited to:
 - ✓ DoD SAFE: <https://safe.apps.mil/>
 - ✓ Intelink safe: <https://intelshare.intelink.gov/sites/u-safesource/SitePages/Home.aspx>
 - ✓ DOTS web transfer portal (IE only): <https://dots.dodiis.mil/>
- DCMA International will review and initiate the financial audit service request from the PCO, CONUS DCMA personnel, or external US government requestor once a complete request and supporting documentation has been received.
- Complete request packages are critical to provide quality reports and mitigate foreign contractor challenges. **Incomplete requests will be returned to the requestor.**

Canadian Supplier Requests:

The U.S. Government relies upon the Canadian audit authority for proposal field pricing and/or assist audit services for suppliers that are subcontracting to a US Government prime contractor as well as contracts placed directly with Canadian suppliers in accordance with DFARS/PGI 225.870-1.

- **DCMA International** must initiate all requests for field pricing and assist audits through the Canadian audit authority.

- Complete the request form by utilizing the supplemental instruction guide below.



Public Services and
Procurement Canada



Instruction Guide for
PSPC Request Form

- Send the completed request form to: dcma.ottawa-canada.mbx.assistaudits@mail.mil.
- For proposals and supporting documentation that exceed DCMA IT size limits, please instead use a large file transfer site. Recommended sites include but are not limited to:
 - ✓ DoD SAFE: <https://safe.apps.mil/>
 - ✓ Intelink safe: <https://intelshare.intelink.gov/sites/u-safesource/SitePages/Home.aspx>
 - ✓ DOTS web transfer portal (IE only): <https://dots.dodiis.mil/>
- DCMA International will review and initiate the financial audit service request from the PCO, CONUS DCMA personnel, or external US government requestor once a complete request and supporting documentation has been received.
- Complete request packages are critical to provide quality reports and mitigate foreign contractor challenges. **Incomplete requests will be returned to the requestor.**