DEFENSE CONTRACT MANAGEMENT AGENCY
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FORT LEE, VIRGINIA 23801-1809

APR 28 2020

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: DCMA Re-Aligning Cost and Pricing Resources to Support Increased Lethality and Readiness

In November 2018, I sent a memorandum which explained the repositioning of DCMA's resources to address the highest critical priorities of the Department of Defense and referred to the initiative as our High Value/High Risk (HV/HR) pivot. Our HV/HR effort focused DCMA's contract administration resources on work that is most important to support lethality as required by the National Defense Strategy (NDS). As a means to continue to prioritize DCMA's resources in accordance with the NDS, I now take action to limit field pricing assistance requests to $2 million or above, in alignment with the current certified cost or pricing data threshold (commonly referred to as Truth in Negotiations Act (TINA)).

The implementation of this $2 million threshold will begin on 1 October 2020; however, there will be a transition phase beginning as of the date of this letter. During the transition phase, field pricing requests may be rejected, but the DCMA office will engage with the PCO on the topic as well as providing the means for reconsideration by DCMA of the field pricing assistance. Before making this decision, my headquarters team analyzed recent field pricing assistance requests in order to estimate the impact of this change across the Agency's customer base. We found only 18% of the FY19 requests for DCMA services were below $2 million. Further analysis is underway to determine the most impacted customer segments, especially as the transition phase begins.

DCMA considers it our responsibility to support the NDS via our delegated authority, in this instance per DFARS 242.302(a)(67). As a result, the DCMA Service Portfolio Directors and Senior Acquisition Analysts (SAAs) will be scheduling briefings to provide additional details about this change and the declination process, similarly to how HV/HR was implemented in 2018. The SAAs will also be briefing the process for identifying high risk criteria which would cause DCMA to provide field pricing assistance below $2 million. Please reach out to them if you have any questions in advance. The contact information for your DCMA SAA can be found at: https://www.dcma.mil/Customers/Customer-Liaisons. You may also contact my POC for the threshold, Mr. Brendan Larson at 860-291-7899, Brendan.c.larson.civ@mail.mil. I appreciate your understanding and support as DCMA continues to implement requirements to focus our available resources to address your highest priority needs.

David H. Lewis
VADM, USN
Director

Attachments: None

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