



DCMA Manual 2401-01

Negotiation Intelligence Procedures

Office of Primary Responsibility	Negotiation Intelligence Capability
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Purpose: This issuance, in accordance with the authority in DoD Directive 5105.64, “Defense Contract Management Agency (DCMA)”:

- Implements policy established in DCMA Instruction 2401, “Negotiation Intelligence”
- Provides and defines procedures for Negotiation Intelligence

SUMMARY OF CHANGES

The changes to this Manual are substantive, the most notable changes are as follows:

- Updated responsibilities for Administrative Contracting Officer, Administrative Contracting Officer for Commercial Item Determination, Directors, Division, Portfolio Management And Business Integration
- Updated select position titles
- Added data integrity requirements
- Updated Controlled Unclassified Information requirements
- Added process for Other Transaction proposal
- Incorporated use of assigned individual vice a specific title, where applicable
- Defined Undefined Contract Action reporting process
- Incorporated provision for Workload Acceptance
- Updated notification requirements for proposals exceeding \$250 million
- Updated Commercial Item Support processes
- Defined cancellation of case process
- Updated Early Acquisition Engagement processes
- Updated Small Business Office survey notification

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This issuance applies to all DCMA activities unless higher-level regulations, policy, guidance, or agreements take precedence.

1.2. POLICY. It is DCMA policy to:

a. Equip the buying commands with actionable acquisition insight that leads to and supports best value decisions on current contracts and procurement negotiations. Determine and track return on investment related to such efforts.

b. Provide quality and timely field pricing, negotiation, preaward survey, and early acquisition engagement support to the DoD and non-DoD Federal agencies and departments, and other DCMA activities in order to ensure fair and reasonable contract prices.

c. Provide quality and timely pricing and negotiation support for the definitization of unpriced contract actions (e.g., undefinitized contract action (UCA), unpriced change order, unpriced purchase order).

d. Provide quality and timely technical pricing support, to include Technical Support to Negotiations (TSN) and support for Commercial Item Determinations (CID).

e. Execute DCMA activities in an efficient, effective, safe, and ethical manner.

SECTION 2: RESPONSIBILITIES

2.1. EXECUTIVE DIRECTOR, CONTRACTS. The Executive Director will assign a Contracts Executive Directorate (DCMA-AQ) point of contact (DCMA-AQ POC) to comply with the requirements identified in DFARS 217.7405, “Plans and Reports”.

2.2. DIRECTOR, PRICING GROUP, COST AND PRICING REGIONAL COMMAND. The Pricing Group Director will:

- a. Coordinate surge pricing support for the agency.
- b. Coordinate with Cost and Pricing Regional Command, Region, and Contracts Management Office (CMO) personnel to assemble proposal surge support teams to augment CMO resources or otherwise assist CMOs and/or buying activities with proposal pricing, when necessary.
- c. Participate in early acquisition engagement and preaward discussions with DoD customers when establishing cost and pricing analysis strategies.
- d. Serve as the decision authority for adjudicating pricing issues related to contractor-initiated requests.

2.3. DIRECTOR, COMMERCIAL ITEM GROUP (CIG), COST AND PRICING REGIONAL COMMAND. The CIG Director will:

- a. Establish a team to work closely with DoD customers to analyze commercial items while minimizing workload redundancy.
- b. Facilitate working relationships within DCMA to support Commercial Item reviews.
- c. Establish thresholds for accepting requests for Commercial Item reviews.
- d. Facilitate communication between the CIG and DoD customers early in the procurement cycle to help identify Commercial Item solutions for DoD programs.

2.4. CMO CONTRACTS DIRECTOR AND ENGINEERING AND MANUFACTURING GROUP CHIEF (EMGC)/INTEGRATED COST ANALYSIS (ICAG) DIRECTOR (AT INTEGRATED COST ANALYSIS GROUP LOCATIONS). The Contracts Director and EMGC/ICAG Director will:

- a. Designate a TSN Coordinator(s) (EMGC/ICAG Director Only).
- b. Establish a team environment enabling the CMO to work closely with customers and the Defense Contract Audit Agency (DCAA) as a cohesive government team to analyze costs while minimizing workload redundancy.

c. Ensure reportable UCAs are submitted IAW Paragraph 5.3., (Contracts Director only).

d. Assign a Preaward Survey Manager (PASM) and alternate IAW Paragraph 9.1., of this Manual.

2.5. SUPERVISOR/ICAG LEAD. The Supervisor (Contracts, Pricing, and Technical)/ICAG Lead (Contracts, Pricing, and Technical) will:

a. Manage the pricing, technical, and/or preaward workload of assigned individuals.

b. Review and approve pricing, technical, and/or preaward reports and supporting documentation prior to release to requestor. Review and ensure integrity of data in agency authorized capabilities.

c. Review and provide written concurrence or nonconcurrence on Pre-Negotiation Objectives Memorandum (PNOM), Price Negotiation Memorandum (PNM) and supporting documentation.

d. Assign individual(s) based on customer request.

e. Approve or deny extension and cancellation requests.

2.6. TECHNICAL SUPPORT TO NEGOTIATIONS COORDINATOR. The TSN Coordinator will:

a. Perform initial review of request.

b. Confirm receipt of request.

c. Track request providing oversight of established timelines.

2.7. ASSIGNED INDIVIDUAL. The assigned individual will perform negotiation intelligence (NI) tasks as described in this Manual. An assigned individual may be an Administrative Contracting Officer (ACO), Price/Cost Analyst (PCA), Contract Specialist, Contract Administrator, Financial Analyst, or Technical Specialist (Engineer, Software, Industrial Specialist, or Quality Assurance Representative).

2.8. CMO PREAWARD SURVEY MANAGER. The CMO PASM or alternate receives and manages Preaward Survey (PAS) process requests.

2.9. FINANCIAL CAPABILITY TEAM (FCT) PREAWARD SURVEY MANAGER. The FCT PASM or alternate receives and manages PAS process requests related to Financial Capability.

2.10. ADMINISTRATIVE CONTRACTING OFFICER (ACO). The ACO will:

- a. Determine if contractor-initiated requests (as described in Paragraph 4.2.d.) will serve a valid Government interest.
- b. Establish the pre-negotiation objectives and document them in a PNOM.
- c. Document the results of the negotiation in the PNM.
- d. Modify the contract with the results of the negotiations.

2.11. COMMERCIAL ITEM DETERMINATION ADMINISTRATION CONTRACTING OFFICER (CD-ACO). The CD-ACOs will make commerciality determinations when requested from a buying command or Procuring Contracting Officer (PCO).

2.12. DIRECTORS, DIVISION, PORTFOLIO MANAGEMENT AND BUSINESS INTEGRATION (PM&BI). The PM&BI Division Directors will:

- a. Ensure division personnel execute Early Acquisition Engagement (EAE) responsibilities.
- b. Inform military services and Defense agencies of opportunities and methods of DCMA EAE.
- c. Actively identify value-added opportunities for DCMA to provide insight and analysis during the services most critical preaward activities and negotiations.
- d. Communicate opportunities for early acquisition involvement to the appropriate stakeholders (as described in Paragraph 8.4.).

SECTION 3: GENERAL PROVISIONS

3.1. GENERAL INFORMATION. This Manual:

- a. Identifies the types of NI supporting the negotiation of prices DCMA provides to Federal agencies, other Defense agencies, and to other DCMA activities.
- b. Prescribes the NI processes for implementing higher level requirements such as Federal laws, Federal regulations, DoD regulations, and DoD guidance with respect to NI.
- c. Prescribes the NI processes for DCMA-level requirements not prescribed in higher-level requirements such as report format, report review, and report approval.

3.2. TYPES OF NI SUPPORT. Sections 4 through 9 are the different types of support covered in this Manual. The following paragraphs list the section number, title, and brief description of the Manual contents for each section.

- a. Section 4, Field Pricing Assistance, prescribes the DCMA processes for performing field pricing at both the prime and subcontract level. It includes performing proposal review and analysis, documentation requirements, and report formatting and approvals.
- b. Section 5, Delegated ACO Negotiations, prescribes the DCMA processes for DCMA ACO negotiation support actions. It includes the pre-negotiation, negotiation, post-negotiation, internal review and concurrence activities, documentation requirements and report formatting and approvals.
- c. Section 6, TSNs, prescribes the DCMA processes for receiving, documenting, and performing technical analysis. It includes proposal review, areas of analysis, documentation requirements, and report formatting and approvals.
- d. Section 7, Commercial Item Support, prescribes the DCMA processes for performing commercial item determinations and pricing support at both the prime and subcontractor level. It includes performing Commercial Item evaluations, Commercial Item reports, documentation requirements, and report formatting and approvals.
- e. Section 8, Early Acquisition Engagement, provides the DCMA procedures for activities performed in conjunction with the contracting activities, prior to contract award to include the pre-request for proposal preparation stage.
- f. Section 9, Preaward Surveys, prescribes the DCMA processes for receiving, documenting, and performing PAS requests. It includes processes associated with managing requests for Qualified Suppliers List (QSL), Qualified Products List (QPL), Qualified Manufacturers List (QML), Qualified Bidders Lists (QBL) verification/validations, and report formatting and approvals.

3.3. PROTECTING CONTROLLED UNCLASSIFIED INFORMATION. Protecting information is critical and integral when conducting the processes associated with this Manual. DCMA personnel are responsible for marking and protecting controlled unclassified information (CUI) entrusted to them. These procedures vary based on the type, access, and nature of the material involved. Refer to the DCMA Manual (DCMA-MAN) 3301-08, “Information Security,” for guidance on the marking, control, transmission, destruction, and storage of such material.

3.4. DELEGATION OF RESPONSIBILITIES. The individuals holding the positions listed in Section 2 of this Manual may delegate their responsibilities unless expressly prohibited by this Manual, another DCMA Instruction, higher-level guidance, regulations or statute. The individual delegated the responsibility does not have the authority to further delegate the responsibility.

3.5. RECORDS MANAGEMENT. Records Management requirements associated with this document are located on the Resource Page of this Manual (hereafter referred to as the Resource Page).

3.6. DATA INTEGRITY. The assigned individual is responsible for the data entry of required fields in the appropriate agency authorized capability, and the supervisor/lead is responsible for reviewing the data to ensure that it is accurate.

SECTION 4: FIELD PRICING ASSISTANCE

4.1. OVERVIEW.

a. Section 4 provides the process for DCMA field pricing assistance using the guidance found in FAR Subpart 15.4 and DFARS Subpart 215.4, “Contract Pricing.”

b. This section of the Manual covers the following types of field pricing assistance.

(1) Proposal Pricing. Proposal pricing is the process of evaluating all or part of a contractor’s pricing proposal.

(2) Rate Check. A rate check consists of providing information from a current Forward Pricing Rate Agreement (FPRA), Forward Pricing Rate Recommendation (FPRR), DCAA audit, or a recently performed DCMA rate analysis. A rate check may also include simple recalculation of the proposal using the available rates, if requested.

c. Descriptions of the positions referenced in Section 4.

(1) Pricing Lead. The pricing lead is the individual with supervisory or non-supervisory oversight of the assigned individual’s pricing workload.

(2) Pricing Case POC. The pricing case POC is the assigned individual.

4.2. RECEIVING FIELD PRICING ASSISTANCE REQUESTS.

a. Determine Cognizant Office. The pricing lead of the CMO receiving field pricing assistance requests must identify the cognizant CMO.

(1) If the receiving CMO is not the cognizant CMO, the pricing lead must forward the request to the cognizant CMO. The pricing lead may use the Contract Management Team Viewer, the Contract Administration Services Directory, or other methods of identifying the cognizant CMO. The Resource Page contains a list of CMO email addresses for receiving requests for field pricing assistance.

(2) For proposals that involve more than one of the contractor’s segments (i.e., one preparing the proposal, one performing any resulting contract), the cognizant CMO is determined by the Commercial and Government Entity (CAGE) code of the segment submitting the proposal. The cognizant CMO should coordinate with the other segments for pricing and technical assistance. The cognizant CMO is responsible for coordinating with the customer for the final report(s) format.

b. Identify the Type of Request.

(1) Proposal Pricing. Proposal pricing is the process of evaluating a contractor's proposal, in whole or in part. The following types of proposal pricing have special requirements, in addition to those that pertain to all other proposal pricing.

(a) Notification and Coordination Requirements for Proposals Exceeding \$250 Million. If a CMO receives a request for field pricing assistance for a proposal exceeding \$250 million, the pricing lead, in coordination with the CMO leadership, must notify the Director of the Pricing Group in the Cost and Pricing Regional Command and appropriate Region Contracts Director. The notification must include the contractor/subcontractor name and CAGE code; program name, including any specific designators (e.g., stage of development or production, including lot number, if applicable); dollar value of the proposal; and contact information for the pricing lead, CMO leadership POC, and Region Contracts Director. Send the notification to the Cost and Pricing Regional Command inbox as identified on the Resource Page. At non-ICAG locations, the Director of the Pricing Group in the Cost and Pricing Regional Command, Region Contracts Director, and cognizant CMO should discuss the approach for providing field pricing assistance and, if necessary, assemble a proposal surge support team to augment the cognizant CMO.

(b) Foreign Contractor Requests. If proposal pricing is needed for a contractor located outside the continental United States (OCONUS), the pricing case POC must follow the requirements in the "DCMA Foreign Contractors Pricing and Assist Audit Information" located on the Resource Page. The cognizant DCMA International CMO must initiate requests for field pricing assistance and assist audits made to foreign nation audit agencies, which is known as a Host Nation request.

(2) Rate Check. A rate check consists of providing information from a current FPRA, FPRR, DCAA audit, or a recently performed DCMA rate analysis. A rate check may also include simple recalculation of the proposal using the available rates, if requested. A rate check does not involve the evaluation of a proposal (proposal pricing) or the components of a rate (pool and base). A rate check is not subject to the requirements in Paragraphs 4.3., through 4.7. If analysis of a rate is required, it is considered proposal pricing as defined in Paragraph 4.1.b.(1). If a Rate Check has an identified proposal amount for greater than \$250 million, follow the procedures in 4.2.a(1).

(3) TSN Only. If the request is for a technical evaluation only (no field pricing assistance requested), the pricing lead will forward the case to the TSN Coordinator and notify the requestor. Do not set up a pricing case in the agency authorized capability.

(4) Commercial Item Support. If the request includes evaluation of commercial pricing and/or commerciality refer to Section 7.

(5) Other Transaction (OT) Support. Buying Commands might use an OT as the contract type for their acquisitions using Section 2371 of Title 10, United States Code (U.S.C.). OTs are largely exempt from FAR and DFARS. If the request is for the review of an OT proposal, the pricing case POC should perform an analysis of the proposal using the techniques in Section 4 of this Manual to the greatest extent practicable, but cannot require the contractor to

adhere to the requirements in the FAR/DFARS. The Government must determine that the price of the OT is reasonable, and the pricing case POC should provide assistance to the requestor to develop a fair and reasonable price. The preferred method of evaluation for OTs is price analysis. More information on OTs can be found on the Resource Page.

c. Identify the Source of Request and Perform Workload Acceptance. Requests for contractor or subcontractor field pricing assistance may come from an internal (DCMA) requestor, an external (non-DCMA government) requestor, or a contractor. All requests must be in writing. The pricing lead will perform pricing request acceptance using the guidance on the Resource Page.

(1) Internal Requests. DCMA requestors must submit requests for field pricing assistance through the agency authorized capability, identified on the Resource Page. The requestor must also send a request package to the cognizant CMO. The request package must include a copy of the proposal and any pertinent items received. The CMOs should discuss the best way to transmit the request package (e.g., email, other file exchange medium). If the cognizant CMO identifies that pertinent documentation is missing, the pricing case POC will request the missing documentation. In situations where the information is not provided, the pricing lead will determine how to resolve this issue on a case-by-case basis.

(2) External Government Requests. DCMA employees should instruct non-DCMA requestors (e.g., other Defense Agencies, Federal agencies) to submit requests for field pricing assistance by following the guidance found on the DCMA public web site. A subcontractor's cognizant CMO may receive requests for subcontractor assistance directly from non-DCMA requestors.

(3) Contractor-Initiated Requests. A contractor (prime contractor or higher-tier subcontractor) may request DCMA field pricing assistance if denied access to the subcontractor's records. The contractor must submit the request for assistance to their cognizant CMO, not directly to the subcontractor's cognizant CMO. If received directly, the subcontractor's cognizant CMO must forward the request to the contractor's cognizant CMO for action.

d. Process Contractor-Initiated Requests.

(1) Prime contractors or higher tier subcontractors are responsible to conduct price or cost analysis on their subcontractor proposals, to determine the reasonableness of the proposed prices IAW FAR 15.404-3. When the contractor or higher-tier subcontractor has been denied access to a subcontractor's records, the contractor or higher-tier subcontractor may request assistance from DCMA in the evaluation of the subcontractor. Under these circumstances the contracting officer or the ACO should consider whether providing audit or field pricing assistance will serve a valid Government interest IAW DFARS/PGI 215.404-3. The contractor must submit their request for assistance in writing to their cognizant CMO. The request must include the following items:

(a) The written notification from the subcontractor denying the contractor access to some or all of its records needed to analyze the subcontractor's proposal.

(b) A copy of the proposal, and other relevant documents, received from the subcontractor along with a subcontractor POC. The value of the proposal being reviewed must be identified.

(c) The CAGE Code and basic subcontract proposal information (e.g. solicitation or contract number).

(d) The contractor's Request for Proposal (RFP) issued to the subcontractor.

(2) The PCO or cognizant CMO ACO must determine if fulfilling the request will serve a valid Government interest. While the pricing team can provide guidance to assist in the decision, the determination must be performed by a contracting officer (PCO or ACO), and cannot be delegated. The determination and rationale must be documented. The following information, provided by the requesting contractor or obtained elsewhere, should be considered before the determination is made:

(a) Impact on a government prime contract.

(b) The actions taken by the contractor to analyze the subcontractor's proposal.

(3) The cognizant CMO must provide a written response to the contractor either accepting or rejecting their request.

(4) Upon acceptance of the request, the cognizant CMO of the requesting contractor must submit a subcontractor assistance request to the cognizant CMO of the subcontractor via the agency authorized capability and provide the subcontractor's cognizant CMO with a subcontractor assistance request package. The request package must include all items received from the requesting contractor, the determination and rationale that the requested pricing assistance serves a valid Government interest, and the written acceptance provided to the requesting contractor. The CMOs should discuss the best way to transmit the request package (e.g., the agency authorized capability, email, other file exchange medium).

(5) Upon receipt of a request that a contracting officer has determined will serve a valid Government interest, and a denial of access from a subcontractor, the subcontractor's cognizant CMO must perform the request. If the subcontractor's cognizant CMO disagrees with any aspect of the request and is unable to resolve the issue with the requestor, the CMOs must elevate the issue within their chain of command and to the respective Region(s) for resolution. If the Region(s) is/are unable to reach a resolution, the issue will be elevated to the Cost and Pricing Regional Command's Pricing Group Director for final decision.

e. Coordinate Resources and Expertise. Upon receipt of a request for field pricing assistance, the cognizant CMO should take all available actions to meet the needs of the requestor to the maximum extent possible. The CMO must not reject a request due to the lack of

resources or expertise without elevating the request by following the procedures on the Resource Page.

f. Create the Pricing Case. The pricing lead of the cognizant CMO will create the pricing case by entering the request into the agency authorized capability. Requests received via the agency authorized capability accomplish this step. The pricing lead may delegate this task to a pricing case POC under his/her oversight.

g. Assign the Pricing Case. The pricing lead has the responsibility of assigning pricing cases.

h. Confirm Receipt of Request. The pricing case POC must notify the requestor of the receipt of the request in writing.

4.3. REVIEWING PROPOSAL.

a. The pricing case POC initiates field pricing assistance with the following actions:

(1) Establish a Case File. The pricing case POC must store correspondence and documents associated with the pricing case in the case file. The pricing case POC must appropriately mark all applicable correspondence and documents. Documents should be marked as described in Paragraph 3.3.

(2) Conduct Preliminary Proposal Review. The pricing case POC must review the extent of the field pricing assistance requested. The extent of assistance requested may range from one to all of the cost elements in the proposal. The pricing case POC should review the entire proposal to the maximum extent practicable regardless of the scope of the request to obtain general knowledge about the request and the proposed effort.

(3) Verify Certified Cost or Pricing Data Requirements. The pricing case POC must review the proposal or Request for Proposal (RFP) to verify if the proposal will be subject to certified cost or pricing data, or if an exception/waiver is in place, IAW FAR 15.403, "Obtaining certified cost or pricing data." Annotate in the agency authorized capability if the proposal requires the submission of certified cost or pricing data.

(4) Conduct Proposal Adequacy Review.

(a) The pricing case POC must perform a proposal adequacy review for field pricing assistance prior to acknowledging the case. Perform the proposal adequacy review commensurate with the scope of the requested assistance (e.g., entire proposal, selected cost elements).

(b) If the requestor or contractor performs a proposal adequacy review prior to requesting DCMA assistance, the pricing case POC must still perform the proposal adequacy review. However, the pricing case POC should consider the previous review to facilitate their review.

(c) The pricing case POC must document the proposal adequacy review using the Proposal Adequacy Checklist located on the Resource Page.

1. If a section of the checklist does not apply to the proposal, fill it out to the maximum extent practicable or mark it as not applicable (NA).

2. If there is no requirement for certified cost or pricing data, the contractor may not need to meet all the requirements of this checklist, but DCMA will use it as applicable for the proposal adequacy review.

3. Inadequacies found during the review must be documented on the checklist.

(d) The pricing case POC should notify the cognizant ACO, requestor, and contractor (as appropriate) of inadequacies in the proposal.

(e) After completion of the adequacy review, the pricing case POC must determine if the data provided in the proposal is sufficient to begin the requested field pricing assistance. If the data is insufficient to begin the requested assistance, the proposal may be considered deficient, as defined at FAR 15.404-2(d).

(f) For a deficient proposal, the pricing case POC must perform the following steps:

1. Notify the cognizant ACO of the proposal inadequacies for business system considerations.

2. Notify the requestor of the proposal inadequacies.

3. Contact the contractor to resolve inadequacies preventing the proposal pricing analysis unless otherwise directed by the requestor.

4. Review the contractor responses and determine if the information is sufficient to perform the proposal pricing analysis.

5. If the contractor does not provide the required information, discuss the inadequacies with the requestor and the pricing lead. Request their decision on whether to cancel or proceed with the review with incomplete information utilizing alternative evaluation techniques. If needed, follow the cancellation procedure as outlined in Paragraph 4.3.d.

(g) The pricing case POC must document the results of the proposal adequacy review and actions taken to resolve inadequacies in the case file and the “Cost and Pricing Analysis Report” (hereafter referred to as “pricing report”).

(5) Risk Assessment, Scope Determination, and Analysis Strategy. The pricing case POC must perform a risk assessment and determine the scope of the review using either the template located on the Resource Page or a similar local template which includes the same general information. The pricing case POC must develop a plan for reviewing each cost element

and/or service requested. The pricing case POC should engage the requestor as needed during the risk assessment and scope determination process as the results will affect how the pricing case POC develops the analysis strategy and establishes an estimated completion date.

(a) The risk assessment can identify possible issues that could affect the performance of the requested field pricing assistance. Document all risk assessment actions taken including the impact on the analysis. As part of the risk assessment, the pricing case POC:

1. Must identify the status of the contractor's business systems and consider any outstanding deficiencies.

2. Must identify if the contractor is required to have a Disclosure Statement, if the contractor has any Cost Accounting Standards (CAS) non-compliances, and the proposal's CAS coverage requirement.

3. Must consider the impact from any proposal deficiencies identified while performing the proposal adequacy review.

4. Should contact the cognizant ACO to discuss any relevant issues concerning the contractor. This includes the existence of a valid FPRA or FPRR.

5. Should contact the cognizant DCAA office to identify and discuss any ongoing or pending contractor audits or any other relevant issues.

(b) The scope determination will establish the extent of the field pricing assistance provided, the proposal analysis techniques to apply, the strategic approach, and the need for any additional assistance (e.g., DCAA audit assistance, technical assistance, subcontractor field pricing assistance).

1. Extent of Field Pricing Assistance. The pricing case may involve the analysis of an entire proposal or selected cost elements in the proposal. The requestor may also specify which Contract Line Item Numbers (CLINs), years, or options to review. If the request is not clear, the pricing case POC should contact the requestor for clarification.

2. Scope Refinements. The pricing case POC may discuss with the requestor inclusion/exclusion of any cost element (including profit) into/from the review, whether or not the cost element is included in the request. If there is a need for a bottom-line price recommendation (e.g., for a sanitized report or based on a specific request), the pricing case POC should consider if the proposed profit rate should be included in the scope of the review.

3. Proposal Analysis Techniques. FAR 15.404-1, DFARS 215.404-1, and DFARS Procedures, Guidance and Information (DFARS/PGI) 215.404-1, "Proposal Analysis Techniques" list and explain several proposal analysis techniques. Cost analysis, price analysis, and technical analysis are the most commonly used techniques.

4. Additional Assistance. The pricing case POC determines the need for additional assistance. The pricing case POC must submit requests for assistance in writing. The pricing case POC must contact the provider of the assistance to discuss the scope of the assistance, coordinate a completion date, and obtain a written acknowledgement from the provider. Include all the correspondence associated with the request in the case file. Additional assistance includes, but is not limited to that in the following:

a. DCAA Audit Assistance. The pricing case POC should consider the need for DCAA audit assistance IAW the thresholds in DFARS/PGI 215.404-2(c). If DCAA is unable to support the request, the pricing case POC must consider this in the analysis strategy.

b. Technical Assistance. The pricing case POC determines if technical assistance is required to conduct the analysis. The pricing case POC must submit requests for technical assistance through the agency authorized capability. The pricing case POC should attach the proposal and any other supporting documentation (e.g., RFP, Statement of Work (SOW), or Statement of Objectives (SOO), Work Breakdown Structure (WBS)) necessary to the request for technical assistance.

c. Subcontractor Field Pricing Assistance. The pricing case POC determines the need for subcontractor field pricing assistance. The pricing case POC must submit requests for subcontractor field pricing assistance through the agency authorized capability.

d. Commercial Item Support Assistance. The pricing case POC may request assistance for subcontractor items that a contractor is asserting as a commercial item. All commercial item support assistance requests will be sent to the CIG via the CIG inbox on the Resource Page. The CIG Pricing/Engineering Lead will determine who should perform the work using the guidelines in Section 7.

b. Pre-acknowledgement Coordination. The pricing case POC should discuss the results of the proposal adequacy review, risk assessment, scope determination, and determination of need for any additional assistance with the requestor prior to acknowledgement. The pricing case POC and requestor should discuss if the scope should be changed and if the requested due date is realistic or should be modified. If the pricing case POC can meet the requested scope of requirements and the due date, pre-acknowledgement coordination may not be necessary.

(1) If the requestor agrees to the scope of the review and the DCMA estimated due date, provide the requestor a written acknowledgement as described in Paragraph 4.3.c., and begin the review.

(2) If the pricing case POC and the requestor do not agree on the due date, discuss alternatives with the pricing lead and the requestor. Some of the alternatives could include modifying the scope of the review, providing additional resources, or requesting surge support. Continue discussion until reaching an agreement.

(3) If the pricing case POC and pricing lead are unable to meet the needs of the requestor after reviewing all the alternatives, consider cancelling the case as prescribed in Paragraph 4.3.d.

c. Acknowledge the Pricing Case. Once the pricing case POC and requestor agree to the due date and scope of the review, the pricing case POC must send a written acknowledgement of acceptance (e.g., signed memorandum, email) to the requestor. The written response must contain the following information agreed to by the pricing case POC and the requestor:

- (1) Due date.
- (2) Services or cost elements to review.
- (3) Proposal analysis technique(s) to apply (e.g., price, cost and technical).
- (4) Additional assistance requested.

d. Cancelling a Pricing Case.

(1) Cancellation by the Requestor. If the requestor informs the pricing case POC that the field pricing assistance is no longer needed, the pricing case POC must:

- (a) Obtain the cancellation notification from the requestor in writing.
- (b) Notify the pricing lead.
- (c) Save all work to date and the notification from the requestor in the case file.
- (d) Prepare case files for cancelled cases IAW documentation guidelines in Paragraphs 3.3., and 3.5.
- (e) Update the agency authorized capability to include the reason for the cancellation.

(2) Cancellation Initiated by DCMA. Cancellation of a case by DCMA is a last resort and requires performance of the following actions:

(a) The pricing case POC must discuss the status and issues with the pricing lead. The pricing case POC and the pricing lead must consider all alternatives before considering cancellation. The alternatives can include extensions, reassignment, changes in scope, alternative evaluation techniques, additional resources and surge support, or any combination.

(b) The pricing case POC and pricing lead will discuss the status, issues and options with the requestor, prior to considering cancellation.

(c) The pricing lead must determine that no other options are available, other than cancellation.

(d) If the requestor concurs, the pricing case POC may cancel the case, document the requestor's concurrence in the case file, and update the agency authorized capability.

(e) If the requestor does not concur, the pricing case POC will prepare the case file for cancellation approval. The case file should include all actions taken to date and the reason for the requested cancellation. The pricing case POC must elevate the cancellation request to the pricing lead and then to the CMO Contracts Director or ICAG Director (at ICAG locations), who may authorize the cancellation of the request or case without the requestor's concurrence. Cancelling pricing cases without requestor concurrence should be extremely rare and should be avoided, if possible.

1. If the CMO Contracts Director or ICAG Director (at ICAG locations) approves the request, the pricing case POC must send a memorandum with the explanation for the cancellation to the requestor signed by the Contracts Director or ICAG Director (at ICAG locations). The pricing case POC must save a copy of the memorandum in the case file and cancel the case in the agency authorized capability.

2. If the CMO Contracts Director or ICAG Director (at ICAG locations) does not authorize the cancellation, the pricing case POC and pricing lead must discuss the continuation of the analysis with the requestor and any limitations that may affect the analysis. Document the discussion and any changes to the original acknowledgement in a new written acknowledgement. The pricing case POC will complete the request to the maximum extent practicable based on the information available and within the specified timeframe. Document the limitations on completing the analysis in the report.

4.4. PERFORMING PROPOSAL PRICING ANALYSIS.

a. Begin Analysis. After completing Paragraph 4.3., the pricing case POC begins the analysis. The pricing case POC may perform the actions in Paragraph 4.4., in the sequence that best fits the situation.

b. Fact Finding. Use fact finding to gather all relevant data needed to perform the analysis of the proposal. Include all information received in the case file. Conduct fact finding using the following techniques or other techniques as required.

(1) Conduct Walk Through. The pricing case POC should conduct a walk through with the contractor, particularly for complex proposals, as early as possible in the process. The pricing case POC should coordinate the attendance of all appropriate contractor and government personnel.

(2) Request for Information (RFI). When RFIs are used, the requestor or local guidance should dictate the appropriate method.

(3) Gather Information. The pricing case POC should contact the ACO, PCO, DCAA, and other DCMA functional specialists for relevant information. Request information needed to complete the analysis.

c. Establish Cost Model. A cost model is required to monetize the recommendations. The pricing case POC may create one, or use one provided by the requestor or contractor. If the

pricing case POC uses a provided model, the POC should verify the calculations. The cost model must:

- (1) Support the recommendations in the report. If the requestor wants the recommendations by CLIN, year, or options, the cost model must provide the detail by those requirements.
- (2) Summarize the proposal by cost elements in a form that can be manipulated (e.g., Excel spreadsheet, pricing software) to show the evaluated and recommended changes.
- (3) Show the basis of the calculations.
- (4) Be included in the case file.

d. Perform Cost Analysis. Cost analysis is the review and evaluation of any of the separate cost elements in a contractor's proposal. Information and guidance related to descriptions and analysis of the most common cost elements can be found in the Contract Pricing Reference Guides (reference link at FAR 15.404-1(a)(7)) and/or other training resources.

(1) The pricing case POC must perform the cost analysis and provide recommendations for all services/cost elements agreed to in the written acknowledgement. The review can include any or all parts of a proposal or cost element. The risk assessment and scope determination should determine the depth and detail of the analysis.

(2) The pricing case POC should utilize the cost analysis techniques in FAR 15.404-1(c).

(3) The pricing case POC must use information from the current FPRA or FPRR in the cost analysis, if one exists.

(4) The pricing case POC is responsible for the overall analysis. The cost element analysis must be consistent with the scope in the written acknowledgement. The pricing case POC may request technical assistance for any cost elements.

(5) Documentation and explanations in the case file must support all recommendations, including amounts accepted as proposed.

e. Perform Price Analysis. Price analysis is the process of examining and evaluating a proposed price without evaluating its separate cost elements and proposed profit. The pricing case POC must perform a price analysis if agreed to in the written acknowledgement.

(1) The pricing case POC should utilize the price analysis techniques in FAR 15.404-1(b).

(2) The pricing case POC must make a statement on performing or not performing a price analysis in the pricing report.

f. Receive and Incorporate Assistance Reports.

(1) The pricing case POC should consider all requested reports for technical assistance, commercial item support, subcontractor assistance, and/or DCAA audit assistance when developing a recommended position.

(a) The pricing case POC should attempt to resolve any concerns with the assistance report with the issuing activity. Reissuance of the assistance report may be appropriate.

(b) The pricing case POC must describe any differences between the assistance reports and the pricing case POC's recommendations in the pricing report, and document the rationale in the case file.

(2) The report and amounts in the agency authorized capability will reflect the total value of the proposal under review, including all assistance reports.

(3) The pricing case POC should provide feedback to the individuals who provided assistance. This feedback may include the usefulness of the report, how the report was incorporated, the results of the negotiations, and/or any suggestions for improvement. Feedback provided should be used to help improve analysis techniques and add value to future assistance products.

g. Develop a Recommendation for Each Cost Element Evaluated. The pricing case POC must develop a recommendation for each cost element evaluated. The case file must clearly state, for each evaluated cost element:

(1) What was proposed.

(2) The basis of the proposal.

(3) The methodology used to select items to evaluate.

(4) The items selected that were evaluated.

(5) The methodology used to evaluate the items.

(6) How the results of the assistance reports were incorporated, if applicable.

(7) A summary of the findings.

(8) How the recommendations were developed.

h. Develop an Overall Recommendation and Complete the Cost Model. The purpose of the analysis is to develop a recommendation that a contracting officer can use as a basis to negotiate a fair and reasonable price. The pricing case POC must calculate and quantify the recommendation using the cost model. The cost model must include all elements of cost and

price, both evaluated and non-evaluated. A summary must be included within the cost model that matches the unsanitized report (and sanitized report, if applicable).

i. Document the Analysis. The pricing case POC must document the analysis and all recommendations in the case file. The documents must adequately describe the analytical techniques, rationale, and assumptions used during the evaluation, and include a statement that the recommendations form an adequate basis for negotiation of a fair and reasonable price. The pricing case POC must document any business system deficiencies or CAS, FAR Part 31 and DFARS Part 231, "Contract Cost Principles and Procedures," noncompliances found during the analysis in the case file and in the report.

j. Due Date Extensions. Extensions may become necessary due to issues such as unplanned RFIs, contractor delays in providing requested information, and/or scope changes. If an extension to the agreed to due date is required, the pricing case POC must document the rationale and obtain approval for the extension from the pricing lead using the agency authorized capability. The pricing case POC must also obtain and document approval from the requestor. The pricing case POC must identify all acknowledgement and extension dates in the pricing report.

4.5. WRITING THE COST AND PRICING ANALYSIS REPORT.

a. Cost and Pricing Analysis Report. The pricing case POC must document the results of the field pricing assistance using the Cost and Pricing Analysis Report Template located on the Resource Page. If the requestor desires a report with a format different from the Cost and Pricing Analysis Report Template, the pricing case POC should adjust the report format to accommodate the requestor and document the case file with the request. The report must show all evaluated cost elements and recommendations and should not apply non-evaluated indirect rates and profit. If the requestor requests application of non-evaluated indirect rates and profit to the DCMA-recommended position, the report must contain a statement that specifies which elements were not reviewed.

b. Foreign Contractor Reports. For Foreign Contractor assistance, the pricing case POC may modify the template(s) as necessary to meet the needs of the foreign nation's practices and methodologies.

c. Contractor-Initiated Requests. If the contractor (prime contractor or higher-tier subcontractor) requested the review due to the denial of access, the pricing case POC must prepare two reports, unsanitized and sanitized. The pricing case POC must obtain the subcontractor's restrictions on the release of data to the contractor in writing, and attach it to both reports.

(1) Unsanitized Report. This report contains the analysis of the subcontractor's proposal without the data restrictions imposed by the subcontractor. The pricing case POC must use the Cost and Pricing Analysis Report Template located on the Resource Page.

(2) Sanitized Report. This report contains the analysis of the subcontractor's proposal with the data restrictions imposed by the subcontractor. The pricing case POC must use the Cost and Pricing Analysis Report Template – Sanitized, located on the Resource Page. Non-evaluated cost elements may need to be included as proposed within summary recommendations to ensure conformity to release restrictions. If a bottom line price will be provided, include all cost elements, even if non-evaluated.

4.6. REVIEW AND APPROVAL.

a. Prepare Case File for Review. The pricing case POC should assemble the case file prior to the review and approval process. The case file must include a completed Case File Documentation Checklist and a Case File Index located on the Resource Page.

b. Peer Reviews. DCMA recommends the use of peer reviews as a best practice to improve the quality of pricing reports. Peer reviews are reviews not performed by the pricing lead. A peer review does not take the place of a pricing lead's review and approval. The CMO and/or requestor will determine the appropriate manner to conduct the peer review.

c. Pricing Lead Review. The pricing case POC will submit a draft report to the pricing lead for review. The pricing lead will review the case file and the draft report and determine if the report is approved for release or requires rework.

d. Sign the Report. The pricing case POC and the pricing lead must sign the pricing report (physically or electronically) prior to releasing it to the requestor. The pricing lead's signature indicates that the report and case file complies with all regulations and DCMA policies and procedures. If a pricing lead or acting pricing lead prepares the pricing report, the final approval signature must be at least one level above the pricing lead.

4.7. COMPLETING THE PROPOSAL PRICING CASE.

a. The requestor and/or the pricing case POC will determine the best method of transmitting the signed report and any supporting documents.

(1) Internal and External Government Requests. The pricing case POC must send the pricing report and any supporting documents to the requestor and to the cognizant ACO, if requested. The pricing case POC must provide all received assistance reports (e.g., DCAA audit, technical, Commercial Item Support and subcontractor) to the requestor. The pricing case POC must provide a copy of the cost model to the requestor, if requested.

(2) Contractor-Initiated Requests. The pricing case POC must send both the unsanitized and sanitized reports to the initiating contractor's cognizant CMO and to the subcontractor's ACO, if requested. The initiating contractor's cognizant CMO must send the sanitized report to the initiating contractor. Prior to sending the sanitized report to the initiating contractor, the sender must confirm the report complies with the subcontractor's written restrictions. See 4.7.a.(3) if the subcontractor restricts the release of all data to the initiating contractor. The unsanitized report and the cost model must not be sent to the initiating contractor. The initiating

contractor's cognizant CMO should consider sending both the unsanitized and sanitized reports to the PCO.

(3) Subcontractor Restricts the Release of All Data to the Contractor. The pricing case POC will send the unsanitized report to the initiating contractor's cognizant CMO and the subcontractor's ACO. The cognizant CMO will coordinate with the PCO and/or ACO to decide what information to release to the contractor IAW DFARS/PGI 215.404-3(a)(iii).

b. Unless authorized by the requestor, DCMA must not release the pricing report directly to the contractor that is the subject of the report. The pricing case POC should refer the contractor to the requestor concerning the release of the report.

c. The Pricing Case POC will update the agency authorized capability and close the pricing case. The data should be accurate as described in Paragraph 3.6.

d. Store any documents received after sending the report in the case file.

4.8. PERFORMING RATE CHECKS.

a. A rate check consists of providing information from a current FPRA, FPRR, DCAA audit, or a recently performed DCMA rate analysis. If requested a rate check may also include simple recalculation of the proposal using the available rates, if requested by the requestor.

b. A rate check does not involve the evaluation of a proposal (proposal pricing) or the components of a rate (pool and base). A rate check is not subject to the requirements in Paragraphs 4.3., through 4.7. If analysis of a rate is required, it is considered proposal pricing and is subject to the requirements in Paragraphs 4.3., through 4.7.

c. Rate check requests for foreign contractors must follow the procedures in Paragraph 4.2.b.(1)(b).

d. The pricing case POC must provide the requested rate information to the requestor using the Rate Check Memorandum Template located on the Resource Page, a similar local template which includes the same general information, or another format if requested by the requestor.

e. For a contractor-initiated rate check, the pricing case POC must contact the subcontractor for data release restrictions prior to releasing any information to the requestor. Any information released to the contractor must comply with the subcontractor's release restrictions and may require the preparation of a sanitized memorandum. A subcontractor rate check memorandum must not be released directly to the contractor.

f. The pricing case POC and the pricing lead must sign the rate check memorandum prior to releasing it to the requestor. The pricing lead's signature indicates that the memorandum and case file complies with DCMA policies and procedures.

g. Case file documentation for rate checks must include the:

- (1) Rate check request.
- (2) Receipt confirmation.
- (3) Correspondence.
- (4) Rate check memorandum.
- (5) Subcontractor data release restrictions for contractor-initiated requests.
- (6) Cost model, if requested.

4.9. PROVIDE NEGOTIATION SUPPORT. When requested, the pricing case POC must support negotiations.

4.10. RECORDS MANAGEMENT AND DATA INTEGRITY. Refer to Paragraph 3.5., for records management, Paragraph 3.6., for data integrity requirements, and agency authorized capability user guide for required fields applicable to this section.

SECTION 5: DELEGATED ACO NEGOTIATIONS

5.1. OVERVIEW.

a. This section provides guidance to the ACO on DCMA ACO negotiation support actions.

b. The types of actions that would require definitization and could be delegated to an ACO and the applicable FAR and DFARS references are:

(1) Unpriced task/delivery orders against an Indefinite Delivery Contract or a Basic Ordering Agreement.

(2) Unpriced change order (FAR Subpart 43.2, "Change Orders," and DFARS 243.204-70, "Definitization of change orders").

(3) Unpriced purchase order (FAR 13.302).

(4) Over and above work requests (DFARS 217.77).

(5) Provision Items Order (DFARS 217.76).

(6) UCAs as prescribed in DFARS Subpart 217.74.

c. The ACO is responsible for the negotiation process but may delegate the responsibility for some of the procedures within the negotiation process to an assigned individual. However, the ACO must maintain oversight of the individual delegated the responsibility to ensure an unauthorized action does not occur during the negotiation process.

5.2. RECEIPT OF AUTHORIZATION FOR ACO NEGOTIATION.

a. Delegation is identified during Contract Receipt and Review. Upon receiving a contract delegating definitization, the assigned individual must enter the case into the agency authorized capability. Prior to accepting the delegation, refer to the special exceptions section on the Resource Page. Until the proposal is received, the assigned individual must track IAW the applicable regulation:

(1) Contractor performance.

(2) Proposal due date.

(3) Induction status of the item(s) to be repaired (if applicable).

b. The assigned individual must ensure the contractor complies with the contract definitization schedule. If the proposal is not received by the target date, refer to FAR Clause 52.216-25(c), "Contract Definitization," for guidance.

5.3. UCA REPORTING.

a. DFARS/PGI 217.7405 requires DoD departments and agencies to prepare and maintain a Consolidated UCA Management Plan, and prepare semi-annual Consolidated UCA Management Reports addressing each UCA and unpriced change order with an estimated value exceeding \$5 million. The Contracting Officer responsible for the definitization, is responsible for the reporting requirements. The reporting requirements also include the submission of a copy of the record of weighted guidelines for each definitized UCA with a value of \$100 million or more. The semi-annual reporting periods are April 1 through September 30, and October 1 through March 31.

b. DCMA Components with a UCA or unpriced change order meeting the DFARS 217.7405 semi-annual reporting requirements must email the required information to the AQ POC at the Inbox identified on the Resource Page by April 14th and October 14th of each year (if a weekend or holiday, the next business day). The DCMA Component must use the Consolidated UCA Management Report format specified in DFARS PGI 217.7405(2)(ii).

c. DCMA Components with reportable UCAs or unpriced change orders must also email a Consolidated UCA Management Plan, or monthly update to an existing plan, to the AQ POC at the Inbox identified on the Resource Page within 10 calendar days after the end of each month.

d. The DCMA-AQ POC must prepare the DCMA Consolidated UCA Management Report and Consolidated UCA Management Plan for the review and approval of the Executive Director, Contracts. After receiving approval, the DCMA POC must submit the documents to the office specified in DFARS PGI 217.7405(1) by October 31st and April 30th of each year.

5.4. DEVELOPING GOVERNMENT OBJECTIVES.

a. Receive Proposal. The assigned individual must obtain an adequate or qualifying proposal from the contractor for analysis. The assigned individual will follow Paragraph 4.3., to establish the case file, determine adequacy, assess risk and plan the evaluation of the proposal.

b. Proposal Analysis. The ACO is responsible for establishing the government's negotiation position, but may request assistance or delegate the performance of the analysis. When the ACO or assigned individual performs the proposal analysis, follow Paragraph 4.4., of this Manual for guidance. When the ACO desires assistance from a DCMA PCA, follow Paragraph 4.2.b.(1) of this Manual for requesting DCMA PCA support. If technical analysis is required, follow Paragraph 6.2.a., for requesting technical support. DCAA audit assistance may be requested IAW DFARS PGI 215.404-2(c). If DCAA is unable to support the request, the assigned individual will perform the analysis or request support from a PCA.

c. Develop the Pre-Negotiation Objectives (PNO). The ACO must establish and document the PNOs in a PNOM prior to conducting the negotiation. If an assigned individual prepares the PNOM, the ACO must approve the objectives and the PNOM.

(1) When proposal analysis support is requested from pricing, technical, or DCAA, the assigned individual should receive a report containing recommendations from the functional specialist. The ACO should consider the recommendations from the reports received when establishing PNOs and document them in the PNOM. Follow the guidance in Paragraph 4.4., for receiving and incorporating the requested support.

(2) When the assigned individual performs the proposal analysis, the results of the analysis must be documented in the appropriate PNOM template.

(3) The assigned individual must use one of the templates located on the Resource Page for writing the PNOM as prescribed in subparagraphs (a) through (c). The assigned individual may add sections to address specific circumstances but must not delete any of the template sections. If a section of the template does not apply to the negotiation, provide a brief explanation. The following are the types of templates.

(a) PNOM Template. If the total pre-negotiation objectives amount exceeds the Simplified Acquisition Threshold (SAT), as defined at FAR 2.101, “Definitions,” the assigned individual must use this the PNOM template.

(b) Combined PNM Template for under SAT. If the total pre-negotiation objectives amount does not exceed the SAT, the assigned individual may prepare a combined PNOM/PNM template.

(c) Combined PNOM/PNM Template for Micro Purchases. If the total pre-negotiation objectives does not exceed the Micro Purchase threshold (as defined at FAR 2.101, “Definitions”), the assigned individual may prepare a combined PNOM/PNM using this template.

(4) The ACO must seek the appropriate levels of review and concurrence (Paragraph 5.5.) after preparing the PNOM and before proceeding with the negotiation.

5.5. NEGOTIATION.

a. Prior to Negotiation. The ACO or assigned individual, hereafter referred to as the assigned individual, should meet with the functional specialists involved with the analysis to determine the need for and availability to participate in the negotiation. If DCAA issued an audit report in support of the negotiation, the assigned individual must also extend an invitation to DCAA. The assigned individual:

(1) Ensure all government attendees understand their roles and expectations during negotiation meetings, to include refraining from discussing experiences with other contractors, except with other government attendees.

(2) Contact the PCO to discuss any issues prior to negotiation, including obtaining appropriate funding documents.

b. Conduct Negotiation.

(1) The assigned individual should ensure the contractor representative(s) have the authority to negotiate on behalf of the company.

(2) The ACO responsible for the negotiation should be present. If the ACO responsible for the negotiation is unable to attend (i.e., due to geographic dispersion, urgency), the assigned individual must inform the contractor that any understanding or agreement reached requires ACO approval with the appropriate levels of review and concurrence.

(3) The assigned individual must notify the contractor that the agreement is subject to the availability of funds.

(4) Techniques on how to perform a negotiation can be found in the Contract Pricing Reference Guide (CPRG). A link to the CPRG is available on the Resource Page.

(5) If during negotiations the assigned individual believes the negotiated amount may exceed the government objectives in the PNOM, the assigned individual must stop negotiation for a re-evaluation.

(a) Depending on the scope of change and rationale for the anticipated increase, the contractor may be required to provide supplementary documentation. The supplementary documentation may necessitate the need for additional financial/technical review.

(b) The assigned individual, with ACO concurrence, must submit an amended PNOM, using the applicable template, for the appropriate levels of review and concurrence, as outlined in Paragraph 5.5., before continuing negotiation.

c. Documenting the Negotiation. The ACO must document the results of the negotiation in a PNM IAW FAR 15.406-3 and DFARS PGI 215.406-3, "Documenting the Negotiation." The ACO must use one of the templates located on the Resource Page.

(1) If the ACO uses the PNOM Template, the PNM Template must be used. The ACO may add sections to address specific circumstances but must not delete any of the template sections. If a section of the template does not apply to the negotiation, provide a brief explanation.

(2) If the ACO uses one of the combined PNOM/PNM Templates to document the PNO, use the same template to document the negotiation results.

(3) The ACO must clearly state in the PNM how the negotiated price was determined fair and reasonable.

(4) When certified cost or pricing data are required, the assigned individual must require the contractor to execute a Certificate of Current Cost or Pricing Data (CCCPD) using the guidance and format in FAR 15.406-2, "Certificate of Current Cost or Pricing Data." Contractor

Certification provides documentation that the cost and pricing data were accurate, complete, and current as of the date of the negotiated agreement.

(a) When a negotiation takes place that entails the execution of CCCPD, a contractor may provide a package of data commonly called a “Sweep Package.” This package includes any data that the contractor has found as a result of a review of its records that may have not been disclosed to the government prior to the handshake that may have impacted negotiations.

(b) The ACO must defer consideration of the impact of any cost or pricing data submitted by a contractor after price agreement is reached until after award of the contract action to avoid delays in the awarding of the contract. Any cost or pricing data submitted after price agreement must be reviewed and dispositioned after award of the contract action, pursuant to FAR 15.407-1, to establish whether the certified cost or pricing data submitted up to the point of price agreement was defective, and to determine whether the Government is entitled to a price adjustment IAW FAR 52.215-10 or FAR 52.215-11. Additional guidance is available in the Defense Pricing and Contracting Memorandum dated June 7, 2018, which is located on the Resource Page.

(5) The ACO must seek the appropriate levels of review and concurrence for the PNM (Paragraph 5.5.) before proceeding with definitization.

5.6. LEVELS OF REVIEW AND CONCURRENCE.

a. Review is required for all PNOMs and PNMs prior to concurrence. The ACO’s supervisor will perform a review of the PNOM or the PNM, and the case file to verify that they comply with FAR, DFARS and this Manual. The supervisor will perform the review using the Case File Documentation checklist (available on the Resource Page). The supervisor’s signature on the PNOM/PNM indicates that the report and case file complies with all regulations and DCMA policies and procedures.

b. Legal review by assigned legal counsel is recommended but not required for actions above the threshold for certified cost or pricing data.

c. The dollar value of the action dictates the level of review for a PNOM, PNM, combined PNOM/PNM, or DCMA Boards of Review (BoR). Refer to DCMA “Boards of Review” policy for guidance on obtaining appropriate reviews of contracting actions before taking any action. The level of review for the PNM must be the same level of review of the PNOM.

(1) If the dollar value does not exceed the threshold for obtaining certified cost or pricing data, the review level for a PNOM or PNM is at least one level above the ACO.

(2) If the dollar value exceeds the threshold for obtaining certified cost or pricing data, the review level for a PNOM and PNM is the CMO Contracts Director.

(3) The type of actions and dollar thresholds requiring a BoR are listed in the BoR matrix located on the Resource Page.

d. If the reviewing authority concurs with the PNOM/PNM, the reviewing authority will sign and date the PNOM/PNM.

e. If the reviewing authority does not concur, the reviewing authority will provide a written response with the reasons for the nonconcurrency.

(1) If the ACO agrees with the nonconcurrency, the PNOM/PNM will be revised and resubmitted.

(2) If the ACO does not agree with the nonconcurrency, a resolution discussion must take place with all applicable levels of management before executing the contract action. For a high-risk, controversial, or precedent-setting action, the ACO should consider a headquarters BoR (see matrix located on Resource Page for additional information). As the warranted contracting officer, the ACO retains the right to reject the nonconcurrency. Every contract action must be the result of the ACO's personal and independent decision. The ACO must document the discussion and rationale for the decision to proceed in the PNOM/PNM or in a signed memorandum for the case file. The written nonconcurrency either must be included in the case file as a stand-alone document or attached to the PNOM/PNM.

5.7. DEFINITIZATION. The ACO must follow the procedures in DCMA-MAN 2501-02, "Contract Modification Actions," for issuing the modification to definitize the unpriced contract action.

5.8. COMPLETING THE NEGOTIATION SUPPORT CASE.

a. The ACO must provide a copy of the PNM (or combined PNOM/PNM) to external individuals or offices that provided assistance or support (e.g., DCAA, Navy Price Fighters). The ACO must provide the customer with documents supporting the negotiation when requested.

b. The ACO must upload the PNOM/PNM into the Contract Business Analysis Repository no later than 30 days after award of a contract action of \$25 million or above.

c. The ACO, or assigned individual, must close the negotiation support case in the agency authorized capability used for managing negotiation support cases. The data should be accurate as described in Paragraph 3.6.

d. The delegated ACO negotiation case file must contain all documents and correspondence used. The case file must include a completed Case File Documentation Checklist and a Case File Index located on the Resource Page. Documents should be marked as described in Paragraph 3.3.

5.9. RECORDS MANAGEMENT AND DATA INTEGRITY. Refer to Paragraph 3.5., for records management, Paragraph 3.6., for data integrity requirements, and agency authorized capability user guide for required fields applicable to this section.

SECTION 6: TECHNICAL SUPPORT TO NEGOTIATIONS

6.1. OVERVIEW.

- a. TSN is performed in response to formal requests for technical analysis of a contractor's proposal.
- b. This Section provides the processes for DCMA TSN IAW FAR Subpart 15.4 and DFARS Subpart 215.4, "Contract Pricing," with a focus on FAR 15.404-1(e), "Technical analysis." DCMA Technical Specialists are Assigned Individuals for Section 6, and they provide technical analysis for various types of proposals.
- c. DCMA provides technical support for CID and commercial item pricing. Refer to Section 7 of this Manual for additional guidance concerning commercial item support.
- d. DCMA may be asked to provide technical support for OTs. Refer to the OT guidance on the Resource Page.

6.2. RECEIVE TSN REQUESTS. The requests may come from an internal (DCMA) requestor or an external (non-DCMA government) requestor.

a. Receive TSN Request. Internal pricing assistance requests will be received via the agency authorized capability. Internal and external TSN only requests will be routed to the TSN Coordinator (outside of the agency authorized capability). Any request sent directly to the Technical Specialist will be rerouted to the TSN Coordinator.

(1) Create TSN Request Record. The TSN Coordinator will create a record for TSN only cases utilizing the agency authorized capability. Refer to the Resource Page for details on using the agency authorized capability.

(2) Review TSN Request. The TSN Coordinator will review the request to verify the request is specific and identifies what aspects of the proposal need to be evaluated. If the request doesn't clearly identify what is to be evaluated, the TSN Coordinator will contact the requestor for clarification.

(3) Workload Acceptance. The supervisor/lead will accept workload of TSN Only cases using the guidance on the Resource Page.

(4) Notification Requirements for TSN Only Proposals Exceeding \$250 Million. If a CMO receives a request for TSN Only assistance for a proposal exceeding \$250 million, the TSN Coordinator, in coordination with CMO leadership, must notify the Director of the Pricing Group in the Cost and Pricing Regional Command and appropriate Region. The notification must include the contractor/subcontractor name and CAGE code; program name, including any specific designators (e.g., stage of development or production, including lot number, if applicable); dollar value of the proposal; and contact information for the technical lead, CMO

leadership POC, and Region POC. Send the notification to the Cost and Pricing Regional Command inbox as identified on the Resource Page.

(5) Receipt Confirmation of TSN Request. The TSN Coordinator must inform the requestor the TSN request has been received.

b. Coordinate TSN Request. All requests should be coordinated between the TSN Coordinator and the Technical Supervisor/Lead.

(1) Review Scope of Request. The scope of the request should be reviewed by the TSN Coordinator and the Technical Supervisor/Lead to identify requirements and resources necessary to complete the TSN by the requested due date.

(2) Assign Technical Specialist. The Technical Supervisor/Lead will assign a Technical Specialist to perform the TSN review. In situations where multiple Technical Specialists are needed for the TSN review, the Technical Supervisor/Lead will assign a primary individual to lead the TSN review. The CMO must not reject a request due to the lack of resources or expertise without elevating the request by following the procedures on the Resource Page.

c. Communicate with Requestor. The Technical Specialist should communicate with the requestor early in the TSN process. This communication is beneficial because it helps ensure that both parties are in agreement regarding the scope of the effort, and it helps in establishing expectations of the parties regarding the process.

d. TSN Request Documentation. The TSN Coordinator must document receipt of TSN Requests and confirmation of requests in the technical case file (see Paragraph 6.7., for creating a technical case file).

e. Monitor TSN Requests. The TSN Coordinator will provide oversight of the established timeline for all requests, including approval status and final submittal of TSN reports. The TSN Coordinator will:

(1) Track dates associated with receipt of TSN, date Technical Specialist acknowledges the TSN request, agreed to due date, and date the final report was sent to the requestor.

(2) Provide information to internal/external customers on CMO's TSN status when requested.

6.3. REVIEW TSN REQUEST. TSN requests are reviewed for completeness and adequacy of documentation. The review of the provided documentation allows the Technical Specialist to develop a technical approach to support the request, and to provide the requestor with an acknowledgement.

a. Scope Review. The Technical Specialist will verify that the overall technical scope of the proposal agrees with, and complies with the terms/conditions of the requirements as defined in the solicitation and/or SOW/SOO. In situations where the request identifies areas not found in

the solicitation and/or SOW/SOO, the Technical Specialist will inform the requestor. If the scope differs from requirements and the Technical Specialist is unable to resolve the discrepancy, the Technical Specialist will document the issue in the final report. If significant, notify the requestor as soon as possible and request direction on how to proceed.

b. Proposal Adequacy for TSN. For TSN Only requests, the Technical Specialist will perform proposal adequacy using the form/checklist located on the Resource Page. The Technical Specialist will document the case file with the results of the proposal adequacy review and actions taken to resolve inadequacies (see Paragraph 6.7., for creating a technical case file).

c. Proposal Package Completeness. The Technical Specialist will review the proposal package for completeness. The appropriate supporting documentation should accompany the TSN request (e.g., proposal, RFP, SOW/SOO, WBS or any supporting documentation necessary to initiate the analysis). If pertinent documentation is missing, the Technical Specialist will request the documentation from the requestor. In situations where the information is not provided, the Technical Supervisor/Lead will determine how to resolve this issue on a case-by-case basis. The Technical Specialist will include all correspondence and information received in the case file (see Paragraph 6.7., for creating a technical case file).

d. Technical Approach. The Technical Specialist should discuss with the Technical Supervisor/Lead the technical approach that will be taken to evaluate the proposal. It is encouraged that the Technical Specialist utilize the CPRG to help develop the technical approach.

e. Deviation from Original Request. Any agreed to deviation from the original request must be documented in the acknowledgement letter/email.

f. Send Acknowledgement of TSN Request.

(1) When only one Technical Specialist is assigned to perform a TSN review, the Technical Specialist will send to the requestor and TSN Coordinator an acknowledgment letter/email accepting the scope of work and agreed to due date.

(2) When more than one Technical Specialist is assigned to perform a TSN review, a primary individual will coordinate with the other Technical Specialists and send to the requestor and TSN Coordinator an acknowledgement letter/email accepting the scope of work for all the Technical Specialists and agreed to due date.

(3) The Technical Specialist will document acknowledgement in the case file (see Paragraph 6.7., for creating the technical case file).

6.4. PERFORM TECHNICAL PROPOSAL ANALYSIS. The objective of technical proposal analysis is to determine the need for, and reasonableness of, proposed resources to satisfy the contract requirements.

a. Proposal Walk Through. It is recommended, particularly for complex proposals, that a proposal walkthrough be requested from the contractor. The Technical Specialist should

coordinate this review through the requestor and all proposal review team members should be invited to participate.

b. Data Review. The Technical Specialist must perform a review of the contractor data provided to support the rationale and estimates within the proposal IAW FAR 15.404-2, "Data to support proposal analysis." This review should allow for adequate time to request additional details from the contractor. Per local guidance, the Technical Specialist may request needed data either during fact-finding session with the contractor or via a RFI submittal (see Paragraph 6.4.b.(2)).

(1) Fact Finding. When fact-finding sessions are used, they should be coordinated with the contractor POC and the requestor should be informed. Other proposal evaluation team members should be invited, as appropriate. Following the meeting, pertinent information provided by the contractor is documented in a memorandum for record or similar means. The minutes and action items should also be sent to the contractor representative to make sure there are no disagreements relative to what information was provided and/or to document what additional information needs to be provided.

(2) RFI. When RFIs are used, the requestor or local guidance should dictate the appropriate method. The requestor should be copied on all RFIs.

c. Technical Analysis. The Technical Specialist must address all areas identified in the TSN request and agreed to in the acknowledgement letter/email. The Technical Specialist is encouraged to utilize the CPRG to identify various analysis techniques. Technical analysis of proposals must be performed IAW FAR 15.404-1(e), "Technical analysis."

(1) Estimating System Deficiencies. If, during evaluation of a proposal, any significant estimating system deficiencies are identified IAW DFARS 215.407-5-70(d)(1), "Reporting of findings", the Technical Specialist will notify the cognizant ACO in writing and document this information in the TSN report.

(2) Analysis and Recommendations. Analysis and recommendations should be based on facts and quantitative data except in rare circumstances such as when cutting edge technology or other factors are involved. "Engineering judgement" is generally not a valid rationale by either the contractor or the Technical Specialist for the purpose of supporting a position. No requirement exists to complete a 100 percent analysis on all proposed data. When a large volume of data exists, such as a large Bill of Materials, unless explicitly requested, it is at the discretion of the Technical Specialist to conduct sampling or other means to develop the government recommended positions. Sampling size should be adequate to allow for valid justification and defense of recommendations.

(3) Perform Technical Analysis of Proposed Direct Materials. The analysis should verify that the materials meet the requirements as established by the RFP and any other requirements documents. There may be a factor for yield (allowable), which should be analyzed for reasonableness.

(a) Verify the Proposed Part Numbers. The part numbers proposed should match the part numbers on the engineering drawing and other supporting documentation. Similar-to parts may be used for estimates where no history exists and similarity can be verified. As with all aspects of the proposal, verify part numbers are not duplicated.

(b) Verify Kind/Type Material. Ensure material type proposed is directly required in the making of the final product.

(c) Verify the Quantity of Materials. The quantity of materials required should match the proposed materials and the supporting documents.

(4) Perform Technical Analysis of Proposed Direct Labor. A Basis of Estimate should be provided by the contractor to substantiate each line item of direct labor in the proposal. Factors cited should not be accepted by the analyst without valid justification. Verify that the proposed labor meets, but does not exceed, the requirements as established by the RFP and any other requirements documents.

(a) Analyze Labor Hours. Ensure that the periods of performance are consistent and correct. Check for duplication of tasks by more than one person, and eliminate any redundancy in tasks being proposed. Complexity and other factors should be explained within the proposal and supporting documentation. Verify the contractor's estimating methodology is reasonable and appropriate (i.e., historical averages versus learning curve).

(b) Verify Labor Categories. Ensure that the appropriate categories and/or skill levels are proposed.

(5) Perform Technical Analysis of Proposed Other Direct Costs (ODCs). ODCs are those identified specifically with a particular final cost objective other than direct labor and direct materials and may include such costs as travel, special tooling and test equipment, computer services, etc. Verify that the proposed ODC meets, but does not exceed, the requirements as established by the RFP and any other requirements documents. Evaluation of travel is typically the primary focus of ODCs. When evaluating travel, the Technical Specialist should review the number of trips proposed, length of trips, the locations, and whether the appropriate personnel are involved. Electronic forums such as Audio and Video Teleconferences should be recommended as alternatives, when applicable. Ensure that each ODC is used only on the proposed effort and will not be utilized on other contracts.

(6) Evaluation of Cost Estimating Relationship (CER). During the technical analysis, the proposal may cite CERs.

(a) Verify CER Validity. The Technical Specialist in coordination with the requestor/PCA, should ensure that all CERs cited in the proposal have been evaluated previously and that DCMA is in agreement with the contractor's method of developing the CERs. Local policy and guidance must determine tracking of the CERs. When the CERs have not been previously reviewed and agreed upon by DCMA, the specialist must treat the CER as if it were

being proposed discretely and all accompanying support documentation must be provided by the contractor and analyzed.

(b) Verify CER Applicability. The technical specialist, in coordination with the requestor/ PCA, should evaluate the applicability of the use of the CER in the proposal being reviewed.

(c) Verify CER Currency. In addition, the CER should be relatively current with the evaluation having been completed within the past two to three years, depending on program changes and validity of data previously used. There is no mandatory expiration date on such evaluation. The Technical Specialist should take into consideration the age of the data used for the evaluation and whether any significant program changes have occurred that may invalidate the CER methodology.

(7) Profit Determination. Assist with determination of an appropriate profit rate as requested utilizing the weighted guidelines method or alternate structured approach IAW DFARS 215.404-4. This is accomplished by assessing performance and technical risk, as well as evaluating technical cost efficiency initiatives that would factor into the application of any cost efficiency factor adjustments.

(8) Due Date Extension Request. Typically, extensions are requested due to unplanned RFIs, unresponsiveness from the contractor and scope changes. If an extension to the agreed to due date is required, the Technical Specialist will coordinate the extension with the Technical Supervisor/ICAG Lead using the agency authorized capability. The rationale must be documented. The extension must also be agreed to by the requestor and documented. Identify all acknowledgement and extension dates in the TSN case report.

(9) Cancellation of Case. If it is necessary to cancel a case, the Technical Specialist will obtain requestor and supervisor approval, document the cancellation in the case file and update the agency authorized capability.

d. Case File Documentation. The Technical Specialist must document working papers consistent with the technical case file index (available on the Resource Page).

6.5. PREPARE TSN REPORT. The Technical Specialist must prepare a TSN report incorporating the findings and recommendations of all proposal areas requested, to include recommendations and supporting analysis from all necessary functional areas (e.g., engineering, manufacturing, quality, and software) as required by the request and identified in the acknowledgement letter/email. Generic statements should be avoided. The Technical Specialist must identify what was reviewed based on the TSN request and the methodology used during analysis to support the Technical Specialist's recommendation.

a. Report Format. The Technical Specialist must prepare a well-documented report using the TSN Report Template on the Resource Page, a customer requested format, or a CMO template that provides, at a minimum, the same information as the TSN Report Template.

b. Document Deviations from Request. The technical specialist must document any agreed to deviations from the original request.

c. Document Estimating System Deficiencies. The TSN report must describe the deficiencies in sufficient detail IAW DFARS 215.407-5-70(d)(1), "Reporting of findings."

d. Apply Proper Markings. All technical reports and other relevant documents containing CUI must be properly marked. See Paragraph 3.3.

e. Consolidate Report. The primary individual will coordinate with all applicable functional areas to obtain Technical Specialist written detailed results for each assigned element. The primary individual will consolidate inputs into one comprehensive report.

f. Prepare Case File for Review. The Technical Specialist should assemble the case file prior to the review and approval process (see Paragraph 6.7., for creating a technical case file).

g. Submit Report for Review. The Technical Specialist or the primary individual will submit to the Technical Supervisor/Lead a draft TSN report that incorporates the analysis and technical recommendations for review.

h. Review TSN Report, Technical Case Files, and the Agency Authorized Capability. The Technical Supervisor/Lead will review the draft TSN Report and Technical Case Files and provide feedback/recommendations to the author of the TSN report. See Paragraph 3.6.

i. Sign and Approve Reports. All reports must be signed by the Technical Specialist and reviewed, approved, and signed by the Technical Supervisor/Lead (physically or electronically). Review, approval, and signature of the Technical Supervisor/Lead signifies that the report's contents meet all of the policy requirements and all the requirements of the TSN request identified in the acknowledgment letter/email.

(1) If a technical lead or acting technical lead prepares the TSN report, the final approval signature must be at least one level above the technical lead.

(2) For internal purposes, to facilitate schedule, the report can be unofficially provided to the requestor for incorporation in the cost and pricing analysis report. The PCA should not release the pricing report to the customer prior to review and approval of the TSN report.

j. Submit Report. The Technical Specialist should send the TSN report and supporting documentation to the requestor.

k. Report Documentation. The Technical Specialist should ensure the signed approved report is in the technical case file.

l. Close TSN Technical Case File. The Technical Specialist should close completed cases in the agency authorized capability for managing pricing and technical pricing support (Information provided on the Resource Page).

6.6. PROVIDE NEGOTIATION SUPPORT. When requested, the Technical Specialist must support negotiations. Support requests may originate within DCMA or may be generated externally, such as from an external contracting officer within a program office. Ad hoc support (i.e., further explanations) in specific areas may be requested of the Technical Specialist who completed the analysis. Time consuming or more extensive negotiation support requests that would impact workload should be routed in the same manner as a TSN request.

6.7. COMPLETING TSN SUPPORT. The technical case file must contain all documents and correspondence used or referenced in the response to the requestor of the technical pricing assistance. The case file must include a completed Case File Documentation Checklist and a Case File Index, which are located on the Resource Page.

6.8. RECORDS MANAGEMENT AND DATA INTEGRITY. Refer to Paragraph 3.3., for CUI requirements, Paragraph 3.5., for records management, Paragraph 3.6., for data integrity requirements, and agency authorized capability user guide for required fields applicable to this section.

SECTION 7: COMMERCIAL ITEM SUPPORT

7.1. OVERVIEW.

a. Commercial Item Support entails providing a determination on if an item or service proposed by a contractor as commercial meets the FAR definition of a commercial product or service and/or whether the proposed price is fair and reasonable.

b. The DCMA CD-ACOs will serve as determining officials for all commercial item or service review requests submitted to DCMA from buying commands/PCOs.

c. Leveraging information from previous evaluations for the same or similar items is required to ensure consistency and to streamline the current evaluation. The Commercial Item Database contains information about items reviewed and/or determined commercial. Refer to the Resource Page for more information about the Commercial Item Database and the database link.

d. This section of the NI Manual provides the processes for DCMA Commercial Item Support using the guidance found in the following:

(1) FAR 2.101, "Definitions," Commercial Item, sets forth the conditions that must be met by a product or service in order to be acquired using the Commercial Item procedures of FAR Part 12, "Acquisition of Commercial Items."

(2) DFARS 212.1, "Acquisition of Commercial Items – General," is the DoD regulation for the acquisition of Commercial Items. See PGI 212.1 for procedures, guidance, and information.

(3) DoD Guidebook for Acquiring Commercial Items, the link for which is on Resource Page.

(4) DCMA desk guide, which is available on the Resource Page.

e. Types of support.

(1) CID assistance (determination of commerciality).

(2) Commercial item pricing assistance.

(3) CID and pricing assistance.

(4) Commercial Early Acquisition Engagement (refer to Section 8).

7.2. RECEIVING COMMERCIAL ITEM SUPPORT REQUESTS.

- a. All requests for support will be routed to the CIG via the CIG inbox on the Resource Page.
- b. The CIG will notify the requestor that DCMA has received the request and enter the case into the agency authorized capability.
- c. The CIG Pricing/Engineering Lead will perform workload acceptance of commercial item support request cases using the guidance on the Resource Page.
- d. The CIG Pricing/Engineering Lead will assign the work using the following guidelines, unless there is an issue with expertise or resources that would justify an exception.
 - (1) CID reviews will be performed by engineering in the CIG and provided to the CD-ACO. The CIG may request recommendation assistance from a CMO.
 - (2) Pricing assistance reviews may be performed by the CIG or a non-CIG PCA. The CIG Pricing Lead will determine the best office to provide the pricing assistance.
 - (3) Requests for both CID and pricing assistance. The CIG Pricing Lead will initiate two reviews using the guidance in Paragraphs 7.2.d.(1) through 7.2.d.(2).
- e. The CIG Pricing/Engineering Lead may request additional assistance for either CID or pricing assistance. The assigned individual should coordinate with the other functional areas or CMOs to support the review.
- f. All requests for pricing assistance will be sent to the Pricing Lead.

7.3. COMMERCIAL ITEM SUPPORT PACKAGE REVIEW.

- a. The package is reviewed to determine if information provided is sufficient enough to start review.
 - (1) Commercial Item support requests are reviewed by the Engineering or Pricing Lead to determine if sufficient information has been provided by the requestor to accept the request, assign an individual and start the review. Once assigned, the Proposal Adequacy (Commercial Item) checklist (available on the Resource Page) must be used by the assigned individual to record information and data received in the package. If significant findings are found, notify the requesting office and ACO following the Proposal Findings Notification process which is available on the Resource Page.
 - (2) Supporting documentation and data should accompany the Commercial Item support request (e.g., Commercial Item assertion, prime CID, proposal, RFP, performance specifications, National Stock Number, SOW/SOO, any previous CID) or Pricing Support request. Enough information must be provided to uniquely describe the item or service, including part number and nomenclature.

(3) After case assignment, the assigned individual should try to obtain any missing pertinent documentation and/or data using government and secondary sources. If the assigned individual has exhausted all resources, then information can be requested directly from the contractor. If the contractor does not provide the information, the assigned individual must communicate with the customer, supervisor/lead, and CIG (i.e., if assigned to a CMO) to resolve the issue and decide how to proceed. This must be documented in the report to include the decision implemented.

b. After obtaining information to uniquely identify the item or service, check the Commercial Item Database. If the database includes a prior determination, obtain a copy and provide a copy to the customer. Refer to the Resource Page for information on the Commercial Item Database and on obtaining copies of prior determinations. If no history exists, identify this in the case file.

c. A prior determination made by a DoD contracting officer must serve as a determination for subsequent procurements of the same item or service.

d. For commercial item support cases, obtain the status of the Contractor's Business Systems and include in report. If inadequate, provide ACO/DACO/CACO contact information in report.

e. For Foreign Contractor Requests, see the Resource Page for guidance/information.

7.4. COMMERCIAL ITEM SUPPORT CASE ACKNOWLEDGEMENT.

a. Once the assigned individual has been assigned the case, they should contact the requestor and discuss the scope and negotiate an agreed to due date. After the assigned individual and requestor have agreed on a due date and scope, the assigned individual will then provide a written acknowledgement to the requestor. Communication with the requestor should happen early and often.

b. If the assigned individual and requestor cannot agree upon the scope or due date, the assigned individual must notify the Team Supervisor/Lead. The assigned individual, supervisor/lead, and the requestor will then discuss options for obtaining the support required to meet the requestor's need-by date.

7.5. COMMERCIALITY REVIEW SUPPORT.

a. Commerciality Objective. The objective of commerciality analysis is to make determinations on whether a product or service is commercial under one (or more) paragraphs of the "Commercial Item" definition in FAR 2.101.

b. Commercial Item Assertion Package Walk Through. If needed, the assigned individual may contact the requestor to set up a walk through with the contractor. If performed, the walk through should be done as early as possible within the commerciality analysis process, and all assigned team members should be invited to participate.

c. Market Research. The assigned individual will perform market research to obtain additional information and to find relevant items or services available in the commercial market place. See the DoD Guidebook for Acquiring Commercial Items on the Resource Page for more information. The market research hierarchy of data gathering is as follows:

(1) Check Government Resources. The assigned individual should consult with cognizant CMO Specialists, ICAGs and other government agencies such as NASA, Federal Aviation Administration or a Program Office to obtain additional information required for the Commercial Item analysis.

(2) Check Secondary Resources. The assigned individual should use various resources (websites, catalogs, journals) to obtain additional information to support the request. Secondary resources can be found on the Resource Page.

(3) Fact-Finding. When fact-finding with the contractor, sessions should be coordinated with the requestor.

(4) Contractor RFIs. When RFIs are used, the requestor or local guidance should dictate the appropriate method. Team members should be consulted to minimize the number of RFIs. The requestor should be copied on all RFIs.

d. Commercial Item Analysis. Analysis must be consistent with the request. The assigned individual must address all needs in the Commercial Item Support request and agreed to in the acknowledgement letter/email. The assigned individual is encouraged to utilize the DoD Guidebook for Acquiring Commercial Items and other CIG information located on the Resource Page.

(1) Analysis and Recommendations. The assigned individual will assess commerciality based on items or services being procured compared to similar items that are commercially available. Analysis must include the technique used to support the recommendations and should be based on facts and quantitative data except in rare circumstances, such as when cutting edge technology or other factors are involved. "Professional judgment" is not generally a valid rationale by either the contractor or the assigned individual. In situations where a request requires a recommendation prior to receiving necessary information, the assigned individual may use "professional judgment" based on the information available at the time, as long as the information and assumptions used are identified in the report. If additional information is received after submitting the report that could impact the prior recommendation, the assigned individual must contact the customer for the next course of action.

(2) Commerciality Recommendations to Support CIG Determinations. The assigned individual will provide the commerciality recommendation report to the CD-ACO. The CD-ACO will issue a determination based on the facts and analysis available.

(3) If a request for commercial item determination is accompanied with a request for pricing assistance and a non-commercial determination is made, follow the process in 7.6.d.

e. Due Date Extension Requests. If an extension to the agreed to due date is required, the assigned individual must coordinate the extension with their supervisor/lead and then negotiate an extension with the requestor. The extension must be agreed to by the requestor and documented in the case file.

f. Cancellation of Case. If it is necessary to cancel the case, the assigned individual will obtain requestor and supervisor/lead approval. If the commercial item support is performed by a CMO, the CMO must also coordinate with the CIG. Upon obtaining the approvals, the assigned individual will draft a memorandum for record. All documents obtained during the review must be uploaded in a case file to the location identified on the Resource Page.

7.6. COMMERCIAL ITEM PRICING SUPPORT.

a. Analyses must be consistent with the request and include the technique used to support the recommendation. The assigned individual must address all needs in the Commercial Item Support request and agreed to in the acknowledgement letter/email. The assigned individual is encouraged to utilize the DoD Guidebook for Acquiring Commercial Items and other CIG information located on the Resource Page.

b. Market research, per FAR Part 10, must be conducted or obtained to support the determination of the reasonableness of price for commercial items. Price analysis based on commercial market prices (market quotes and sales) is the most effective method of establishing price reasonableness. Sources such as available commercial market quotes, sales, published catalogs or prices, etc., can often be obtained through market research and provide a basis for establishing fair and reasonable prices.

c. The analyst may use various price analysis techniques and procedures to recommend a fair and reasonable price. Examples of such techniques include, but are not limited to the techniques in FAR 15.404-1, "Proposal Analysis Techniques", DFARS 212.209, "Determination of price reasonableness", and DFARS 215.404-1(b), "Price analysis for commercial and noncommercial items."

d. If a request for commercial item pricing assistance is accompanied by a request for CID assistance and a non-commercial determination is made (including non-commercial determinations on services) or if a request for only commercial item pricing assistance (without CID assistance) results in the analyst being unable to develop a price recommendation, the analyst may perform field pricing support as described in Sec. 4.4.d. through 4.4.j. Such analysis is documented using the Cost and Pricing Analysis Report Template located on the Resource Page for Sec. 4 (see Sec 4.5.a.).

e. There are other factors that must be considered when reviewing prices of commercial items or services:

- (1) Terms and Conditions. These are especially important in services analyses.

(2) Certified cost or pricing data requirements, in instances of modifications per FAR 15.403-1(c)(3)(iii).

f. When technical assistance is requested for pricing support, documentation of the request, agreed to due date, and email/report must be documented in the case file. The assigned individual must describe any differences between the technical report and the pricing recommendations in the pricing report and document the rationale in the case file.

g. If an extension to the agreed to due date is required, the assigned individual must coordinate the extension with their supervisor/lead, and then negotiate an extension with the requestor. The extension must be agreed to by the requestor and documented in the case file.

h. Cancellation of Case. If cancellation of the request is required, the assigned individual will obtain the approval of the cancellation from the requestor and their supervisor/lead. If the commercial item support is performed by a CMO, the CMO must also coordinate with the CIG. Upon obtaining the approvals, the assigned individual will draft a memorandum for record. All documents obtained during the review must be uploaded in a case file to the location identified on the Resource Page.

7.7. PREPARE COMMERCIAL ITEM SUPPORT REPORT. The assigned individual must prepare a well-documented Commercial Item Support report using the templates on the Resource Page, unless a different format is agreed to with the customer and supervisor/lead.

a. Apply Proper Markings. All Commercial Item Support reports and other relevant documents containing CUI must be marked in accordance with Paragraph 3.3.

b. Document Deviations from the Original Request. Document any agreed to deviations from the original request and provide a synopsis of any attempts at resolution.

c. Commercial Price Report. The PCA must identify what was reviewed based on the Commercial Item Support request and the methodology used during the analysis to support the price recommendation. The PCA must use the Commercial Price Report Template located on the Resource Page, including the appropriate report restrictions, unless a different format is agreed to with the customer and supervisor/lead.

d. Commercial Technical Analysis Report. The Commercial Technical Analysis report must include what data was reviewed based on the Commercial Item Support request and the method used to support the Technical Specialist's recommendation. The Technical Specialist must use the Commercial Technical Analysis Report Template located on the Resource Page including the appropriate report restrictions, unless a different format is agreed to with the customer and supervisor/lead.

e. Draft Report for Review. The assigned individual will submit a draft report incorporating the analysis and recommendations to their supervisor/lead for review and comment as appropriate. It is also highly encouraged the report go through a cross functional peer review.

f. Review and Approval of Report and Case Files. The assigned individual's supervisor/lead will review the draft report and case files and provide feedback as required. In situations where the supervisor/lead, or a higher-level individual, performs the analysis and prepares the report, approval must be obtained by a supervisor on the same level or one level higher than the preparer.

g. Signed Report. All reports must be signed by the assigned individual and reviewed, approved, and signed (physically or electronically) by the assigned individual's supervisor/lead. Review, approval, and signature of the assigned individual's supervisor/lead signifies that the report's contents meet all of this policy's requirements and all of the requirements of the Commercial Item support request identified in the acknowledgment letter/email.

7.8. COMPLETING COMMERCIAL ITEM SUPPORT. The assigned individual will document and maintain the information used in the analysis in a case file. The case file must contain all documents and correspondence used or referenced in the response to the requestor of the commercial item support review. The case file must include a completed Case File Documentation Checklist and a Case File Index located on the Resource Page.

a. Submission of Report. The assigned individual will send the price analysis report, technical analysis report, and/or determination, including attachments, to the requestor. Each final report will be included in the corresponding case file. If the price analysis was performed by a CMO, a copy of the price analysis report must also be provided to the CIG via the link on the Resource Page. Technical analysis reports submitted by a CMO will be sent to the CD-ACO for use in the Commerciality Determination.

b. Closure of Commercial Item Support Case File. Case files will be uploaded to the location identified on the Resource Page by the assigned individual. Cases will be reviewed and closed by the supervisor/lead or TSN Coordinator in the agency authorized capability.

c. CIG Determinations. The CD-ACO must upload the CID to the Commercial Item database. Instructions for submission are located on the Resource Page.

7.9. RECORDS MANAGEMENT AND DATA INTEGRITY. Refer to Paragraph 3.3., for CUI requirements, Paragraph 3.5., for records management, Paragraph 3.6., for data integrity requirements, and agency authorized capability user guide for required fields applicable to this section.

SECTION 8: EARLY ACQUISITION ENGAGEMENT

8.1. OVERVIEW. The primary goal of Early Acquisition Engagement is to share DCMA acquisition insight on DoD contractors and to successfully assist other agencies in their acquisition planning and other activities leading up to contract award. This goal is accomplished by facilitating the analysis of program, cost, and contract type risk, potentially resulting in improved RFPs and reduced Procurement Administrative Lead Time (PALT). Improved RFPs lead to more effective, clearly written contracts and requirements, as well as efficient contract management and oversight. The DCMA Annual Performance Plan contains a series of initiatives that are designed to enhance EAE between DCMA and its acquisition partners within the DoD. DCMA employees in every organization should strive to create positive customer interactions to enable collaboration, foster information sharing so everyone remains informed on current conditions, and ultimately offer DCMA EAE support as appropriate. EAE is performed in three iterative phases: Receive Request, Research, and Inform.

8.2. RECEIVE REQUEST. Any DCMA employee may receive a customer request or identify an opportunity for EAE support through daily communication or otherwise. Individuals receiving the requests must forward the request to the cognizant ACO. The cognizant ACO will coordinate the request with their chain of command, who will contact the PM&BI Division Director to identify the most appropriate assigned individual for performance of the EAE duties. Further guidance for receiving, routing, and logging requests, as well as communicating opportunities for EAE, can also be found on the Resource Page. If the request is for an acquisition greater than \$250 million, the individual must also notify the Director of the Pricing Group IAW Paragraph 8.5. Upon receiving a request, assigned individuals should:

- a. Engage with the customer to identify needs and determine how DCMA can support the acquisition.
- b. Provide contact information for DCMA Subject Matter Experts (SME) and DCAA.
- c. Communicate information requirements to SMEs.
- d. Engage DCAA as needed to discuss how best to support the customer for major acquisitions. Processes for communication between DCMA/DCAA are located on the Resource Page.

8.3. RESEARCH. DCMA employees should gather data from contract administration and delegated tasks for use in future acquisitions. Upon receipt, the assigned individual should provide readily available information and/or compile data to support the request. The Resource Page provides a detailed, but not exhaustive, list of additional activities that may be requested by the customer to support EAE. The following are broad categories of EAE:

- a. Acquisition Insight. DCMA may provide an assessment of industry's ability to provide goods and services by reviewing technology shifts, regulatory guidance, defects, contract deficiencies, engineering change proposals, agreements, preaward surveys, quality, and the ability to deliver on schedule.

b. Customer Agility. DCMA may provide customers with insight on business and economic issues that may affect the contract type, proposals, cost accounting standards, cost estimating relationships, financial capability to sustain future contracts, forward pricing rate agreements and impacts to direct costs, communicate changing regulations/standards that impact acquisition, should cost reviews, and any other sound business information that will assist the customer in improving acquisition outcomes.

c. Proposals and Proposal Pricing. DCMA has the unique ability to provide information on industry using data from CIDs, coordinating with government agencies, supply chain analysis, field pricing reviews, past performance reviews, requirements development, subcontractor evaluations and reviews, and provide source selection support.

d. Procurement Strategy and Advice. DCMA may provide assistance to customers during the procurement cycle by providing expertise in the areas of acquisition strategy advice, Contract Data Requirements list (CDRL) reviews, contract structuring, independent government cost estimates, the project's/program's contractual work requirement documents, small business compliance, and RFP assistance.

8.4. INFORM. Assigned individuals should:

- a. Champion all EAE efforts.
- b. Coordinate a meeting with the customer and any applicable SMEs to discuss EAE and relevant information to provide DCMA's acquisition insight.
- c. Maintain communication with the requestor throughout the preaward acquisition period until contract award.
- d. Document communications and agreements with the customers in accordance with the SOP listed on the Resource Page.
- e. Communicate DCMA policy and provide responses to requests for information from customers to encourage and facilitate future partnerships as early in the acquisition process as possible.

8.5. NOTIFICATION REQUIREMENTS FOR ACQUISITIONS EXPECTED TO EXCEED \$250 MILLION. Assigned individuals must notify, through their chain of command, the Director of the Pricing Group in the Cost and Pricing Regional Command of acquisitions expected to exceed \$250 million as soon as the requirement is known. This notification will allow for sufficient planning and strategy development in advance of receiving an official request for field pricing assistance. Include the following information in the notification if available: contractor/subcontractor name and CAGE code; program name, including any specific designators (e.g., stage of development or production, lot number, if applicable); estimated dollar value of the proposal; expected proposal receipt date; and contact information for the pricing lead, CMO leadership POC, and Region Contracts Director. Send notification to the Cost and Pricing Regional Command inbox as identified on the Section 8 Resource Page.

8.6. RESOURCES AND GUIDES FOR EARLY ACQUISITION ENGAGEMENT. The Resource Page contains information designed to assist DCMA employees with determining when and how to engage with customers early in the acquisition planning process.

8.7. RECORDS MANAGEMENT AND DATA INTEGRITY. Refer to Paragraph 3.3., for CUI requirements, Paragraph 3.5., for record management, and Paragraph 3.6., for data integrity requirements.

SECTION 9: PREAWARD SURVEYS

9.1. OVERVIEW.

a. This Section provides direction for PASs and Qualification Requirements. FAR Subpart 9.1, “Responsible Prospective Contractors,” FAR 9.2, “Qualifications Requirements,” and FAR 42.302(a)(32) provide the authority for Preaward Surveys. FAR 42.302(a)(67) and DFARS 242.302(a)(67) provide the authority for qualification requirements for pre-contractual efforts leading to a solicitation or award.

b. PAS.

(1) A PAS is an evaluation of a prospective contractor’s capability to perform a proposed contract (FAR 2.101).

(2) Execution types of PASs include the following (Refer to Resource Page for additional information):

- (a) Formal.
- (b) Capability Studies/ General Survey.
- (c) Onsite Surveys.
- (d) Short Form.
- (e) Informal.

(3) The PAS process.

(a) DCMA receives requests through the agency authorized capability for requesting a PAS as identified on the Resource Page.

(b) CMOs receiving eight or more requests per year must designate a primary and alternate PASM.

1. For CMOs that do not meet the criteria, the PASM geographically closest to offices will process/manage the survey requests.

2. For the Special Programs Directorate, the customer Liaison Representative or designee will act as the PASM for the Directorate.

(c) The PASM must designate an accessible location for general correspondence and the PAS log as identified in the PAS section on the Resource Page.

(d) The PASM must document prospective contractor debarment status IAW FAR 9.405 and DFARS 209.405, “Effect of listing.”

(e) Each CMO must establish a management review with signature process of specialists’ reports prior to submitting them to the PASM.

9.2. ADMINISTRATIVE PROCEDURES AND EXTERNAL SUPPORT.

a. User System Access. Internal and external users will gain access to the agency authorized capability IAW the process identified on the Resource Page.

b. External Agency Support. DCMA relies on support from external agencies to provide expertise on Security, Accounting Audits, and Small Business matters.

(1) Defense Counter Intelligence Security Agency (DCSA). DCSA is the designated agency to perform the security mission and is responsible for assessing the Security Factor and providing documented results to the PASM.

(2) DCAA. The DCAA is the designated agency to conduct accounting system audits IAW their policy and regulations and providing a report to the PASM.

(3) Small Business Administration (SBA). The SBA is the designated agency to validate that the prospective offeror has received preferential treatment on an ongoing contract IAW Section 637 of Title 15, U.S.C. or has received a Certificate of Competency during the last 12 months.

9.3. RECEIPT AND REVIEW OF REQUEST.

a. PAS Request. The PASM will receive and review PAS requests including additional information indicating prior unsatisfactory performance provided by the procuring office for adequacy and completeness IAW FAR 9.106-2. The PASM must also adhere to DCMA MAN 2301-06, “Discrepancy Processing” and DoD Instruction 4140.67, “DoD Counterfeit Prevention Policy”, and will tailor the appropriate strategy for compliance. The PASM will perform workload acceptance using the guidance on the Resource Page.

(1) The PASM will ensure that the appropriate type of survey has been requested by the requestor. If the PASM determines that a different type of survey is more appropriate in meeting the requestor’s objective, the PASM will make the recommendation to the requestor. Refer to the Resource Page for survey type determination. After ascertaining that the PAS Package is adequate, the PASM will assign the request to the Technical Specialist(s) identified by the relevant supervisor(s). The assigned Technical Specialist(s) will receive their section of the PAS request through the agency authorized capability for preaward surveys. Special Programs Technical Specialist(s) will receive their section of the PAS request from the Special Programs Customer Liaison Representative or designee.

(2) Upon receipt and review of the PAS package/request, the PASM will contact the requestor to clarify requirements and scope of the survey.

(3) The PASM will collaborate with the requestor and the assigned DCMA functional specialist to establish a realistic PAS completion date based on the scope of the requested PAS during the initial discussion. Any revised due date must be negotiated at the earliest possible date. Initial and revised due dates for secondary surveys must be negotiated through the Prime PASM. Every effort should be made to comply with the requestor's desired schedule.

(4) If the PAS request falls under the SAT or will involve the acquisition of commercial items (see FAR Part 12, "Acquisition of Commercial Items"), the Contracting Office should not request a PAS unless circumstances justify its cost. This can be negotiated between the Contracting Officer and PASM at the time of request and justification must be provided in writing. This Section is not applicable when the solicitation requires ammunitions and/or explosives. See DFARS 252.223-7002 and DFARS 252.223-7003.

(5) An on-site survey must be performed when NASA and Navy Nuclear/Level 1 Subsafe or Nuclear Procurement Material requirements are involved, regardless of the dollar value.

(6) The PASM will ensure requests received outside of the agency authorized capability are within the DCMA mission and the Buying Office is listed on the DCMA Customer Base. Additionally, the PASM will provide the requestor with directions for accessing the agency authorized capability.

(7) Before beginning a PAS, the PASM ascertains whether the prospective contractor is debarred, suspended, or ineligible IAW FAR Subpart 9.4, "Debarment, Suspension, and Ineligibility." If the prospective contractor is debarred, suspended, or ineligible, the PASM will advise the Contracting Office immediately and not proceed with the PAS unless specifically directed in writing by the Contracting Office IAW FAR 9.106-1(c).

(8) If the Contracting Office requests to participate in the survey, the PASM must clearly define DCMA's role as the lead in the PAS activity (DFARS PGI 209.106-2, "Requests for preaward surveys"). The PAS Team Leader will be the POC and ensure Contracting Office personnel understand their role in the PAS.

(9) Verify a unique Serial Number (S/N) was assigned in the agency authorized capability. The S/N will be a part of the report that is submitted to the customer. Special Programs will assign and track customer PAS requests outside the agency authorized capability and IAW internal tracking procedures.

(10) The PASM must maintain a log for all PAS efforts. The log will serve as a backup in case of system failure and provides the PASM with granular visibility of their survey effort. This log should consist of PAS S/N, solicitation, requesting activity, Department of Defense Activity Address Code (DoDAAC), bid package received date, request date, date acknowledged, distribution date, requested date of return, actual return date, negotiated date, reason for

negotiation, date of request for negotiation, recommendation, dollar value, contractor, city, state, CAGE Code, PAS Team Leader, factors due and returned dates, notes, type, kind, status, teams, POC, phone number, and email.

(11) In certain instances, a complete analysis may not be possible, and the report may have to be qualified by basing the recommendation on the data acquired in the time allowed. The PASM will solicit an agreement with the requestor to provide supplemental data, such as accounting and financial information at a later date. The PASM will be responsible for coordination and forwarding any supplemental data.

(12) Other Requests. DCMA receives precontractual requests to examine and test products for compliance with specification requirements in order for potential contractors/manufacturers/suppliers to be qualified and listed on the QPL, QML, and QSL. When requested by a DoD activity, QPL, QML, and QSL qualification/testing must be accomplished IAW the instructions received.

(a) DoD customer requests for QPL, QML or QSL must be completed through the agency authorized capability. Instructions for using the agency authorized capability are located on the Resource Page.

(b) If the request is received outside of the tool, the PASM will contact the customer to provide direction on the use of the agency authorized capability.

(c) The PASM will ensure the requestor understands realistic PAS completion expectations based on the scope of the requested PAS. Any revised due date must be negotiated at the earliest possible date. Initial and revised due dates for secondary surveys must be negotiated through the Prime PASM. At all levels, every effort should be made to comply with the requestor's desired schedule.

b. Financial Capability.

(1) When the CMO PASM has received a PAS request that includes the assessment of the Financial Capability factor, the CMO PASM will accept the PAS and the FCT is automatically notified via e-mail that the PAS request requires action by the FCT.

(2) The FCT supervisor will assign the request to the Financial Analyst.

(3) The supervisor and/or Financial Analyst will negotiate a suspense date with the CMO PASM in the instance that the provided date cannot be met by the analyst.

9.4. EXECUTION OF PREAWARD SURVEY.

a. PASM.

(1) After ascertaining that the survey request is adequate, the PASM will assign the request to the Technical Specialist(s) identified by the relevant supervisor(s). With the exception

of Special Programs, the assigned Technical Specialist(s) will receive their section of the PAS request through the agency authorized capability.

- (2) As required, the PASM appoints a PAS Team Leader for each PAS.
- (3) The PASM must send the complete PAS package to the assigned Technical Specialist.
- (4) The CMO PASM will obtain and send to the FCT supporting documentation related to the PAS request (such as the solicitation) when requested by the FCT.
- (5) The PASM must inform supporting specialists that DCMA's mission does not include assessment of the industrial security factor OCONUS environment.
- (6) Select a General Purpose/Capability Study as the survey type, if the requestor has not done so already, and Quality as the applicable factor for all 'Other' type of survey requests (e.g., QPL, QML, QBL, and QSL qualification/testing).
- (7) Assign the factor to the appropriate Technical Specialist for all 'Other' type of survey requests (e.g., QPL, QML, QBL, and QSL qualification/testing).

b. PAS Team Lead.

- (1) Coordinate efforts to be conducted with other Technical Specialists.
- (2) Ensure that all Technical Specialists have a clear understanding of the requirements.
- (3) Request clarification from the CMO PASM when requirements are not clearly understood by any member of the team.
- (4) Host a pre-evaluation meeting with the PAS team. This can be conducted by telephone, and the PASM may also attend. At a minimum:
 - (a) Discuss scope of survey to include factors, customer specific requirements, solicitation, and any uniqueness.
 - (b) Establish each member's area of responsibility.
 - (c) Advise members that at no time must they pre-empt the onsite survey through discussions with the prospective contractor.
 - (d) Advise team that any questions regarding the solicitation or PAS should be directed to the buying activity through the PASM. Direct contact with the buying activity must not occur unless specified by the respective CMO PASM.

(e) Remind team members of their authority to ask any questions that they deem pertinent to the solicitation requirements.

(f) Advise team members not to discuss the findings of the on-site meeting with the prospective contractor (FAR 9.105-3, “Disclosure of Preaward Information”).

(g) Collect checklists/questionnaires from Technical Specialists and forward to prospective contractor to prepare for the survey meeting. Standard Forms (SF) 1403, “Preaward Survey of Prospective Contractor – General,” SF 1404, “Preaward Survey of Prospective Contractor – Technical,” and others referenced in FAR 9.106-4, “Reports,” must not be sent to the contractor.

(5) Schedule the on-site visit with the prospective contractor.

(6) Facilitate the on-site meeting and ensure that all factors and other required information (customer additional requirements) are addressed.

c. Technical Specialist and/or Financial Analyst.

(1) Review the PAS requirements for their functional area to determine the effort required. If the PAS request contains clauses or requirements that are not required, notify the PASM.

(2) Coordinate through the PAS Team Lead for data requests or correspondence to the prospective contractor.

(3) The Financial Analyst will contact the requestor and/or offeror directly. All other specialists will communicate to the CMO PASM through the PAS Team Leader when requirements are not clearly understood.

(4) Participate in preplanning meetings scheduled by the PAS Team Leader.

(5) Participate in the survey meeting by assessing their assigned factor.

9.5. REPORTING. The report is a summary of the offeror’s ability to perform IAW the requirements set forth in the solicitation. Information about report writing, interview techniques, questions, and tips can be found on the Resource Page.

a. PASM.

(1) Ensure technical adequacy of each functional report.

(2) Review the entire report to ensure that a statement of supervisory review with signature is included, and that all areas are addressed.

(3) Review individual functional reports to resolve any discrepancies and ensure the facts and rationale fully support the conclusions and recommendations.

(4) Rejected reports must be returned to the Technical Specialist.

(5) Evaluate each factor and indicate satisfactory/unsatisfactory based on the findings for applicable factors. If any factor has a potentially adverse bearing on another factor, an explanation should be included in the narrative detailing the interrelationship between the affected factors. A determination that any one factor is unsatisfactory must result in a recommendation for no award (FAR 9.103, "Policy").

(6) When the survey request indicates that the prospective contractor being surveyed is a small business under Section 8(a) of the Small Business Act (Section 637 of Title 15, U.S.C.), PAsMs should provide courtesy notification to the DCMA Small Business Office to inform that they are processing/conducting a survey with the designation. A copy of the solicitation or supporting documentation should also be provided.

(7) Include previous unsatisfactory performance in the overall narrative if (e.g., engineering, inspection, or testing). The report must ascertain the extent to which the prospective contractor plans, or has taken, corrective action IAW FAR 9.106-4(c).

(8) In the instance of primary, secondary, and streamlined survey requests, the primary PASM must ensure that issues and contradictory information are resolved before providing a final recommendation to the buying office.

(9) Complete the report in the agency authorized capability and, when applicable, provide a recommendation IAW FAR 9.106-4(a).

(10) Include the PAS serial number in the report for identification.

(11) Include all relevant supporting documentation within the agency authorized capability.

(12) Return the survey to the requestor within the agency authorized capability. Special Programs will provide a hard copy report to the requestor.

b. FCT.

(1) The FCT analyst will submit the report to the FCT PASM or alternate for review and signature approval.

(2) FCT PASM or alternate will review the FCT report for accuracy and completeness.

(a) Rejected reports must be returned to the FCT analyst for rework and resubmittal through the agency authorized capability.

(b) Approved reports will be forwarded to the CMO PASM through the agency authorized capability.

c. PAS Team Leader.

(1) Hold a post survey government meeting to discuss and exchange information gained during the survey.

(2) Resolve all conflicting information before finalizing the report.

(3) Complete and submit the report to the PASM using the agency authorized capability.

d. Technical Specialist and/or Financial Analyst.

(1) Draft the report, and submit it to the supervisor for review and signature approval. A supervisory review and approval statement must be included in each report.

(2) Revise and resubmit any rejected report to the supervisor for review and signature approval.

(3) Complete and submit the report to the PASM using the agency authorized capability. When applicable, provide a recommendation.

(4) Upload all relevant supporting documentation into the agency authorized capability.

e. Other Requests.

(1) The Technical Specialist will draft a report to include a summary of actions performed and testing results, if any. The report will be submitted directly to the PASM using the agency authorized capability.

(2) The PASM provides a narrative in the agency authorized capability stating the task is complete. The prospective contractor is responsible for forwarding the results to the requestor.

9.6. RECORDS MANAGEMENT AND DATA INTEGRITY. Refer to Paragraph 3.3., for CUI requirements, Paragraph 3.5., for records management, Paragraph 3.6., for data integrity requirements, and agency authorized capability user guide for required fields applicable to this section.

GLOSSARY

G.1. DEFINITIONS.

Agency Authorized Capability. The IT solution required by the agency for specific processes.

Assigned Individual. The individual responsible for a specific task, such as a pricing case, negotiation, technical support to negotiation, or commercial item recommendation.

Cognizant ACO. An ACO, Divisional ACO (DACO), or Corporate ACO (CACO), that possesses authority/ responsibility over the request.

Commercial Item Determination. A determination as to whether or not an item is commercial based on criteria established in FAR 2.101.

Cost Estimating Relationship (CER). A CER is a mathematical relationship that defines a cost as a function of one or more parameters (performance, technical, or operating). This technique is used to estimate various elements of cost in the planning, budgeting, and performance phases of the acquisition process.

External User. Refers to any Buying or Procurement office initiating a support request to DCMA.

Functional Specialist. Refers to an individual who's expertise (e.g., property, quality, engineering, DCAA) is sought by the assigned individual.

Internal User. Refers to a DCMA activity requesting support from another DCMA activity.

Prior CID. A commercial item determination previously made on the same item currently under review.

Reportable UCA. A UCA with an estimated value exceeding \$5 million. Reportable UCAs must be included in the Consolidated UCA Management Plan and the Consolidated UCA Management Report.

Reportable Unpriced Change Order. An Unpriced Change Order with an estimated value exceeding \$5 million. Reportable Unpriced Change Orders must be included in the Consolidated UCA Management Plan and the Consolidated UCA Management Report.

TSN Coordinator. The individual assigned to provide assistance to the Technical Supervisor/Lead in receiving and tracking TSN requests. TSN Coordinator responsibilities can be performed by the Technical Supervisor/Lead.

Technical Specialist. Functional Specialist consisting of personnel from job series 1910, 1150, 0800.

TSN Only. A request for a technical evaluation only (no field pricing assistance requested).

GLOSSARY

G.2. ACRONYMS.

ACO	Administrative Contracting Officer
BoR	Boards of Review
CACO	Corporate Administrative Contracting Officer
CAGE	Commercial and Government Entity Code
CAS	Cost Accounting Standards
CCCPD	Certificate of Current Cost or Pricing Data
CD-ACO	Commercial Item Determination Administrative Contracting Officer
CER	Cost Estimating Relationship
CID	Commercial Item Determination
CIG	Commercial Item Group
CLIN	Contract Line Item Number
CMO	Contract Management Office
CPRG	Contract Pricing Reference Guide
CUI	Controlled Unclassified Information
DACO	Divisional Administrative Contracting Officer
DCAA	Defense Contract Audit Agency
DCMA-AQ	DCMA Contracts Directorate
DCMA-INST	DCMA Instruction
DCMA-MAN	DCMA Manual
DFARS	Defense Federal Acquisition Regulation Supplement
DFARS PGI	Defense Federal Acquisition Regulation Supplement Procedures Guidance and Information
EAE	Early Acquisition Engagement
EMGC	Engineering and Manufacturing Group Chief
FAR	Federal Acquisition Regulation
FCT	Financial Capability Team
FPRA	Forward Pricing Rate Agreement
FPRR	Forward Pricing Rate Recommendation
IAW	in accordance with
ICAG	Integrated Cost Analysis Group
NASA	National Aeronautics and Space Administration
NI	negotiation intelligence
OCONUS	Outside the Continental United States
ODC	Other Direct Costs

PAS	Preaward Survey
PASM	Preaward Survey Manager
PCA	Price/Cost Analyst
PCO	procuring contracting officer
PNM	Price Negotiation Memorandum
PNO	Pre-Negotiation Objectives
PNOM	Pre-Negotiation Objectives Memorandum
POC	Point of Contact
OT	Other Transaction
QBL	Qualified Bidders List
QML	Qualified Manufacturers List
QPL	Qualified Products List
QSL	Qualified Suppliers List
RFI	Request for Information
RFP	Request for Proposal
SBA	Small Business Administration
SAT	Simplified Acquisition Threshold
SF	Standard Forms
SME	Subject Matter Expert
SOO	Statement of Objectives
SOW	Statement of Work
S/N	Serial Number
TSN	Technical Support to Negotiations
UCA	undefinitized contract action
U.S.C.	United States Code
WBS	work breakdown structure

REFERENCES

DCMA Instruction 2401, "Negotiation Intelligence," September 6, 2017
DCMA Manual 2201-05, "Boards of Reviews." TBD
DCMA Manual 2301-06, "Discrepancy Processing," April 1, 2019
DCMA Manual 2501-02, "Contract Modification Actions," May 31, 2018
DCMA Manual 3301-08, "Information Security," January 21, 2019
DCMA Manual 4502-02, "Workload Acceptance," TBD
DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," January 10, 2013
DoD Instruction 4140.67, "DoD Counterfeit Prevention Policy," April 26, 2013
Defense Federal Acquisition Regulation Supplement (DFARS), current edition
Defense Federal Acquisition Regulation Supplement (DFARS) and Procedures, Guidance, and Information (PGI), as amended
Federal Acquisition Regulation (FAR), current edition
United States Code, Title 10, Section 2371
United States Code, Title 15, Section 637