

Realignment

brings strength, consistency to *Cost and Pricing Center*

Mark Woodbury | DCMA Public Affairs



Jim Burke, divisional administrative contracting officer for the Defense Contract Management Agency Philadelphia's L-3 Communications office in Camden, N.J., is one of the many employees whose position was realigned within the agency to report up through the Cost and Pricing Center. (Photo by Patrick Tremblay, DCMA Public Affairs)

The Defense Contract Management Agency recently announced a realignment of its divisional administrative contracting officers,

or DACOs, and their associated cost monitors into a corporate-based structure falling within the same reporting chain as the corporate administrative contracting officers, or CACOs.

Charlie E. Williams, Jr., Defense Contract Management Agency director, announced this decision in a recent memo to the agency.

In the memo he explains the CACOs,



DACOs and cost monitors will report directly to the agency's Cost and Pricing Center through the CACO/DACO Group located in Boston. This group is led by Ed Giangrande, CACO/DACO Group director.

Some things, however, will remain the same – the duty locations of the CACOs, DACOs and cost monitors; and their ongoing requirement to support the agency's contract management offices and its customers on DACO-related issues.

Williams said in the memo, "It is my intention with this realignment to build a cost and pricing capability that links and unifies the community that is responsible for carrying out the business systems and indirect cost mission – the largest element of contract cost in the (Department of Defense) – into a single entity with scope, purpose and engagement that will become a dominant cost and pricing force for the Department."

Giangrande said the realignment accomplishes this in a number of ways. It allows the CACOs and DACOs to work together to ensure the integrity and completeness of the Contract Business Analysis Repository – the database which keeps track of contractors' current business systems and rate status, and key acquisition information. Additionally, there will be more peer reviews of forward

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pricing rate agreements/recommendations, or FPRAs/FPRRs, leading to improved timeliness and quality. He said another benefit will be quicker settlement of complex contractual issues through a centralized review process.

Another benefit Giangrande sees in the realignment is the opportunity for CACOs and team supervisors to review the various work products prior to finalization by the DACOs – e.g. FPRAs/FPRRs, overhead negotiations, and cost accounting and disclosure statement issues.

"This will ensure consistency within the corporate structure," he said. "This centralized approach will afford the CACO and team supervisor the visibility into all the major business segment contractual activities within the corporate structure."

Williams said, "Nothing the agency does in support of the Department's mission affects as many contract dollars as our CACO/DACO impact on rate negotiations, cost accounting standards issue settlement and ensuring soundness of contractor business systems in producing responsible contracting practices by our suppliers. When we do our jobs right, the end result is greater assurance of the reasonableness of costs paid to contractors by DoD and greater use of the Department's resources on behalf of the warfighter and the American taxpayer."

Ron Youngs, Cost and Pricing Center director, said "DCMA customers and our industry suppliers should welcome this change. It's all about delivering timely and consistent decisions from the CACO/DACO community. With the advent of the business systems rule, this becomes even more important for our agency."

The four-phased realignment is scheduled to be completed by the end of March. 

CACO/DACO/Cost Monitor Realignment Sequence:

- Raytheon
- General Dynamics
- BAE
- UTC/GE
- Northrop Grumman
- L-3 Communications
- ULA, Alliant Technologies, Jacobs Engineering, Parsons, Teledyne
- CSC, ITT, Shaw Group, McDermott, B&W, CBS, Booz Allen Hamilton, Unisys
- Ball, Johns Hopkins, Montgomery-Watson, CH2M, Rolls-Royce, Accenture
- QinetiQ
- Deloitte, IBM, ARINC
- Honeywell, DynCorp, Hewlett-Packard, General Atomics
- URS, Rockwell Collins, SAIC, Harris
- Textron, Bechtel, GenCorp, DRS, CACI, ManTech
- Boeing
- Lockheed Martin