



1. PURPOSE

The purpose of this document is to provide policy and guidance for requesting and obtaining technical or other special pricing assistance from Defense Contract Management Agency (DCMA) and audits from Defense Contract Audit Agency (DCAA) in support of SPAWAR Claimancy procurements.

2. POLICY

2.1 It is the policy of SPAWAR that the Procuring Contracting Officer (PCO) request information to support proposal analysis when the information available at the buying activity is inadequate to determine a fair and reasonable price.

2.2 Contracting officers should consider requesting field pricing assistance for fixed price proposals exceeding the cost and pricing data threshold; and cost type proposals exceeding the cost and pricing data threshold from offerors with significant deficiencies (i.e., estimating system, accounting system, disclosure statement, etc.) or exceeding \$10,000,000 from offerors without significant estimating system deficiencies. Field pricing assistance should not be requested for proposed contracts or modifications for less than the aforementioned amounts, except in those cases where offerors are unknown; or where sensitive conditions exist ([DFARS PGI 215.404-2](#)).

2.3 PCOs can obtain email address and phone listing for DCAA Field Audit Offices here: <http://www.dcaa.mil>.

2.4 [FAR 3.104-5](#) requires the identification and protection of all field pricing information and other reports which may include proprietary or source selection information.

3. RESPONSIBILITIES

3.1 PCO/Contract Specialist

The PCO/Contract Specialist is responsible for:

- (1) Requesting contract audit service deemed essential for the procurement;
- (2) Providing maximum allowable time for the processing of audits;
- (3) Establishing access to contractor records required by auditors; and
- (4) Furnishing the auditor with all relevant documents and any other information that otherwise may be useful in performing the audit.

3.2 Defense Contract Audit Agency (DCAA)/Defense Contract Management Agency (DCMA)

The PCO may request that the [DCAA](#) and [DCMA](#) perform cost/pricing and technical reviews of an offeror's or contractor's proposal; DCAA is typically responsible for performing audit services for SPAWAR contracts. DCMA is typically responsible for contract administration services for SPAWAR contracts, performing pre-award surveys, providing technical, production and other special reports associated with the cost elements of a proposal. *See this [DASN \(RDA\) memo titled "Align DCMA and DCAA Processes to Ensure Work is Complimentary," dated 13 Jan 2011 and the DCMA "Forward Pricing Rates" instruction dated 21 Jul 2014 for further information on the DCMA and DCAA responsibilities.](#)*

3.3 PMW/TECHNICAL CODE

The PCO may request that the technical requirement's office review the cost proposal to ensure that it is reflective of the technical approach after the technical analysis has been performed.



4. PROCEDURE

4.1 General

- (1) The PCO should request field pricing assistance when i) there is inadequate competition; ii) the contract value exceeds the thresholds stated in paragraph 2; and iii) the information available at the buying activity is inadequate to determine a fair and reasonable price ([FAR 15.404](#)).
- (2) The type and amount of price related information available, whether it is obtained from the buying activity, DCAA/DCMA, or through market research, would determine the extent of field pricing support required.

4.2 Determining what type of audit service is required

The PCO should look at the magnitude and complexity of the analysis needed for the procurement and the specialized resources available “in-house” before requesting such assistance. If there is still a question as to the type of audit service required, contact the on-site DCMA or DCAA Financial Advisor for assistance. Such requests should be tailored to reflect the minimum essential supplementary information needed to conduct a technical or cost/price analysis. Listed below are the services provided by *DCMA and DCAA* and a brief discussion as to when the PCO should require a particular service.

- (1) Rate Information. When the Contract Specialist needs quick access to rate information or other specific cost data, *DCMA* can provide a response based on the information that is readily available. Normally, for competitive requirements that are labor intensive, rate verification is more suitable. Rate information can be requested for the prime contractor and any subcontractors if the information is available. *DCMA* usually has rate information available for most large companies that do business with the Government on a regular basis. When rate information is requested a confirming memorandum, not a report, is issued.
- (2) Agreed Upon Procedures. This is similar to the audit of part of a proposal, which is discussed below, in that the Contract Specialist can evaluate substantial aspects of the cost proposal. The difference is that the Contract Specialist asks *DCMA* for such limited information (i.e. verification of proposed categories, current labor and/or overhead rates or the application of certain attest procedures to high dollar material items) that the report will not express an opinion on the acceptability of the proposal for negotiations.
- (3) Partial Audit of the Proposal. A partial audit is requested on selected cost data when prior contract data, comparative information, forward pricing rate agreements, or other analytical techniques are insufficient to complete the evaluation of costs. The report will issue an opinion only on the cost element audited.
- (4) Audit of Entire Proposal. Field pricing is generally directed at cost reimbursement proposals that are not labor intensive, and complex firm fixed price (FFP) production type proposals, including subcontracts. An audit of the entire proposal entails a review of all cost elements and may be required when:
 - i) Information available at the buying activity is inadequate to determine a fair and reasonable price.
 - ii) The rate structure of a company is affected; for example, due to a reorganization, acquisition or merger.

The report will issue an opinion on the acceptability for negotiations of the proposal as a whole.



4.3 Procedures for Requesting Field Pricing Support

- (1) Requesting Rate Information.
 - i) Contacting DCMA. Contact the appropriate [DCMA office](#) and submit a DCMA rate request. DCMA will typically verify the rates and respond within two to three days with a written confirmation.
 - ii) Information to give DCMA. Information such as, but not limited to, the proposed rates, RFP/proposal number, contract type, expected contract value, and performance period may be requested.

Lessons Learned

Ensure that DCMA receives the labor category cross-reference matrix identifying the Government labor categories (inclusive of the wage determination labor categories, if applicable) and the contractor's proposed labor categories.

Note: This information must be consistent with Alternate IV of [FAR 52.215-20](#), Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data (Cost Realism for Services) or (Cost Realism for Supplies), as applicable.

- (2) Requesting a Formal Audit Report *from DCAA*.
 - i) Prime Contracts. Identify any special concerns and discuss with the On-Site DCAA Financial Advisor prior to issuing the request for audit. Ensure these concerns are addressed in the formal written audit.
 - ii) Subcontracts. The PCO may request an assist audit when information to support subcontractor cost proposal analysis at the buying activity is inadequate to determine a fair and reasonable price. Subcontractor audit requests should be submitted directly to the DCAA subcontract auditor. In accordance with [FAR 15.404-3](#) the PCO is responsible for the determination of price reasonableness for subcontracting costs. The PCO should consider whether a contractor has performed cost or price analysis of proposed subcontractor prices, or has negotiated the subcontract prices before negotiation of the prime contract, in determining the reasonableness of the prime contract price. This does not relieve the PCO from the responsibility to analyze the contractor's submission, including subcontractor's cost or pricing data, if any.
 - iii) Preparing the Request. The PCO should ensure requests for field pricing assistance specifically identify the services and date by which the services are needed. Each request for field pricing assistance should include the (sub) contractor's proposal or name of the person providing it. See the DCAA, [Request an Audit](#), webpage for further information.
 - iv) Sending the Request. Send a written request for pricing assistance to the cognizant [ACO](#) and/or [DCAA auditor\(s\)](#), as appropriate. For urgent requests, call the DCAA and/or DCMC office that will perform the audit or technical analysis.

5. APPROVALS

Not Required.

6. TOOLBOX

1. [Sample Request for Pricing Assistance from DCMA](#)
2. [Checklist for Requesting Field Pricing Assistance from DCAA](#)



3. [Checklist for Requesting Field Pricing Assistance from DCMA](#)
4. [DCMA Website](#)
5. [DCAA Audit Offices](#)
6. [DCAA Training: Fundamental Building Blocks for an Acceptable Accounting System \(Aug 2011\)](#)

DCAA Audit Request Forms:

1. [Sample Request for DCAA Audit Letter](#)
2. [DCAA Request and Audit Website](#)

SSC Atlantic- Specific:

1. The On-Site DCAA Financial Advisor is available to assist in preparing requests for rate information and requests for formal audits. Contract Specialists should provide a copy of any DCAA assist request to SSC Atlantic Policy Code 23000.
2. The On-Site DCAA Financial Advisor has a database of audited Forward Pricing Rates or the Forward Pricing Rate Agreements for some contractors.

SSC Pacific- Specific:

1. The On-Site DCAA Financial Advisor is available to assist in preparing requests for rate information and requests for formal audits. Contract specialists should provide a copy of any request to the On-Site DCAA Financial Advisor.
2. The On-Site DCAA Financial Advisor has a database of audited Forward Pricing Rates or the Forward Pricing Rate Agreements for some contractors.
3. All SSC-Pacific contracting personnel are to archive DCAA/DCMA pricing reports on the N:Share server. Ref: [SSC-Pacific - Policy Alert 09-0004 Archiving of DCMA Reports](#)

7. CHANGE HISTORY

Updated material is highlighted by *purple text* and an Alert/New  icon.

Date	Description of Changes
May 2016	Updated format, reorganized content, and updated links.
October 2011	Last version created in old format; no change notes available.