



**DEFENSE CONTRACT AUDIT AGENCY**  
**DEPARTMENT OF DEFENSE**  
8725 JOHN J. KINGMAN ROAD, SUITE 2135  
FORT BELVOIR, VA 22060-6219

IN REPLY REFER TO

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PSP 730.3B2/2010-01

May 25, 2010  
10-PSP-016(R)

MEMORANDUM FOR REGIONAL DIRECTORS, DCAA  
DIRECTOR, FIELD DETACHMENT, DCAA  
HEADS OF PRINCIPAL STAFF ELEMENTS HQ, DCAA

**SUBJECT:** Transmittal of Department of Air Force Memorandum on Timely Unfinalized Contract Action (UCA) Finalization/Negotiated Awards and Contractor Responsiveness

The Department of the Air Force issued the enclosed memorandum announcing its initiative to address timeliness issues relating to the finalization of unfinalized contract actions (UCA) over \$1 million and the negotiation of awards on sole source contract actions over \$50 million. The objectives of the Air Force initiatives are to promote open communication, emphasize the need to receive quality documentation and supporting data in a timely manner from the contractor, and ensure all parties are aware of the procurement schedule. As part of this initiative, the Air Force plans to hold a government/contractor meeting after the request for a proposal (RFP) has been issued and another meeting after the contractor submits its proposal. DCAA auditors should participate in these meetings.

**Proposal Kick-off Meeting**

The proposal kick-off meeting will occur soon after the contracting officer's release of the RFP. The meeting will focus on procurement schedule requirements, expectations of timely contractor support, and the identification of expected major subcontracts. DCAA auditors should attend these kick-off meetings to get an understanding of the acquisition milestones and general nature of the proposal. It should be clearly communicated at this meeting that contractor supporting data should generally be readily available once the proposal is submitted.

**Proposal Walk-Through Meeting**

After the submission of a contractor-management approved proposal, a Government/contractor meeting will be conducted to allow the contractor to provide a walk-through of the proposal, explaining the composition and supporting documentation. When the contractor identifies minor data omissions it should provide a time table for the completion of these items.

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SUBJECT: Transmittal of Department of Air Force Initiative on Timely Unfinalized Contract Action (UCA) Finalization/Negotiated Awards and Contractor Responsiveness

DCAA should attend these meetings to obtain an understanding of the contractor's proposal, including supporting data. The contractor should also identify the contractor personnel responsible for the underlying data and estimates. DCAA will require access to these individuals during the audit process. A good understanding of the proposal is vital to the audit process. During these meetings, the auditor should identify any apparent proposal inadequacies. If data omissions are so significant as to render the proposal inadequate for analysis, the auditor should recommend that the Contracting Officer reject the proposal. Audit report due dates for the particular proposal should be established after the completion of the audit risk assessment.

These meetings are important to DCAA's continuing support of the acquisition process as effective communication between all parties is critical. DCAA's attendance at these meetings is for the purpose described in the paragraphs above does not impair the auditor's independence. Auditors are reminded that DCAA does not participate as members of an Integrated Product Team (IPT) (see MRDs 08-PAS-024 and 08-PAS-026 dated August 5, 2008 and August 11, 2008 respectively). As outlined in MRD 09-PSP-005, dated April 9, 2009, DCAA can begin the audit once a management approved proposal or part of a proposal is available. To ensure auditor independence, auditors should always refrain from comments that could be construed as advising the contractor on how to develop its proposal. If FAO personnel have any questions on this subject, they should contact regional personnel.

If regional personnel have any questions, they should contact Pricing and Special Projects Division at (703) 767-3290 or email [DCAA-PSP@dcaa.mil](mailto:DCAA-PSP@dcaa.mil).

/Signed/  
Kenneth J. Saccoccia  
Assistant Director  
Policy and Plans

Enclosure:

a/s

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DEPARTMENT OF THE AIR FORCE  
WASHINGTON DC

OFFICE OF THE ASSISTANT SECRETARY

Policy Memo 10-C-04

MEMORANDUM FOR ALMAJCOM/DRU/FOA (Contracting)

**MAR 24 2010**

FROM: SAF/AQC  
1060 Air Force Pentagon  
Washington, DC 20330-1060

SUBJECT: Timely Undefinitized Contract Action (UCA) Definitization/Negotiated Awards – Contractor Responsiveness

In an effort to ensure that we definitize our UCA's within 180-days after issuance and to ensure timely awards of negotiated actions, it is imperative that we work effectively with our industry counterparts to receive quality documentation and data in a timely manner. Throughout the definitization/award process, it is vital that the lines of communication remain open and that established due dates are well-known and met. Documentation supporting a contractor's proposal should be readily available and should be provided upon request. However, there may be circumstances where the requested data is not immediately available and reasonable timeframes should be established to provide such requested documentation.

For all sole source contract actions greater than \$50M and any UCA greater than \$1M, contracting officers shall schedule a proposal kick-off meeting as soon as practical after the Request for Proposal (RFP) (or Draft RFP if appropriate) has been initiated by the contracting officer. The meeting shall be convened between the Air Force and the Contractor and should include DCAA, DCMA and, at the prime contractor's discretion, major subcontractors having a significant role in the definitization/award. This allows all parties to discuss procurement schedule requirements and expectations on timely contractor support. Expected major subcontracts (>\$650,000 where cost analysis is required) and major subcontracts to be proposed as commercial items should be identified at this time. In addition, after proposal submittal and preliminary review by the Government team (including DCAA and DCMA), the contracting officer shall require the contractor to provide a proposal walk-through for the Government to ensure an understanding of the proposal composition, validate or revisit the definitization/award schedule, and establish action items for any obvious data omissions. If data omissions are so significant as to render the proposal inadequate for analysis, the contracting officer may reject the proposal. Prior to issuance of the UCA, these meetings may be used by the contracting officer to obtain and review the contractor's spend-plan for obligation limitations in accordance with DFARS 217.7404-4(b). Meetings such as these should also be considered for smaller dollar programs, as determined necessary by the contracting officer. In the event that the contracting officer determines the required meetings described above are not appropriate for a specific negotiation situation, the contracting officer must document the contract file and obtain the approval of the business clearance authority before proceeding.

Procedures for requesting data/documentation that is necessary to progress with the definitization of a UCA or negotiated award after the receipt of the proposal are as follows:

1. When the contracting officer requests supporting data/documentation from a contractor (whether verbally or in writing), the request must clearly state what data/documentation is needed and when it should be provided. Generally, data/documentation in support of the proposal should be readily available and should be provided upon request. If requested data/documentation is not readily available because of extenuating circumstances (such as a request for data that did not form the basis of the contractor's proposal), the contracting officer should allow the contractor reasonable time to provide the requested data/documentation. In such circumstance, generally an agreement between the contracting officer and the contractor should be made in writing as to a reasonable time for submittal of data. Where system generated data is to be provided, the contracting officer should review the data fields to be reported before the data is generated to ensure a common understanding of what is needed. The contracting officer shall inform contractors that all data requests will be tracked and will be considered open action items until the government concurs that the data has been received and is complete.
2. If the requested data is not provided by the requested date or, if applicable, the agreed-to date, and an acceptable resolution cannot be achieved, the issue shall be immediately elevated to the appropriate senior management for both the government and the contractor until an appropriate resolution is reached. The outcome of the elevation process should be documented in writing to include any revised dates for receipt of requested data/documentation.
3. If, after elevation, an acceptable resolution has not occurred or the contractor fails to provide the data/documentation within the revised agreed-to date, the contracting officer may take remedial actions as discussed in SAF/AQC Policy Memo 10-C-03 dated March 17, 2010.

Consistent with this policy, DCAA has issued guidance for handling denial of access to contractor's records IAW 15.404-2(d). We endorse the procedures outlined in DCAA Guidance 08-PAS-042(R), *Audit Guidance on Denial of Access to Records Due to Contractor Delays*, dated December 19, 2008 (<http://www.dcaa.mil/mmr/08-PAS-042.pdf>).

Government personnel are strongly encouraged to maintain close contact with each other and contractor counterparts to ensure a complete understanding of what is required for a timely UCA definitization or contract award. If you have any questions, please contact Ms. Cindy Riess, SAF/AQCP, at (937) 257-2612, DSN 787-2612, email, [cynthia.riess@wpafb.af.mil](mailto:cynthia.riess@wpafb.af.mil) or Lt Col Jim Bachinsky, SAF/AQCP, at (703) 588-7054, DSN 425-7054, email, [james.bachinsky@pentagon.af.mil](mailto:james.bachinsky@pentagon.af.mil).



ROGER S. CORRELL  
Deputy Assistant Secretary (Contracting)  
Assistant Secretary (Acquisition)