

**3.1. Determine whether a Forward Pricing Rate is required**

3.1.2.1. Contractor sales to the Government >\$200million in prior Contractor FY?

3.1.2.2. FAR 42.1701 a. are benefits of FPRA commensurate with effort to establish and track FPRA??

Is a FPRA considered necessary by the ACO regardless of contractor sales volume?

Contract Director approves ACO written determination not to establish

In the absence of an FPRA or FPRR, the FAR 42.1701 ACO shall include support for rates utilized.

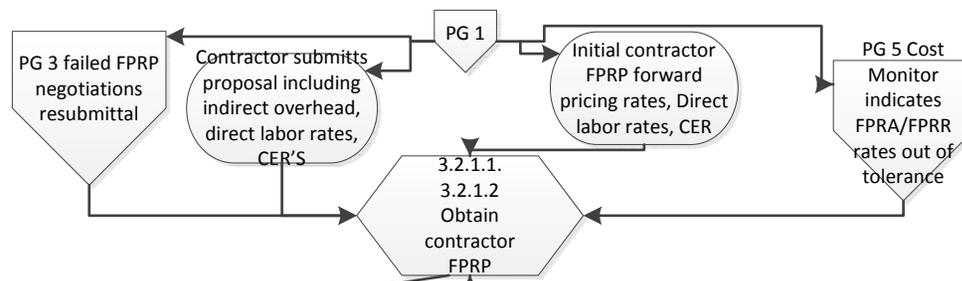
EDW

Enter in FPRA eTool - CBAR

The CMO Contracts Director or a supervisor from the Corporate/Divisional Contracting Administrative Officer Group shall approve any ACO written determination to establish an FPRA/FPRR for a contractor with less than \$200 million annual Government sales

Receipt / Adequacy PG 2

PG 2



3.2.2.1. does proposal comply with [FAR 15.408 Subsection II, Paragraph C of Table 15-2](#)

yes

3.2.1.5. explain how the rates were derived for each of the out-years to determine reasonableness.

3.2.1.6. complete an appropriate level of documentation.

**3.3. Conduct Proposal Analysis.**

3.3.1.1. The contractor's bases of estimates are reasonable.

3.3.1.2. The supporting cost or pricing data are accurate, complete and current.

3.3.1.3. The contractor's estimating practices comply with the contractor's disclosed or established cost accounting practices.

3.3.1.4. Projected business volume, allocation bases, and indirect costs are reasonable and consistent with contractor and customer business projections.

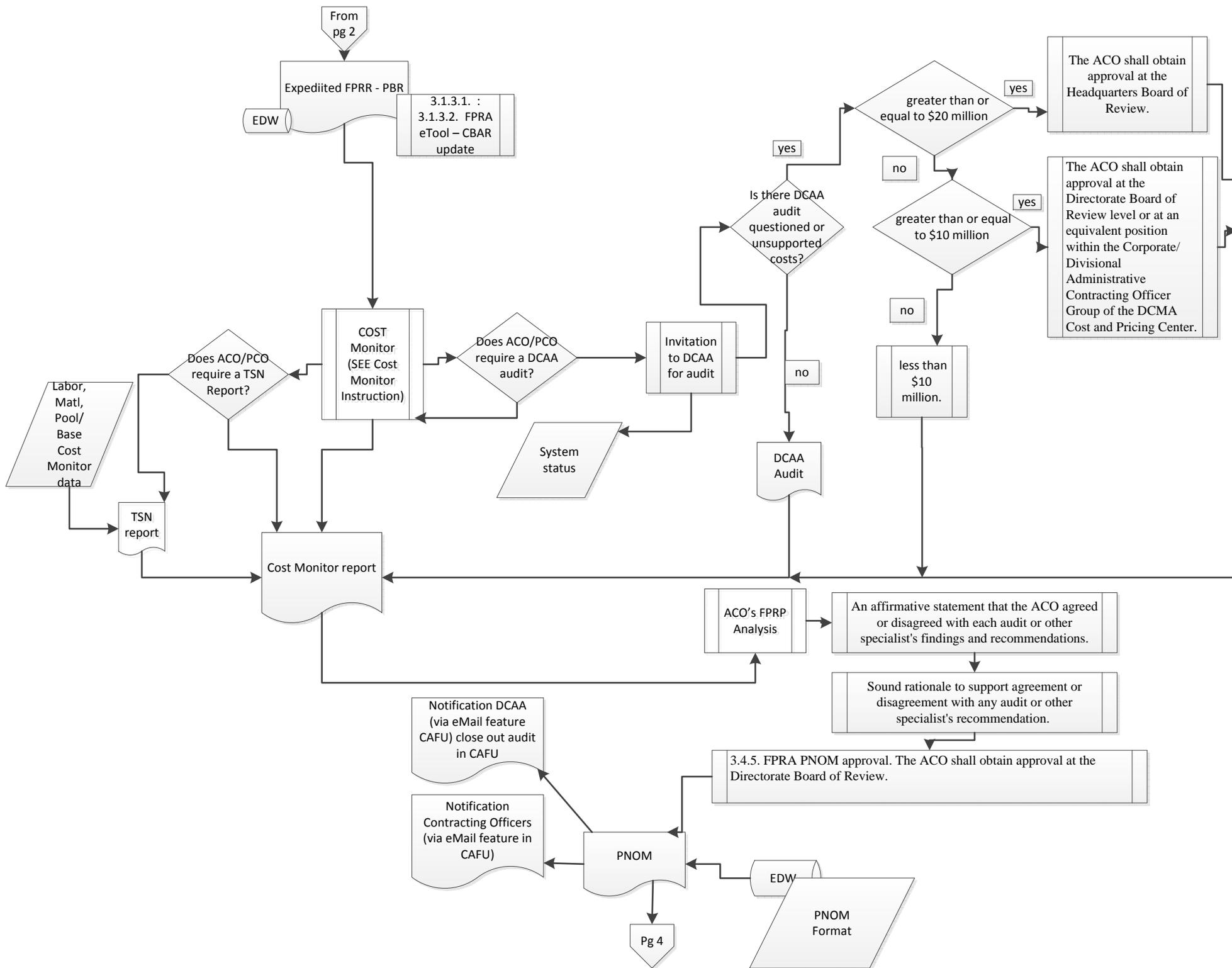
3.3.1.5. Rate computations are mathematically correct.

The ACO/Cost Monitor shall request a DCAA audit when the contractor makes a complete rate proposal submission. However, the ACO is not required to suspend analysis and development of a negotiation objective pending receipt of a DCAA audit report.

3.3.2.4. Technical Support such as Cost/Price Analysis, DCAA, Insurance Specialists, Engineering, Industrial Specialists, or Legal.

Consultation with Program Offices may be needed to obtain input on program issues, such as expected work schedules and current status of contract awards, the contractor may not be privy to.





From pg 2

Expedited FPRR - PBR

EDW

3.1.3.1. : 3.1.3.2. FPRA eTool - CBAR update

Does ACO/PCO require a TSN Report?

COST Monitor (SEE Cost Monitor Instruction)

Does ACO/PCO require a DCAA audit?

Invitation to DCAA for audit

DCAA Audit

less than \$10 million.

greater than or equal to \$10 million

greater than or equal to \$20 million

The ACO shall obtain approval at the Directorate Board of Review level or at an equivalent position within the Corporate/ Divisional Administrative Contracting Officer Group of the DCMA Cost and Pricing Center.

The ACO shall obtain approval at the Headquarters Board of Review.

An affirmative statement that the ACO agreed or disagreed with each audit or other specialist's findings and recommendations.

Sound rationale to support agreement or disagreement with any audit or other specialist's recommendation.

ACO's FPRP Analysis

3.4.5. FPRA PNOM approval. The ACO shall obtain approval at the Directorate Board of Review.

PNOM

EDW

PNOM Format

Notification DCAA (via eMail feature CAFU) close out audit in CAFU

Notification Contracting Officers (via eMail feature in CAFU)

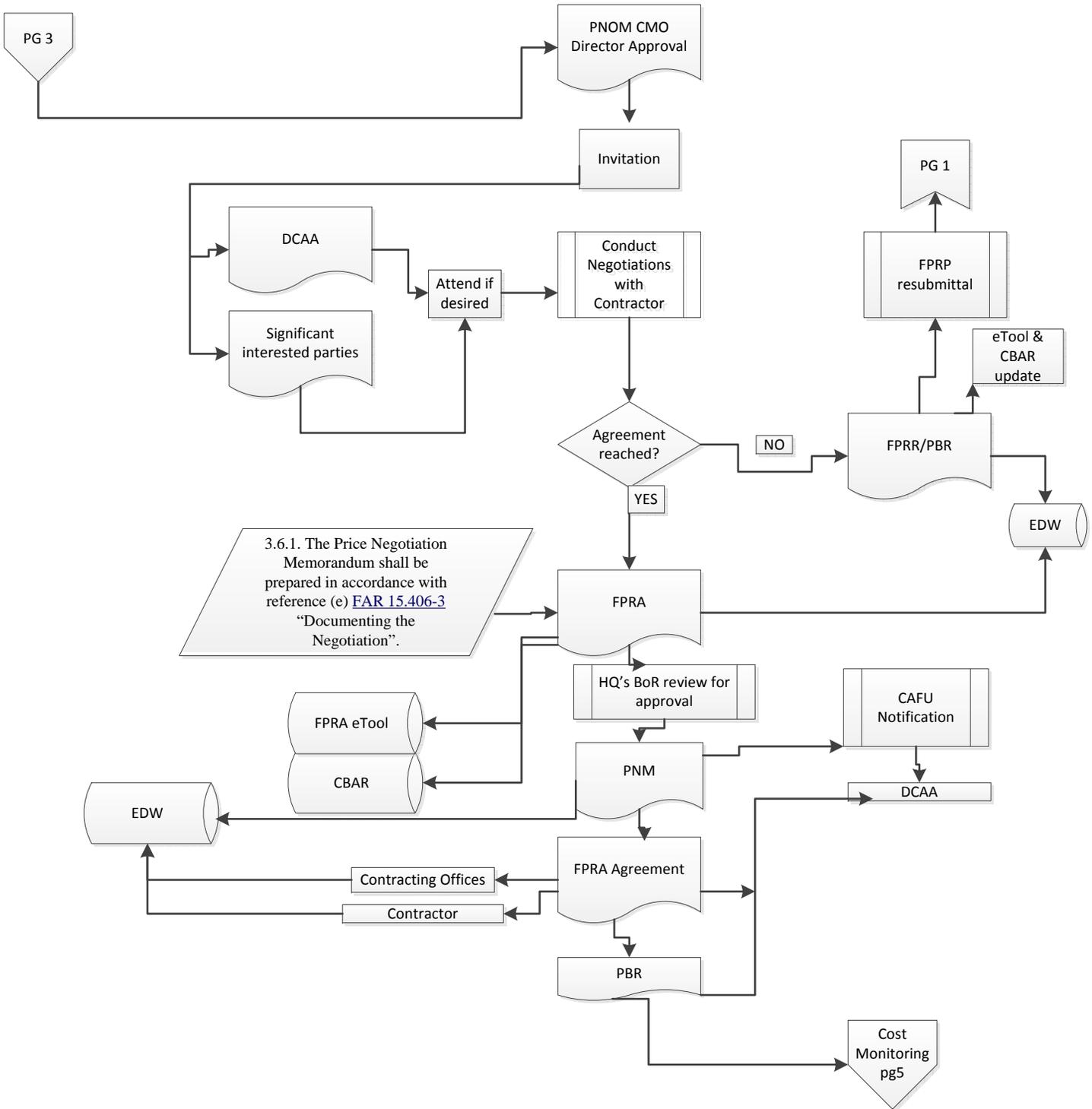
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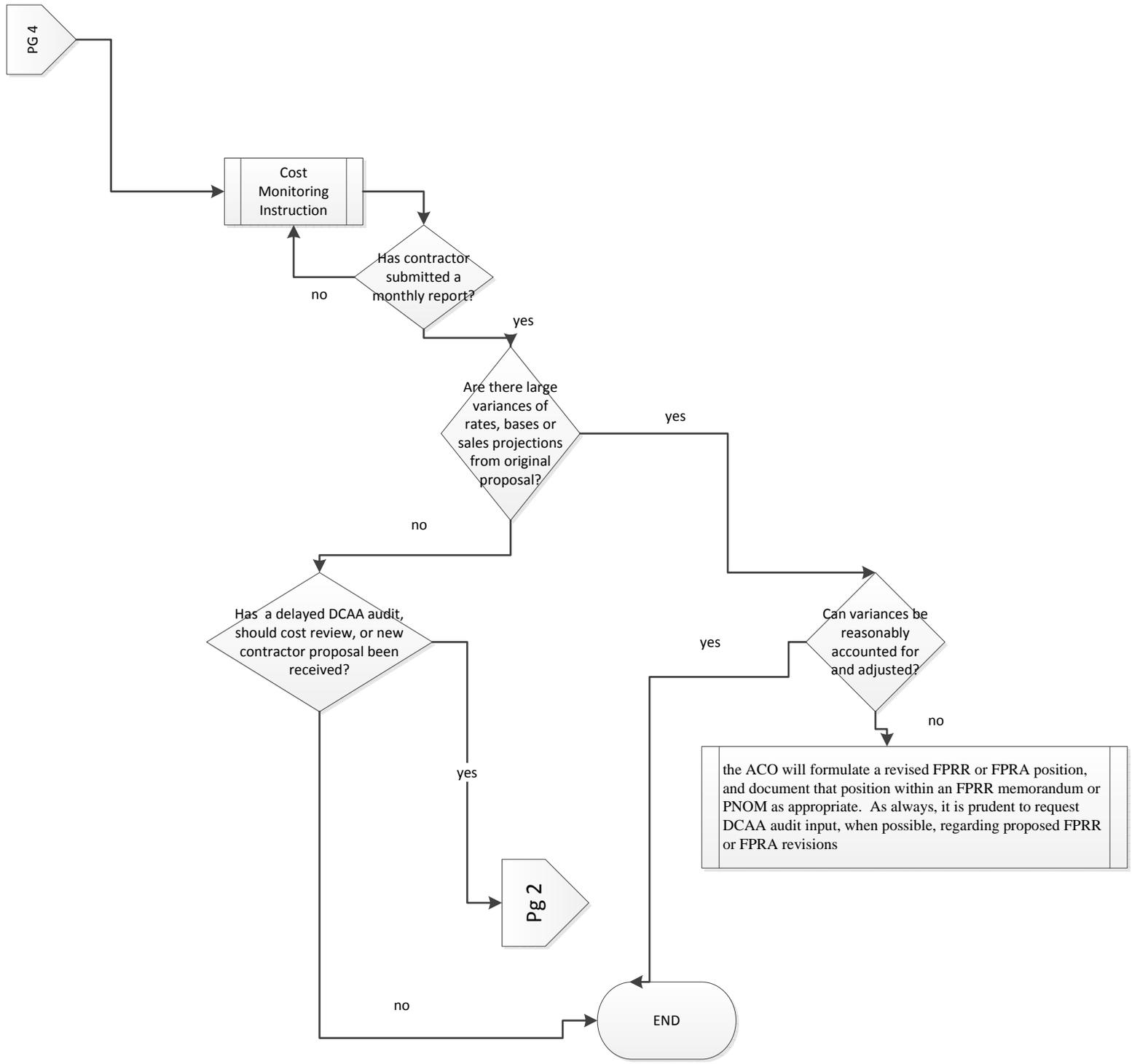
Labor, Matl, Pool/ Base Cost Monitor data

TSN report

Cost Monitor report

System status





PG 4

Cost Monitoring Instruction

Has contractor submitted a monthly report?

no

yes

Are there large variances of rates, bases or sales projections from original proposal?

no

yes

Has a delayed DCAA audit, should cost review, or new contractor proposal been received?

yes

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yes

Can variances be reasonably accounted for and adjusted?

no

the ACO will formulate a revised FPRR or FPRA position, and document that position within an FPRR memorandum or PNOM as appropriate. As always, it is prudent to request DCAA audit input, when possible, regarding proposed FPRR or FPRA revisions

END