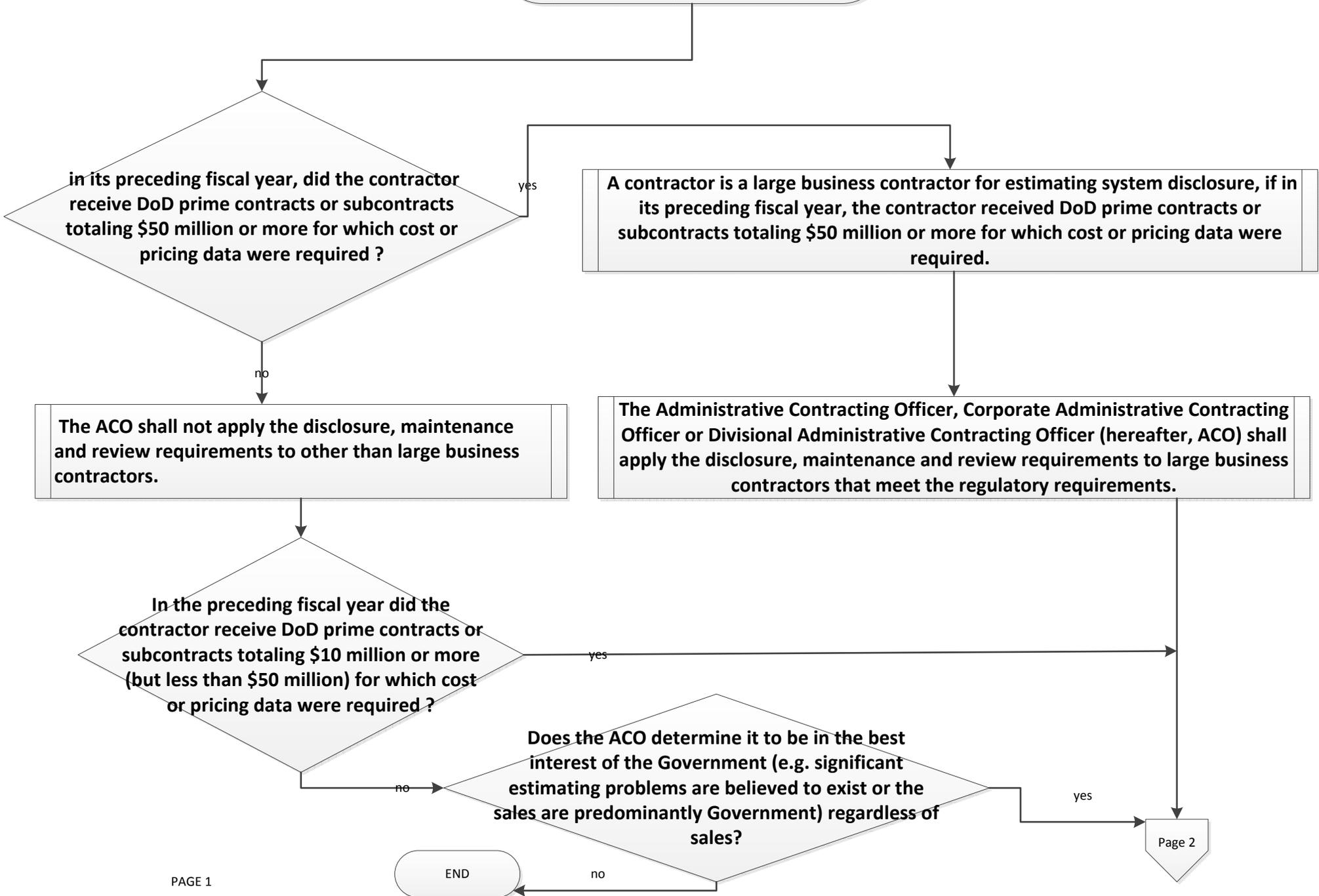
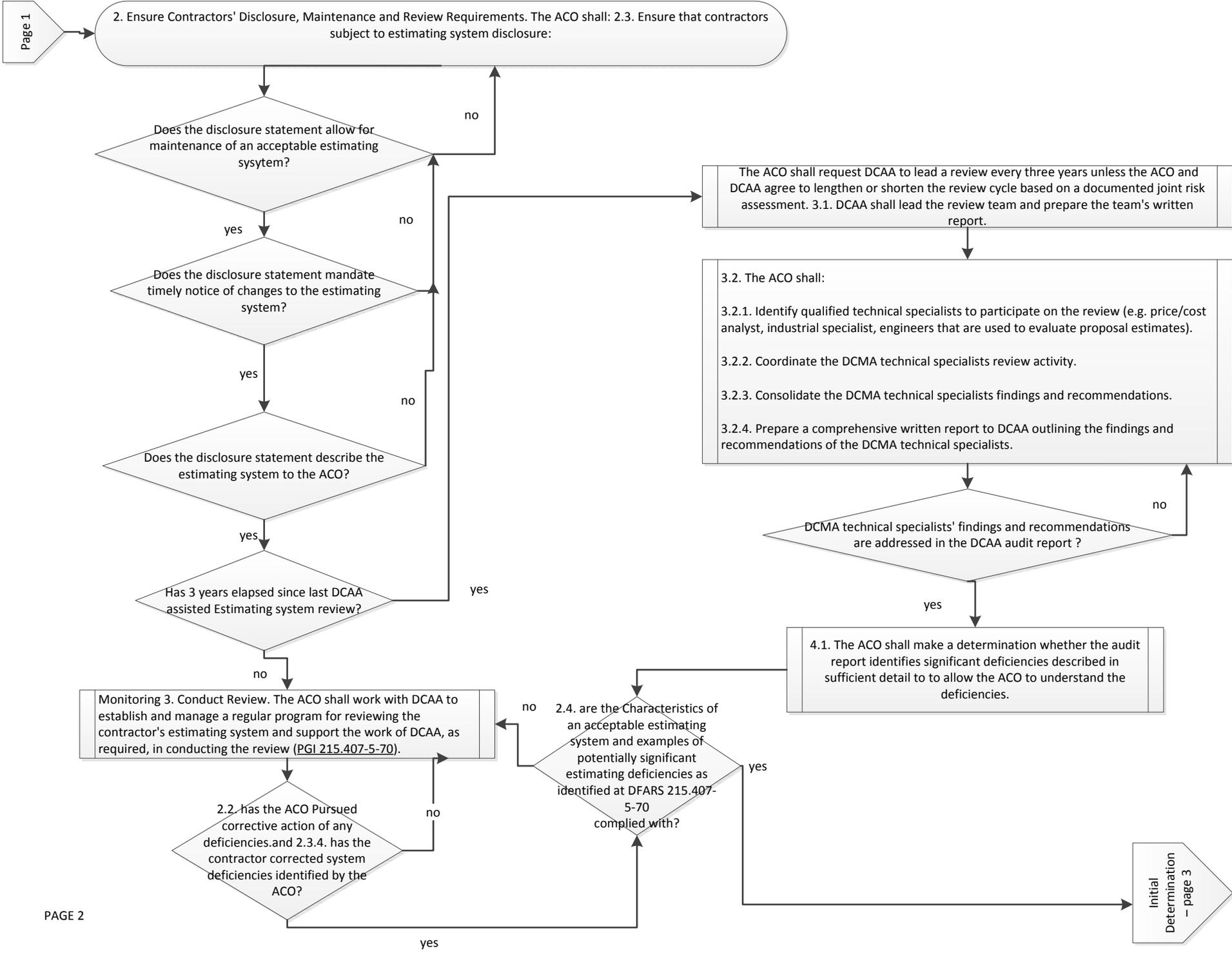


1.1. Applicability. ACO finds reason to determine if Estimating system procedure applies to their CMO





5.1. Make Initial Determination.

6.1. The ACO shall obtain approval of the initial determination letter and supporting memorandum to file from the CMO Contracts Director or the the Director, Corporate/Divisional Administrative Contracting Officer Group. Either Director may delegate this action to a level no lower than the contract team supervisor/leader. If the ACO does not agree with each audit or technical specialist's findings and recommendations, the action is subject to Contract Management Board of Review approval.

6.2. The CMO Contracts Director or the Corporate/Divisional Administrative Contracting Officer Group Director shall verify that the ACO followed the procedures for resolving the reportable audit before approving the notification letter. Either Director may delegate this action to a level no lower than the contract team supervisor/leader. Refer to paragraph 6 of DCMA Contract Audit Follow-Up Instruction.

Is there a significant deficiency?

yes

5.1.2. One or More Significant Deficiencies. If the ACO determines that there are one or more significant deficiencies due to the contractor's failure to meet one or more of the estimating system criteria the ACO shall:

5.1.2.1. Promptly make a written determination to the contractor that the findings are significant and provide a description of each deficiency in sufficient detail to allow the contractor to understand the deficiency.

5.1.2.1. Request that the contractor respond in writing to the initial determination within 30 days.

The ACO shall provide the contractor a copy of DCAA's report. Generally, DCAA incorporates contractor comments on its findings and recommendation and its rebuttal to the comments in the audit report. If DCAA incorporated the contractor's comments in the audit report, the ACO should request that the contractor provide any additional information that would assist the ACO in making a final determination.

no

Initial Determination Letter
no significant deficiencies shall promptly notify the contractor in writing that the contractor's estimating system is acceptable and approved. This notification is both an initial and final determination.

5.1.3. Documentation. The ACO shall include the following in a supporting memorandum to file:

5.1.3.1 An affirmative statement that the ACO agreed or disagreed with each audit and technical specialist's finding and/or recommendation.
5.1.3.2 Sound rationale to resolve each audit or technical specialist's findings and recommendations. The rationale must demonstrate that the ACO has considered all appropriate FAR, DFARS and DCMA instructions related to the issues or questions raised.

A copy of the ACO's initial determination shall be provided to DCAA

Initial Determination Letter to each contracting activity that has substantial business with the contractor

CBAR updated immediately to reflect the current status of the estimating system

