

your level, promptly refer it through your appropriate channels so that necessary action can be taken. In this regard, remember that you're dealing with statutory requirements. You either get the data or you get a Secretarial Waiver or neither you nor the contractor are complying with Public Law 87-653 and the ASPR.

Contract files must contain sufficient documentation to reflect clearly what cost or pricing data was submitted by the contractor throughout the negotiation process, including any revision or up-dating, and the extent to which you relied on other than contractor data. Of course, documentation was important before the passage of Public Law 87-653. Adequate supporting data always has been essential, and documenting our files to indicate exactly what we looked at and how we evaluated it is necessary to explain why we believe the price negotiated is a realistic one. However, the ASPR provisions implementing this law, including the new DD Form 633, recognized that documentation now has another important purpose - it facilitates our ability to adjust prices based on defective data.

Remember, it is the contractor who is required to submit or identify the required data. We expect you, the PCO, to assure that he has complied with the law.

The degree to which you assist the contractor in complying with these requirements has a natural and direct impact on the effectiveness of contractor certification and on the Government's rights under the defective pricing clause. The most obvious result of strict compliance with ASPR and Public Law 87-653 is good pricing, not a paperwork burden added at the end of a normal negotiating process. If the contractors cooperate by supplying the requisite DD Form 633 and supporting exhibits and identification - and I'm convinced that with your assistance they will - your evaluation of their proposals will be greatly facilitated.

If we do this, we will have all the data needed to negotiate good prices and we will comply fully with Public Law 87-653.