

ITEM I -- CONTRACTOR SUBMISSIONS OF COST OR PRICING DATA

The following series of questions and answers were developed for use in DoD procurement training courses. They deal with the proper use of the DD Form 633 in the preparation of pricing proposals and particularly with submission and identification of the contractor's cost or pricing data. The material is reproduced here for the information and guidance of all procurement personnel involved in price negotiations.

QUESTION. Why is so much attention placed on the use of the current DD Form 633? The form is basically a price breakdown, which does not appear to be any different from the old pricing form which we used for many years or for that matter, from proposals received on contractors' own forms.

ANSWER. The DD Form 633 was revised in December 1964 as a part of a general revision of the ASPR implementation of P. L. 87-653, the "Truth in Negotiations" Act. The form is a pricing form, i. e., it covers more than the bare P. L. 87-653 requirements. It contains instructions and guidance which are essential to sound pricing and which are not contained elsewhere in the ASPR. We placed this information on the form itself because it relates specifically to the contractor's cost breakdown and submission. Consequently, it is essential that the approved DD Form 633 (or one of the related dash models) be used. A reproduction of the front side only or a contractor form which does not contain the instructions, footnotes and other data are not acceptable.

QUESTION. What significance attaches to the Instructions and Footnotes on the reverse of the DD Form 633? My contractor reproduces the form and omits this portion.

ANSWER. The Instructions and Footnotes to the DD Form 633 are the most important part of the form. They were designed specifically for good price and cost analysis, to enable you to do a better pricing job, and to be responsive to the requirements of P. L. 87-653. The quality of the contractor's submission and hence your price will depend on both of you understanding clearly the requirements of the Instructions and Footnotes. If you haven't read them lately, do so now.

QUESTION. Are contractors required to use DD Form 633 in view of the exception mentioned in Instruction 4 to that form?