

ANSWER. This is nonsense. We are receiving many proposals which are adequate in every respect and these are not voluminous. Strict compliance with the DD Form 633 places an exacting requirement on the contractor. If he does an adequate job of identifying the factual data used to support his estimate, the evaluation job of our technical and audit people will be effective despite the volume of records from which the basic source data was drawn.

QUESTION. Won't this emphasis on specific identification of data delay procurement actions?

ANSWER. This is a possibility if you are forced to return unsatisfactory proposals for reprocessing. If a proposal is properly prepared, it should speed up your procurements. Every one -- auditors, price analysts, technical specialists and you yourself -- will be able to make more effective use of the data because of the better visibility.

QUESTION. What if my contractor refuses to submit in accordance with the ASPR as reflected by this model?

ANSWER. Most, if not all, contractors want to submit their proposals correctly. They look for you to inform them of any deficiencies. If you have a contractor who appears to be wilfully submitting inadequate data or failing to give you the identification you need to trace the data to his estimate, you should return his proposal for reprocessing. Obviously, this will require good judgment as you do not want to delay any critical procurements. If in doubt, discuss with your supervisor.

QUESTION. What is all this emphasis on precise cost data identification doing to pricing? Are we now expected to agree on elements of cost?

ANSWER. No! The purpose of P. L. 87-653, the ASPR implementation and DD Form 633 is to improve pricing, not degrade it. You are already reviewing cost analyses and audits which deal with elements of cost. The contractor's proposal is made up of estimates by cost elements. What we are trying to do is improve your understanding of those estimates. After you understand the cost base, you are expected to negotiate as you have in the past, i. e., price, not costs. For refreshing your memory on total price negotiation see OASD (I&L) letter of 17 December 1964, which was published in DPC 22. The policy