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U.S. Army Contracting Command - Rock Island (ACC-RI)

ICAP Action Items

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The logo for ACC - Rock Island, featuring a shield with a map of Rock Island, a compass, and the text "ARMATI" and "COMPARATOR".

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Issue: DCAA Adequacy Checklist

Action: Provide insights and discussion on the proper use of the DCAA Adequacy Checklist in the preparation of proposals

Majority of the problems relate to the following:

- **BASIS OF ESTIMATE & SUPPORTING COST OR PRICING DATA**-The proposal does not include an adequate basis of estimate description for each cost element. Further, an index or summary should be included in the proposal identifying the supporting cost or pricing data used in developing the proposed costs as required by FAR 15.408, Table 15-2 I.B, D & E.
- **DIRECT MATERIALS** – the proposal should include a consolidated bill of materials that identifies the basis of the proposed prices; e.g. vendor quote, invoice price, prior purchase order, etc as required by FAR 15.408, Table 15-2 II.A.



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- SUBCONTRACTS – the prime contractor should include the subcontractor price analysis showing the basis for the establishing source and reasonableness of the price. The prime must obtain cost or pricing data from prospective sources for those acquisitions exceeding the threshold in FAR 15.403-4 and not otherwise exempt in accordance with FAR 15.403-1(b). The prime must provide a summary of the cost analysis and a copy of the cost or pricing data submitted by the prospective source in support of each subcontract when required by FAR 15.408, Table 15-2 II.A.



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- DIRECT LABOR – the proposal should include a time phased (i.e., monthly, quarterly, etc.) breakdown of labor rates and hours by category or skill level and the basis for the estimates of rates and hours (i.e., historical experience, engineering estimates, learning curves, etc.) as required by FAR 15.408, Table 15-2 II.B.
- INDIRECT COSTS - the proposal should include how the indirect rates were computed and applied. Support for the indirect rates (including the pool and base detail) could consist of cost breakdowns, trends, and budgetary data as required by FAR 15.408, Table 15-2 II.C.



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Issue: Fee Structure Considerations

Action: Provide an update on OSD efforts to modify / clarify the Weighted Guidelines, with specific regard to any new fee structure recommendations

- At this time we aren't able to discuss changes in the WGL structure.
- The USD-AT&L memo of 14 Sept.10, subject: Better Buying Power: Guidance for Obtaining Greater Efficiency and Productivity in Defense Spending, states;
 - Profit should reward performance
 - Higher profit for management of higher-risk subcontracts.
 - Higher profit when the prime succeeds in driving down subcontractor cost
 - Savings are not expected in profit
 - Increase the use of FPIF contract types where appropriate.



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Questions?