

# Steps to Assure an Effective DCMA/Contractor Relationship

NCMA Boston Chapter  
March Workshop  
March 13, 2013

# Agenda

- ▶ “Big picture” items
  - Common areas
  - Not in common?
- ▶ Working together
- ▶ Final thoughts

# Common Areas

- ▶ Timely and efficient resolution of issues
- ▶ Highest possible quality of product or service
- ▶ Fair and reasonable price
  - While definition may seem different, the overall objective does not
- ▶ Compliance with laws and regulations
- ▶ Ultimate customer is the warfighter

# Not in common?

- ▶ Government must be good steward of taxpayer money and protect the government's interest
- ▶ Contractors must return reasonable return to shareholders
- ▶ Are these goals mutually exclusive?

# Not in common?

- ▶ Rigid procurement rules and what happens if the process is not followed
  - Audits
  - Hearings
  - Newspaper headlines
- ▶ Does anyone “win” with bad publicity?
- ▶ Lack of knowledge by too many headline writers
  - “no bid” contracts
  - All cost reimbursement contracts benefit only contractors

# Working together

- ▶ First steps
  - Mutual respect
    - Recognize both government and contractor have responsibilities to carry out
    - Working together does not mean agreeing on everything
  - Establish ground rules on how to best communicate
    - Monthly meetings
    - Weekly calls

# Working together

- ▶ Second – keep each other informed
  - A formal letter should not be the first time either parties knows about an issue
  - If the PCO is involved, make sure ACO is aware of what is happening
  - Make sure ACO knows as much about your organization as he/she wants to. Introduce to senior management. Keep advised of major business events

# Working together

- ▶ Keep your word or let them know before
- ▶ Do not hold critical questions until the last minute. It can force decisions that are in no one's best interest
- ▶ Understand the other's near term priorities and help them understand yours. Your low hanging fruit may be the others critical suspense.
  - Provisional billing rates
  - Canceling Funds
  - FRRs/FPRAs
  - Contract Close-out
  - Payment
- ▶ Avoid getting so consumed with formal communication that you miss the intent

# Working together

- ▶ Contractors need to be sensitive about asking specific questions and expecting detailed answers
  - It is better to discuss the general issues and then talk about what each side has seen done in practice
  - This approach keeps the ACO from providing a directive that can later be considered direction from the government
  - In short, do not put the ACO in a position of directing a contractor in matters he/she should not direct
  - The authority target

# Working together

- ▶ Example of areas working together
  - Cancelling funds
  - Close outs
  - Contract kick off meetings
  - Monthly meetings

# Working together

- ▶ Lastly
  - Establish problem resolution process
    - Start with informal information sharing so that both parties understand the real issue
    - Establish response due dates and make those dates
    - Make sure issue is addressed and not personalities
  - Know what the decision path is for both parties
    - If ACO has a review board, know that final decision will not be given until thorough review
    - If contractor has strong views, make it know that the issue could go to court

# Final Thoughts

- ▶ Today's contracting workforce is far reduced from 10–15 years ago
- ▶ Congress has not met a contracting issue they could not solve better than an ACO
- ▶ Must recognize that ACOs have far more scrutiny today than ever before and a lot more work
- ▶ Too many auditors and levels of review for items not material. DCAA talks risk assessment but often does not demonstrate it

# Final Thoughts

- ▶ If government and contractor can agree on the risk involved to both parties, more decisions can be made sooner
- ▶ Common sense needs to prevail and the way to do that is to have a good, professional business relationship