DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
1000 NAVY PENTAGON
WASHINGTON, DC 20350-1000

1 5 JAN 2013

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Integrated Cost Analysis Teams (ICATs)

The attached joint Director, Defense Pricing (DDP) / Defense Contract Management Agency (DCMA) memorandum (same subject, dated January 11, 2013), is forwarded for your information. The memo outlines DCMA implementation of ICATs at select major defense contractor locations. The ICATs are entirely dedicated to the performance of proposal pricing and pricing process evaluation at those defense contractor locations. In addition to the business/technical capability of the ICATs in evaluating the prime contractor's proposals, the ICATs are also links to the DCMA offices that may be required to perform the evaluations of subcontractor proposals.

Activities should utilize these ICATs to the maximum extent practicable, including coordinating with them in the development of the pricing strategy on major proposals. Additional details are available in the memorandum.

My point of contact for this is Denise Randolph. She can be reached on (703) 614-9767 or via Denise.Randolph@navy.mil .

Althea H. Coetzee
RDML, SC, USN
Executive Director
DASN(AP)

Attachment: As stated

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ACQUISITION,
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JAN 11 2013

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
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Subject: Integrated Cost Analysis Teams

During the past year, in support of the Department's Better Buying Power initiative, the Defense Contract Management Agency (DCMA), in coordination with the Director, Defense Pricing, established enhanced proposal price analysis teams at select major defense contractor locations. These pricing teams have been designated as Integrated Cost Analysis Teams ("ICATs") to exemplify the joint business and technical composition of these teams that are entirely dedicated to the performance of proposal pricing and pricing process evaluation at the following major contractor sites:

- Bell Helicopter, Ft. Worth, TX
- Boeing, Philadelphia, PA
- Boeing, St. Louis, MO
- Lockheed Martin Space, Denver, CO
- Lockheed Martin Aero, Ft. Worth, TX
- Raytheon IDS, Tewksbury, MA
- Raytheon Missile Systems, Tucson, AZ
- Sikorsky Aircraft, Stratford, CT
- United Launch Alliance, Denver, CO

With the insight into contractor estimating systems and practices that DCMA gains from being co-located with these major contractors, it is the intent of the Department to leverage this inherent advantage and enhance DCMA capability to the maximum extent. Depending on capability resident within buying offices, DCMA ICAT assistance can vary from a "full-up" proposal pricing report, to a specified tailored pricing product that covers specific elements within the contractor's proposal. In either case, it is incumbent on the buying office to coordinate DCMA ICAT participation early on in the process when establishing the proposal pricing strategy.

In addition to the business/technical capability of the ICATs in evaluating the prime contractor's proposal, the ICATs are also your link to the DCMA offices that may be required to perform the evaluations of subcontract proposals. The ICATs can help arrange "surge support" from the Price Fighters and from the DCMA Cost and Pricing Center's "mobile pricing capability" to ensure right place, right time in conducting supplier reviews with sufficient skilled business and technical resources to better ensure on-time delivery of quality pricing products. The key to gaining this support is early coordination with the DCMA ICATs in planning your pricing strategy on major proposals.

We are presently developing an ICAT capability to cover Northrop Grumman proposed efforts. That team will be in place this fiscal year. We will continue to assess the need for other ICATs and will announce our plan for additional ICATS as we go forward.

With the obligation to ensure that we are responsible stewards of taxpayer monies, the need for pricing expertise has never been greater. It is our expectation that each buying office across the Department develop a game plan that includes utilization of the DCMA ICATs as an effective partner in carrying out proposal pricing efforts.

Ron Youngs is the point of contact for this effort. He can be reached at 703-530-3675 or Ronald.Youngs@dcma.mil.

Shay D. Assad
Director, Defense Pricing

Charlie E. Williams, Jr.
Director
Defense Contract Management Agency