



**Office of the Assistant Secretary of Defense
(Health Affairs)
TRICARE Management Activity
Acquisition Management and Support**

TRICARE ACQUISITION PRACTICE (TAP)

**TAP 15-04, Rev. 000
12 October 2001**

SUBJECT: ROUGH ORDER OF MAGNITUDE (ROM) ESTIMATING

References: FAR 15 Contracting By Negotiation.

1. PURPOSE:

To establish responsibilities and procedures for soliciting ROM costs or pricing.

2. APPLICABILITY:

This TAP applies to all TMA contracting activities seeking rough cost or price estimates.

3. DEFINITIONS:

A ROM is an informal estimate of costs and/or price to support a given effort. It provides a useful method for quick turnaround estimating and aids in developing acquisition strategies including program requirements, schedules, and alternatives.

4. RESPONSIBILITIES:

4.1. The requirements generator is ultimately responsible for technical requirements definition.

4.2. The contracting officer is responsible for obtaining a ROM from the contractor.

5. PROCEDURES:

5.1. General:

5.1.1. Any exchange of information relative to ROM activities must be consistent with the procurement integrity requirements of FAR 3.104.

5.1.2. A ROM is considered to be a Request for Information. Therefore, a ROM is not an offer and cannot be accepted by the Government to form a binding contract.

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5.1.3. A ROM is not a "Not to Exceed (NTE)" price or a ceiling price. If a NTE or ceiling price is required, this must be clearly identified and documented.

5.1.4. A ROM does not include detailed cost and pricing data (certifiable data), but may include other than cost or pricing data.

5.1.5. The ROM should be used to establish an initial baseline or data point and may be used as a basis for requesting Government funding. The Government may use the ROM as a source for the preparation of the TMA Form 789, Purchase Request and Commitment, and/or as budgetary information for the TMA Change Management Board.

5.1.6. As the contracting process evolves (e.g., Negotiation IPT or RFP), additional information and/or detailed cost or pricing data may be required. Contract pricing and a determination of reasonableness must be made in accordance with FAR 15.4.

5.2. ROM Process:

5.2.1. The requirements generator will advise the contracting officer when a ROM is required.

5.2.2. The requirements generator shall prepare a draft technical baseline (Statement of Work or Statement of Objectives) for ROM purposes.

5.2.3. The requirements generator will support the ROM activity as requested by the contracting officer.

5.2.4. The ROM may be developed jointly by the government and the contractor. The ROM may also be developed and submitted by the contractor without government input.

5.2.5. When jointly developed, the contracting officer shall initiate ROM discussions. When solely contractor developed, the contracting officer shall request the contractor to provide the ROM.

5.2.6. The contracting officer will inform the contractor as to the potential use of the ROM.

5.2.7. The ROM shall reference the technical baseline, identify a narrative description of the effort (e.g., implementation, on-going administration, on-going health care and fiscal year information), state the ground rules and assumptions, and identify any additional information requested by the contracting officer.

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5.2.8. The contracting officer shall ensure the contractor documents the ROM and submits it to the contracting officer.

5.2.9. The contracting officer will provide a copy of the ROM to the requirements generator.

5.2.10. The ROM process should take no more than 30 days.



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ENCLOSURES

None