



TRICARE  
MANAGEMENT  
ACTIVITY

**OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
HEALTH AFFAIRS  
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FALLS CHURCH, VIRGINIA 22042-5101**

**TRICARE ACQUISITION DIRECTIVE**

**TAD 15-04, Rev 000  
July 19, 2012**

**SUBJECT: RESOLVING CONTRACT AUDIT RECOMMENDATIONS**

References: See Enclosure 1.

1. PURPOSE. This TRICARE Acquisition Directive (Directive) establishes TRICARE Management Activity (TMA) policy for resolving Significant Disagreements with contract audit recommendations from Defense Contract Audit Agency (DCAA) in accordance with References (b) through (h). Reference (a) is hereby rescinded. Further procedures, guidance, and information are provided in Reference (j).

2. APPLICABILITY. This Directive applies to all TMA personnel that participate in the establishment of the pre-negotiation objectives and in the review and/or resolution of the Significant Disagreements.

3. DEFINITIONS.

3.1 Significant Disagreement. As defined in Reference (b) and (f), a Significant Disagreement exists when the Contracting Officer (CO) in the pre-negotiation objective plans to sustain less than 75 percent of the total recommended questioned costs in a DCAA audit report on a contractor proposal valued at \$10 million or more.

4. POLICY. It is TMA policy that:

4.1 The CO shall not proceed with negotiations concerning the Significant Disagreement if a request for higher-level TMA review of the CO's position has been received from DCAA management (supervisory auditor or higher), consistent with the procedures set forth in Reference (b).

4.2. If DCAA requests a higher-level TMA review per Reference (b), the CO shall refer the request to the TMA Acquisition Management & Support personnel in the sequence below, each of whom shall attempt to resolve the Significant Disagreement with the DCAA requestor:

4.2.1. Branch Chief;

4.2.2. Director/Chief of the Contracting Office;

4.2.3. Head of the Contracting Activity (HCA).

4.3. If the HCA and DCAA are unable to resolve the significant disagreement, the Director, DCAA may contact officials in the sequence below, per Reference (b):

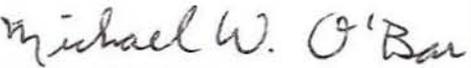
4.3.1. Director, Defense Procurement and Acquisition Policy;

4.3.2. Under Secretary of Defense, Acquisition Technology & Logistics.

4. RESPONSIBILITIES.

4.1. The CO shall initiate the process and ensure timely resolution of all Significant Disagreements, including those for which DCAA has requested higher-level review, prior to conducting a related negotiation.

5. EFFECTIVE DATE. This Directive is effective immediately.

  
Michael W. O'Bar  
Acting Director  
Acquisition Management and Support

Enclosure

1. References

## ENCLOSURE 1

### References

- (a) TRICARE Acquisition Practice 15-09, "Resolving Contract Audit Recommendations," February 1, 2010 (hereby rescinded).
- (b) Department of Defense Instruction 7640.02, "Policy for Follow-up on Contract Audit Reports," August 22, 2008.
- (c) Office of the Under Secretary of Defense for Acquisition, Technology and Logistics (USD AT&L) Memorandum, "Resolving Contract Audit Recommendations," December 4, 2009.
- (d) Federal Acquisition Regulation Part 15, "Contracting by Negotiation," current edition.
- (e) Defense Federal Acquisition Regulation Supplement Part 215, "Contracting by Negotiation," current edition.
- (f) Defense Federal Acquisition Regulation Supplement Procedures, Guidance, and Information 215.406-1, "Prenegotiation objectives," current edition.
- (g) TRICARE Acquisition Directive 01-02, "Board of Review," current edition.
- (h) TRICARE Acquisition Directive 01-05, "Legal Review," current edition.
- (i) TRICARE Acquisition Directive 15-02, "Price Negotiation Memorandum," current edition.
- (j) TRICARE Management Activity Procedures, Guidance, and Information 215.406-90, "Resolving Contract Audit Recommendations," current edition.