

## NASA Proposes to Adopt DFARS Proposal Adequacy Checklist

Written by Nick Sanders

Wednesday, 06 November 2013 00:00

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We were dumbstruck [to learn](#) that the USPS OIG thought that the DFARS Estimating System adequacy criteria were “best practices” for designing an adequate estimating system. We were croggled to learn that DOE had decided [to adopt](#) the DFARS Business System compliance regime. We continue to believe that the DFARS business system adequacy criteria might be fine for a contracting environment that is willing to pay a nearly 20 percent price premium for such niceties, but that the criteria make little or no sense outside of such an environment.

What works for DOD should not be expected to work for civilian agencies—and there is considerable room for debate as to whether the Business System compliance regime actually works well for DOD. As we recently [reported](#), the DOD Inspector General has expressed concerns with the ability of the Defense Contract Audit Agency (DCAA) auditors to conduct business system related audits in a timely fashion. Further, there is some question in our minds as to whether the adequacy criteria associated with Purchasing System adequately address taxpayer interests.

And now NASA [has proposed](#) to adopt the DFARS Proposal Adequacy checklist.

Why?

According to NASA rulemakers—

This proposed rule supports the NASA Assistant Administrator for Procurement's “Reducing Transaction Costs in NASA Procurements” initiative by incorporating the requirement for a proposal adequacy checklist into the NFS at 1815.408-70(c), and associated solicitation provision at NFS 1852.215-85, to ensure offerors take responsibility for submitting thorough, accurate, and complete proposals.

Yeah, sure it will. Forcing bidders to complete an onerous checklist is sure to reduce the overhead costs of those same contractors. Oh, wait! NASA doesn't really care about the overhead costs of its contractors. Instead, NASA cares about “streamlining” its source selections so as to reduce “lead time.” Don't believe us? Check [this out](#).

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Implementation of the DFARS Proposal Adequacy checklist will do neither.

NASA already has jumped on the DOD/DCAA bandwagon with respect to “risk-based” audits of contractors’ proposals to establish final billing rates (aka “incurred cost audits”). (See [this memo](#) .)

And now the nation’s space agency wants to keep the momentum going by taking on the DOD/DCAA Proposal Adequacy checklist.

What do these two things—DFARS Proposal Adequacy checklist and acceptance of DCAA’s new approach to not auditing contractors’ claimed costs—have in common?

You guessed it: DCAA is what they have in common.

While DCMA is moving away from use of DCAA wherever it can, NASA seems to be cuddling closer and closer. Apparently NASA is so tied into use of DCAA that it is eager to adopt any initiative that DCAA proposes, regardless of whether the evidence supports a linkage between initiative and desired results. Pretty weird for a science-based agency, huh?

If you are a NASA contractor and want to submit comments regarding the proposed adoption of the DFARS Proposal Adequacy checklist, the link to the proposed rule (above) will tell you how to do so.