



*Revised Fiscal Year 2005 Forward
Pricing Proposal*

September 2005

Reference Number: 2005-1C-122

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

September 26, 2005

MEMORANDUM FOR DAVID A. GRANT
DIRECTOR OF PROCUREMENT
INTERNAL REVENUE SERVICE

Daniel R. Devlin

FROM: Daniel R. Devlin
Assistant Inspector General for Audit (Headquarters Operations
and Exempt Organizations Programs)

SUBJECT: Revised Fiscal Year 2005 Forward Pricing Proposal
(Audit # 20051C0232)

The Defense Contract Audit Agency (DCAA) examined the contractor's April 27, 2005, revised forward pricing indirect rate proposal for Fiscal Year (FY) 2005. The purpose of the examination was to determine the reasonableness of the proposed forward pricing rates for the remainder of the contractor's FY 2005.

The DCAA stated that the contractor submitted adequate cost or pricing data. The proposal was prepared in accordance with applicable Cost Accounting Standards and provisions of different Federal Government regulations. The DCAA considered the proposal, as revised, to be acceptable as a basis for negotiating FY 2005 indirect rates to be used for forward pricing purposes for FY 2005 only. The DCAA took no exceptions to the revised overhead and General and Administrative rates.

The DCAA also stated that the contractor's accounting system is considered adequate for accumulating, reporting, and billing costs on Federal Government contracts. The estimating system is considered adequate to ensure the forward pricing rates are based on accurate, complete, and current cost or pricing data.



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The information in this report should not be used for purposes other than those intended without prior consultation with the Treasury Inspector General for Tax Administration regarding their applicability.

If you have any questions, please contact me at (202) 622-8500 or John R. Wright, Director, at (202) 927-7077.

Attachment

NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 U.S.C. § 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

