



# Improving the Acquisition Enterprise relies on government partnerships

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Graphic by Cheryl Jamieson, DCMA Public Affairs

**T**he partnership between the Defense Contract Audit Agency and the Defense Contract Management Agency has evolved over time. It allows the agencies to maintain and improve the nation's acquisition enterprise to maximize the benefits to warfighters while most efficiently apportioning resources.

Agency directors Charlie E. Williams, Jr., DCMA, and Patrick Fitzgerald, DCAA, discussed the importance of continued and increased communication between the agencies. They stated that the communication has helped synchronize work to support each other and protect the Department of Defense's interest.

DCAA performs all necessary contract audits for DOD and provides accounting

and financial advisory services regarding contracts and subcontracts to all DOD components responsible for procurement and contract administration. DCMA is the DOD component that works directly with defense suppliers to ensure that DOD, federal and allied government supplies and services are delivered on time, at projected cost and meet all performance requirements. The agencies rely on each other to meet their mission goals.

DCAA and DCMA share a close partnership which was reinforced in a May 2010 joint memorandum reiterating their commitment to fair and reasonable contract prices for warfighters, the DOD and taxpayers.

In December 2010, the two agencies presented changes to the Forward Pricing

Rate process that better aligned the two agencies and provided customers with more consistency. These more frequent communications between DCMA and DCAA have ultimately developed into quarterly, senior-level meetings.

## QUARTERLY MEETINGS LEAD TO VALUABLE INITIATIVES

Williams and Fitzgerald chair these quarterly meetings to synch their agencies' policies. The meetings build on the ongoing commitment to closer collaboration and are designed to help the professionals within the agencies share information and accomplish DOD's business more efficiently. "We share information and topics of concern and



*The Defense Contract Management Agency's headquarters on Fort Lee, Va., was the meeting place in June between DCMA representatives and Defense Contract Audit Agency representatives to discuss an incurred cost audit status. DCMA is the Department of Defense component that works directly with defense suppliers to ensure that DOD, federal and allied government supplies and services are delivered on time, at projected cost and meet all performance requirements. (Photo by Patrick Tremblay, DCMA Public Affairs)*

let each other know of initiatives that we are rolling out,” said Joan Sherwood, DCMA Cost and Pricing Division director. “We use the meetings to give the other our undivided attention.”

“The meetings are part of the ongoing partnership that has blossomed over the last few years,” Sherwood said. “Normally, we hear things about what DCAA is doing from the grassroots level. This meeting lets us clarify what is going on with each other.”

“We’ve always had a good relationship with DCMA, but our joint communication efforts are really helping make that relationship even better,” said John C. Shire, DCAA deputy assistant director of policy. These meetings are in addition to other efforts and partnerships between the two agencies. For example, on June 27, DCMA and DCAA employees met in person to discuss incurred cost audit status at DCMA headquarters on Fort Lee, Va. Meetings also occur via video teleconference.

“Even though our HQs are a little further apart now geographically, we continue to work very closely to support the warfighter and protect the taxpayer,” Shire said. “These meetings allow senior leaders in both organizations to stay on top of numerous ongoing initiatives.”

“Our organizations share critical information, provide visibility to each of our active initiatives and encourage collaboration in executing our critical missions,” Shire said. “They set a tone at the top that we hope has a positive effect throughout each organization.”

These meetings have yielded steady results. “In a recent VTC, DCMA helped us realize that we weren’t putting a high enough priority on the audit of terminated contracts,” Shire said. “As a result, we are

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creating new agreed-to dates and milestone plans for these audits. Another good example is that we’ve been able to keep DCMA apprised of how DCAA is working through the incurred cost backlog, which gives them better visibility to their upcoming workload.”

Future meetings will continue to expand on the partnership between DCAA and DCMA. Together, these agencies’ work will continue to improve significant initiatives such as cost recovery initiatives, incurred costs and refocus on terminations. “The better our level of communication, the better both organizations can complete their respective missions and increase our value to the warfighter and taxpayer,” said Shire.



*Despite being geographically distant, the Defense Contract Audit Agency and the Defense Contract Management Agency remain in close communication. DCAA headquarters, pictured here, is located on Fort Belvoir, Va. DCAA performs all necessary contract audits for DOD and provides accounting and financial advisory services. (Photo courtesy of DCAA)*





Representatives from the Defense Contract Management Agency and the Defense Contract Audit Agency discuss incurred cost audit status at DCMA headquarters on Fort Lee, Va. The two agencies use working groups like this one to share important information. (Photo by Mark Woodbury, DCMA Public Affairs)

**IMPROVING THE COST RECOVERY INITIATIVE**

In October 2010, DCAA and DCMA jointly established the CRI, which prioritized the organizations’ collective efforts to proactively recover costs and close audit issues. The continued quarterly meetings have provided the agencies a platform to make advancements in their approach to the CRI. The CRI is one of the many combined efforts between the two agencies enhanced by increased communication.

In March 2012, a memorandum, signed by Fitzgerald and Williams, was released, stating in part that “We are pleased to report that the initiative has been very successful due to outstanding efforts by our dedicated employees. ... DCMA and DCAA headquarters joint working group members will continue to monitor progress on a weekly basis and will continue to brief us throughout the year.”

“The CRI is an umbrella and covers a lot of programs,” Sherwood said. “With DCAA’s help, we are using the initiative to aggressively go after pockets of money,

such as settlement of account issues.”

“This initiative was a joint effort to focus on dispositioning Cost Accounting Standard non-compliances,” Shire said. “Largely because of our increased coordination with DCMA, over 400 of the approximately 700 outstanding non-compliances have been resolved as of the end of May 2012. As a result, we are able to return millions of dollars to the department that can be redirected to support the warfighter and benefit the taxpayer.”

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