



TRICARE
MANAGEMENT
ACTIVITY

**OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
HEALTH AFFAIRS**
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TRICARE ACQUISITION DIRECTIVE

**TAD 15-02, Rev 000
March 12, 2012**

SUBJECT: Price Negotiation Memorandum

- References:
- (a) TRICARE Acquisition Practice 15-01, "Pre/Post-Negotiation Memorandum," dated August 5, 2009 (hereby rescinded)
 - (b) Federal Acquisition Regulation, [Part 15](#), "Contracting by Negotiation," current edition
 - (c) Defense FAR Supplement, [Part 215](#), "Contracting by Negotiation," current edition
 - (d) TRICARE Acquisition Practice 01-04, "Board of Review," August 3, 2009 (hereby rescinded)

1. **PURPOSE.** This TRICARE Acquisition Directive (TAD) establishes TRICARE Management Activity (TMA) policy for the development of Price Negotiation Memorandums (PNM) pursuant to References (b) and (c), and mandates the use of Enclosure 1 (TMA PNM Guide and Template). Reference (a) is hereby rescinded.

2. **APPLICABILITY.** This Directive applies to TMA contracting personnel responsible for negotiating or documenting contract negotiations with contractors for actions awarded under the authority of the Head of the Contracting Activity.

3. **DEFINITIONS.**

3.1 **Pre-negotiation Objective.** As defined in Subsection 15.406-1(a) of Reference (b).

3.2 **PNM.** A detailed summary of the principal elements of a negotiated agreement, including technical, business, contractual, cost, and price elements, as well as the methodology and rationale used in arriving at the pre-negotiation objective and the final negotiated agreement.

3.2.1 **Pre-negotiation PNM.** The version of the PNM developed prior to negotiations with a contractor; includes pre-negotiation objectives, stated positions, and the rationale underlying those positions.

3.2.2 Post-negotiation PNM. The version of the PNM developed following negotiations with a contractor that summarizes the negotiated terms and explains any deviations from positions/objectives outlined in the pre-negotiation PNM.

4. POLICY. It is TMA policy that:

4.1 The Contracting Officer (CO) shall, in accordance with References (b) and (c), complete a PNM:

4.1.1 Prior to negotiation (Pre-negotiation PNM);

4.1.2 After completion of negotiation, but prior to award (Post-negotiation PNM);

4.2 The CO may, at their discretion, develop a combined Pre-/Post-negotiation PNM for less complicated procurements or otherwise as appropriate.

4.3 The TMA PNM Guide and Template (Enclosure 1) shall be used to develop PNMs to document contractor negotiations.

4.4 The CO shall ensure PNMs are included in the package submitted to the TMA Board of Review in accordance with Reference (d). For contract actions below the BOR threshold which require a PNM, Division Chiefs/Directors may establish review procedures for their contracting office as required.

5. RESPONSIBILITIES.

5.1 CO. The CO is responsible for the completion of both the Pre-negotiation PNM and the Post-negotiation PNM, signing the completed PNMs, and ensuring the negotiation is carried out in accordance with stated objectives.

5.2 Contract Specialist (CS). The CS will assist the CO in developing PNMs, including supporting the underlying cost/price analysis, where applicable.

6. EFFECTIVE DATE. This directive is effective immediately.



Michael P. Fischetti
Director, Acquisition Management & Support

Enclosure

E.1. TMA PNM Guide and Template