



Background

The Defense Pricing Directorate is striving to make better buying a sustained reality. As Director, Defense Pricing, my goal is to create a Department-wide pricing strategy that leverages, synthesizes, and augments the strengths of the individual components. I am pleased to serve as the Director, Defense Pricing, an organization that the Under Secretary of Defense (Acquisition and Technology Logistics) stood up in June 2011. Since inception, Defense Pricing has focused on implementing the USD(AT&L) Better Buying Power Initiatives; formulating and overseeing complex, DOD-wide pricing policies and strategies; and supporting the procurement of major defense system programs, major automated information systems and service acquisitions for the Department. However, this is just the beginning of our journey to ensure that, Department-wide, we execute contracts that best serve the military mission and protect taxpayer funds. To learn more about our current initiatives, please visit <http://www.acq.osd.mil/dpap/index.html>.

<http://www.acq.osd.mil/dpap/DP/about.html>



THE FUTURE OF DEFENSE PRICING

The U.S. Department
of Defense

Defense Pricing Directorate

Vision

Acquisition excellence through leadership with integrity.

Mission

Enable the Components to effectively deliver goods and services that meet the needs of the warfighter, while ensuring a business deal that is in the best interests of the tax payer.

Responsibilities

- Oversight and implementation of AT&L Better Buying Power Initiatives.
- Establish and oversee the Defense Contract Pricing Center of Excellence (COE), to be resident within DCMA.
- Establishment of Pricing, Financing and Profit Policies within the Department of Defense.
- Oversight of the development of all ACATID should-cost/will-cost estimates.

Pricing Initiatives

Below is a sample of current and future initiatives supported by Defense Pricing.

NEW Better Buying Power (BBP) Initiative—Processes and tools created to control cost growth, incentivize industry productivity and innovation, promote real competition, and improve services acquisition

NEW Contract Business Analysis Repository (CBAR) Tool—an online information system that provides critical DCMA cost and pricing data to assist contracting officers in proposal negotiations

NEW Performance-Based Payment (PBP) Tool and Guidebook—allows the contracting officer and industry to evaluate the financial impact of using PBPs versus Customary Progress Payments

UPDATE! Commercial Item Handbook

COMING SOON Commercial Item Pricing Cell

COMING SOON Pricing Reference Guide—useful to pricing and contracting communities

COMING SOON Integrated Cost Analysis Teams (ICAT)—eight support teams composed of business and technical proposal pricing specialists

Spotlight On ICAT

Goals:

- To Become DOD's Preferred Business Advisor
- To complement and support agency pricing capabilities

Features:

- Collocated with major defense contractors
- Increased pricing staff and technical engineers
- Intensively engaged and knowledgeable of contractor's systems pricing capabilities

Contracts Director

ICAT Director

9-11 Price/Cost Analysts

4-7 Technical Personnel

