



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

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MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY
(ACQUISITION, LOGISTICS AND TECHNOLOGY)
ASSISTANT SECRETARY OF THE NAVY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
ASSISTANT SECRETARY OF THE AIR FORCE
(ACQUISITION)
DIRECTORS OF DEFENSE AGENCIES

SUBJECT: Contractor Cost and Software Data Reporting

DoDI 5000.2, Operation of the Defense Acquisition System, prescribes mandatory Cost and Software Data Reporting (CSDR) reporting requirements for Major Defense Acquisition Program and Major Automated Information System contracts. The reporting data are essential for the DoD to estimate the cost of current and future weapon systems. These data are also very useful in performing contract price analysis, comparing prices of similar systems, and for capturing contractor provided cost estimates in standard formats to facilitate comparison across several contractors.

The Chairman of the OSD Cost Analysis Improvement Group (CAIG) approved an update to DoD 5000.04-M-1, CSDR Manual, on 18 April 2007, to provide detailed implementation policies and procedures.

The Director, Defense Cost and Resource Center (DCARC), has primary management responsibility for the CSDR system. He has identified several issues in the implementation of the CSDR requirements in MDAP and MAIS program contracts. These include failure to include the appropriate requirements in contracts, incorrectly tailoring Data Item Description requirements, and modifying contract requirements to make them inconsistent with CAIG-approved program and contract CSDR plans.

Contracting Officers can help to improve compliance with mandatory reporting requirements by working more closely with program managers and the cost analysis community throughout the contracting process to ensure that CSDR requirements are appropriately identified and incorporated in solicitations and contracts.

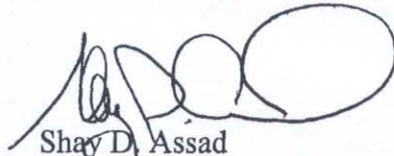


Dr. Ron Lile, the Director, DCARC, has agreed to develop a CSDR course tailored to acquisition contracting officers, which I encourage contracting officers to attend. In the meantime, I expect Contracting Officers to be knowledgeable of the following key CSDR policy provisions:

- Table E3.T3, "Contract Reporting Requirements", and paragraph E6.1.3, "CCDR System", of DoDI 5000.2 for specific CSDR requirements;
- Section C3.3, "DoD PMs", in DoD 5000.04-M-1 which identifies DoD PM responsibilities and required contracting actions; and
- DFARS 215.403-5, "Instructions for Submission of Cost or Pricing Data or information Other Than Cost or Pricing Data".

In the near future we also intend to evaluate whether any changes will be required to the FAR, DFARS, and PGI to better ensure needed CSDR data are obtained.

Please refer any questions or comments to Mr. Michael Pelkey (703-614-1253; michael.pelkey@osd.mil) of my staff or to Dr. Ron Lile (703-601-4875; ronald.lile@osd.mil) for specific information about the CSDR system.



Shay D. Assad
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