12. Overhead Negotiations

12.1 Summary

Establishing final overhead rates is important in determining the amount for which contractors will be reimbursed for overhead expenses on reimbursable contracts for a fiscal year. These rates may also be used as the basis for other pricing actions for the same time period.

When Overhead Negotiations screen 1 (Figure 12.4) opens on your monitor, you can select Open or New (Section 6). The procedures for using these options in the Overhead Negotiations function are discussed below.

Open

If you want to view or edit an existing record, select Open. (Click on Open in the drop-down list of File options or click on the Open icon.) When you select Open, the window shown in Figure 12.1 pops up on your monitor. You must enter the CAGE Code for the record you want to open. Then, to narrow down the list of records, you can specify the CAO DoDAAC and/or the Contractor Division and/or the FY Ended Date. After you enter this information, click on **OK**.

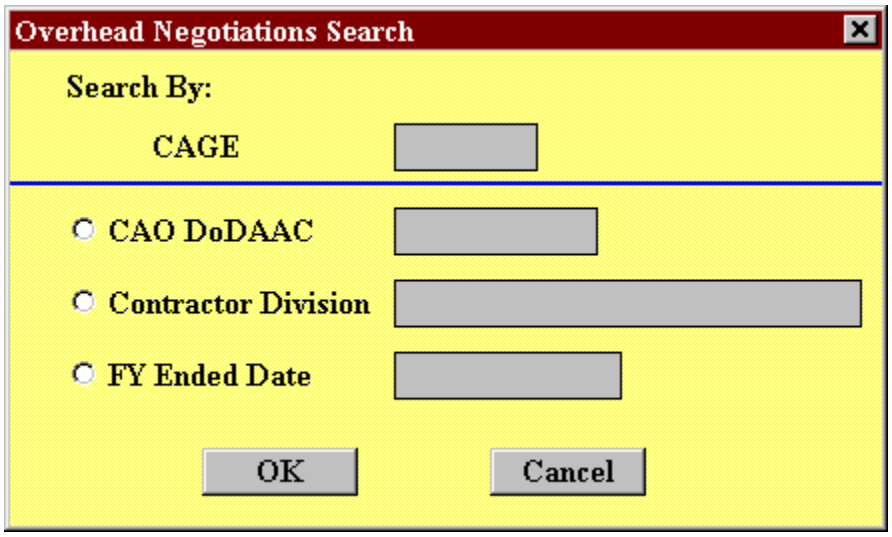

Figure 12.1 Overhead Negotiations Search Window

When you click **OK**, the application searches for the record(s) that matches your search criteria. One of two things will happen as a result of the search: matching records will be found or no matching records will be found. If any matching records are found, they are displayed in a Search Results window (Figure 12.2) which pops up on your monitor. When this window appears, find and select the record you want, and then click on **OK**.

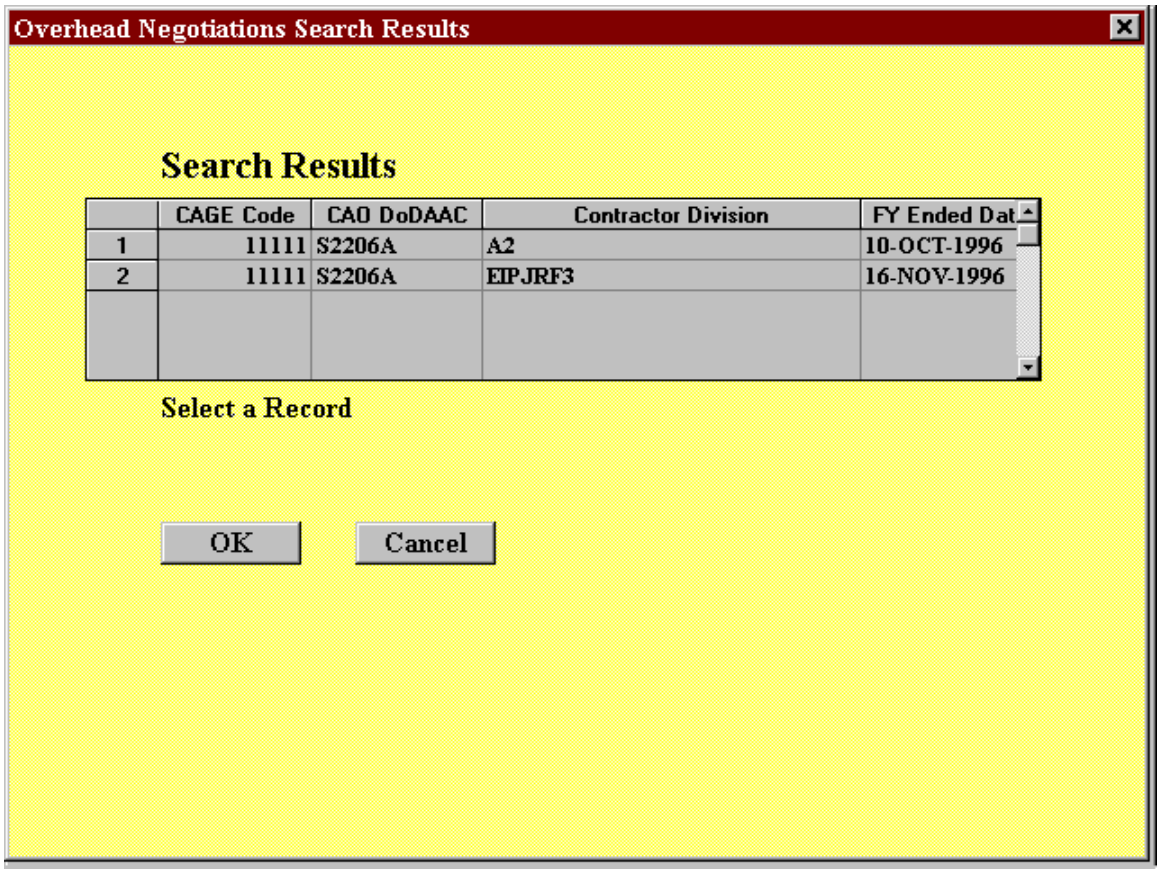

Figure 12.2 Overhead Negotiations Search Results Pop-Up Window

If it does not find any matching records, it will display a pop-up message window (Figure 12.3*)* to inform you that "No data met your search criteria." Click on **OK** to make this window disappear.

Figure 12.3 No Data...Pop-Up Message

New

If you want to enter a new record, select New. (Click on New in the drop-down list of File options or click on the New icon.) When you do this, the application places the cursor in the CAGE code data box ready for you to type in the CAGE code. Nothing else will happen until you enter this code.

12.2 Overhead Negotiations Screen 1

Screen 1 (Figure 12.4) is for identifying key personnel, dates and comments regarding Overhead negotiations.

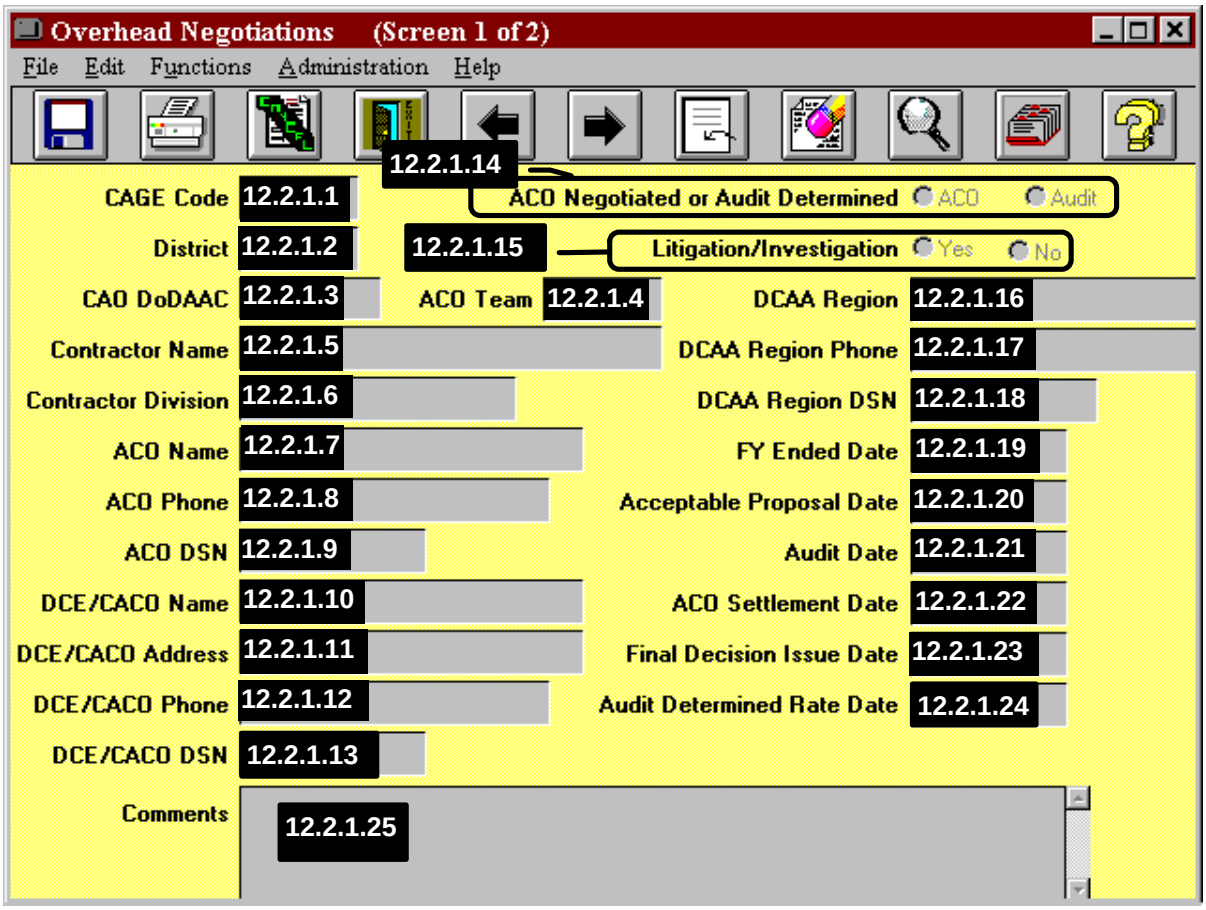

Figure 12.4 Overhead Negotiations Screen 1
Note: Numbers in data boxes indicate corresponding section numbers.

12.2.1 Fields for Overhead Negotiations Screen 1

12.2.1.1 CAGE Code

Enter the 5-character Commercial and Government Entity (CAGE) Code which identifies the contractor/location. This is a required data element. If you have no CAGE number, enter information according to the following guidelines.

- For a Corporate Office, enter 0 plus the first four letters of the corporate name.
- For an Intermediate Group Office, enter 1 plus the first four letters of the corporate name.
- For a Service Center, enter 2 plus the first four letters of the corporate name.

- For a Defense Corporate Executive (DCE), enter 9 plus the first four letters of the corporation name.

If you enter a CAGE Code that does not exist, a pop-up window will give you the option of adding (inserting) the new Code. Click on **Yes** if you want to add the Code you typed. If you click **Yes**, the CAGE Code data box becomes a protected data box. (Click **No** to make this pop-up window disappear without adding the record.)

12.2.1.2 District

This protected data box is automatically populated based on the Username entered during the Log-in procedure.

12.2.1.3 CAO DoDAAC

This protected data box is automatically populated based on the Username entered during the Log-in procedure.

12.2.1.4 ACO Team

This data box is automatically populated with the Team code based on the Username entered during the Log-in procedure. *Note: You may change this code if it is not correct.*

12.2.1.5 Contractor Name

This protected data box is automatically populated based on the CAGE Code (12.2.1.1).

12.2.1.6 Contractor Division

Enter the identifier for the contractor division (2—20 alphanumeric characters) for the negotiation. This is a required data element.

12.2.1.7 ACO Name

Enter the name (up to 28 alphanumeric characters) of the cognizant Administrative Contracting Officer (ACO). This is a required data element if you selected ACO Negotiated (12.2.1.14).

12.2.1.8 ACO Phone

Enter the telephone number (10-26 digits) of the cognizant Administrative Contracting Officer (ACO). If you enter ten (10) digits, the number is automatically formatted as xxx-xxx-xxxx. If you enter 11-26 digits, the number appears exactly as you type it. This is a required data element if you selected ACO Negotiated (12.2.1.14).

12.2.1.9 ACO DSN

Enter the Defense Switched Network (DSN) number (7 or 10-15 digits) of the cognizant Administrative Contracting Officer (ACO). If you enter seven (7) digits, the number is automatically formatted as xxx-xxxx. If you enter ten (10) digits, the number is automatically formatted as xxx-xxx-xxxx. If you enter 11-15 digits, the number appears exactly as you type it.

12.2.1.10 DCE/CACO Name

Enter the name (up to 28 alphanumeric characters) of the assigned Defense Corporate Executive/Corporate Administrative Contracting Officer (DCE/CACO).

12.2.1.11 DCE/CACO Address

Enter the address (up to 28 alphanumeric characters) of the assigned Defense Corporate Executive/Corporate Administrative Contracting Officer (DCE/CACO).

12.2.1.12 DCE/CACO Phone

Enter the telephone number (10-26 digits) of the assigned Defense Corporate Executive/Corporate Administrative Contracting Officer (DCE/CACO). If you enter ten (10) digits, the number is automatically formatted as xxx-xxx-xxxx. If you enter 11-26 digits, the number appears exactly as you type it.

12.2.1.13 DCE/CACO DSN

Enter the Defense Switched Network (DSN) number (7 or 10-15 digits) of the assigned Defense Corporate Executive/Corporate Administrative Contracting Officer (DCE/CACO). If you enter seven (7) digits, the number is automatically formatted as xxx-xxxx. If you enter (10) ten digits, the number is automatically formatted as xxx-xxx-xxxx. If you enter 11-15 digits, the number appears exactly as you type it.

12.2.1.14 ACO Negotiated or Audit Determined

Select the circle in front of ACO Negotiated if the action is negotiated by the Administrative Contracting Officer (ACO). Select the circle in front of Audit Determined if the action is negotiated by the Defense Contract Audit Agency (DCAA). This is a required data element.

12.2.1.15 Litigation/Investigation

Indicate whether or not a negotiation or ACO Final Determination is under litigation or investigation by selecting the circle in front of Yes or the circle in front of No. This data item defaults to “No.” *Note: If you select Yes, you cannot enter an ACO Settlement Date or Audit Determined Rate Date.*

12.2.1.16 DCAA Region

Enter the name (up to 28 alphanumeric characters) of the Defense Contract Audit Agency regional office. This is a required data element if you selected the circle in front of Audit Determined (12.2.1.14).

12.2.1.17 DCAA Region Phone

Enter the telephone number (10-26 digits) of the Defense Contract Audit Agency (DCAA) regional office. If you enter ten (10) digits, the number is automatically formatted as xxx-xxx-xxxx. If you enter 11-26 digits, the number appears exactly as you type it. This is a required data element if you selected the circle in front of Audit Determined (12.2.1.14).

12.2.1.18 DCAA Region DSN

Enter the Defense Switched Network (DSN) number (7 or 10-15 digits) of the Defense Contract Audit Agency (DCAA) regional office. If you enter seven (7) digits, the number is automatically formatted as xxx-xxxx. If you enter ten (10) digits, the number is automatically formatted as xxx-xxx-xxxx. If you enter 11-15 digits, the number appears exactly as you type it.

12.2.1.19 FY Ended Date

Enter the date (in MMDDYY format) on which the contractor's fiscal year ends. This is a required data element.

12.2.1.20 Acceptable Proposal Date

Enter the date (in MMDDYY format) on which an acceptable proposal was submitted and accepted. The Acceptable Proposal Date must be the same as or later than the FY Ended Date (Acceptable Proposal Date ≥ FY Ended Date). This is a required data element.

12.2.1.21 Audit Date

Enter the date (in MMDDYY format) on which the Defense Contract Audit Agency (DCAA) audit report is issued. The Audit Date must be the same as or later than the Acceptable Proposal Date (12.2.1.20). (Audit Date ≥ Acceptable Proposal Date).

12.2.1.22 ACO Settlement Date

Enter the date (in MMDDYY format) on which the Administrative Contracting Officer (ACO) agreement took place. You cannot enter a date if you selected Yes in the Litigation/Investigation field (12.2.1.15) or Audit Determined (12.2.1.14). You must enter data in all data boxes on screen 2 before entering this date. (You can enter zero (0)). The ACO Settlement Date must be the same as or later than the Audit Date (ACO Settlement Date ≥ Audit Date). *Note: This settlement constitutes the agreement between the contractor and the Government.*

12.2.1.23 Final Decision Issue Date

Enter the date (MMDDYY) on which the final ACO decision is issued. You cannot enter a date if you selected Audit Determined (12.2.1.13). You must enter data in all data boxes on screen 2 before entering this date. (You can enter zero (0)). The Final Decision Issue Date must be the same as or later than the Audit Date (Final Decision Issue Date ≥ Audit Date).

12.2.1.24 Audit Determined Rate Date

Enter the date (MMDDYY) on which the final rate/written agreement is issued. You cannot enter a date if you selected ACO Negotiated (12.2.1.13) or Yes in the Litigation/Investigation field (12.2.1.15). You must enter data in all data boxes on screen 2 before entering this date. (You can enter zero (0)).

12.2.1.25 Comments

Enter any other pertinent information (up to 250 alphanumeric characters). *Note: The system will not automatically alert you when you exceed 250 characters. If you exceed 250 characters, a pop-up message will inform you that you can only have 250 characters to save the record successfully. Delete excess verbiage.*

12.3 Overhead Negotiations Screen 2

This screen (Figure 12.5) is for entering dollar amounts associated with the Overhead Negotiations. You access this screen by selecting Next Page from the list of Edit options.

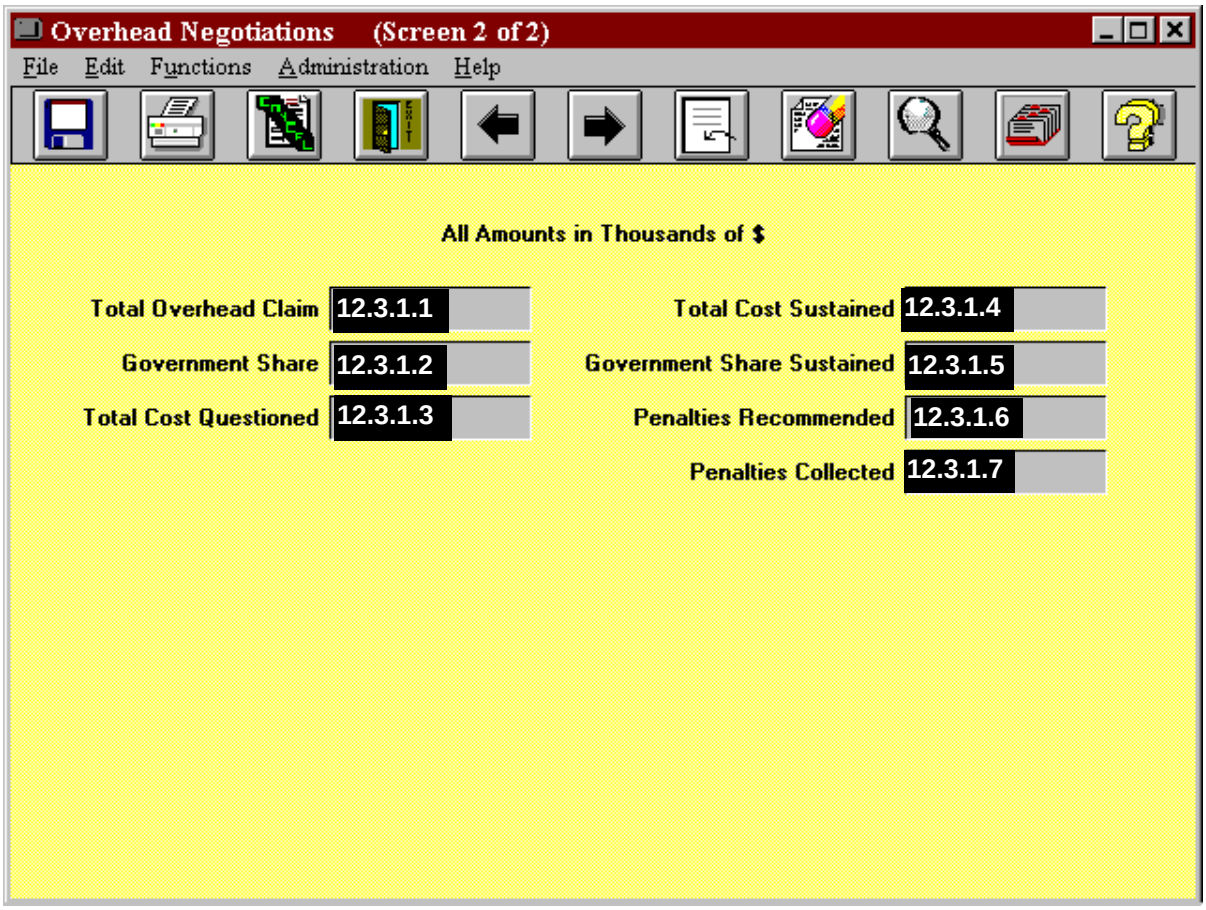

Figure 12.5 Overhead Negotiations Screen 2
Note: Numbers in data boxes indicate corresponding section numbers.

12.3.1 Fields for Overhead Negotiations Screen 2

You can enter ***negative*** numbers in the data boxes on this Overhead Negotiations screen 2. However, if you do enter any negative numbers, you must justify the number in the Comments box (12.2.1.25) on screen 1. *Note: You must enter information (0 is acceptable) in all data boxes on this screen before you can enter the ACO Settlement Date (12.2.1.22), the Final Decision Issue Date (12.2.1.23) or the Audit Determined Rate Date (12.2.1.24).*

12.3.1.1 Total Overhead Claim

Enter the amount (up to 12 digits, no cents) of the contractor's total overhead claim.

12.3.1.2 Government Share

Enter the allocable amount (up to 12 digits, no cents) of the contractor's Total Overhead Claim (12.3.1.1). This amount must be the same as or less than the Total Overhead Claim. (Government Share ≤ Total Overhead Claim)

12.3.1.3 Total Cost Questioned

Enter the total amount (up to 12 digits, no cents) of cost questioned by the Defense Contract Audit Agency (DCAA) audit.

12.3.1.4 Total Cost Sustained

Enter the amount (up to 12 digits, no cents) of the cost questioned sustained by the Administrative Contracting Officer (ACO).

12.3.1.5 Government Share Sustained

Enter the amount (up to 12 digits, no cents) of the cost questioned sustained that is allocable to Government flexibly-priced contracts.

12.3.1.6 Penalties Recommended

Enter the total amount (up to 12 places, no cents) of the penalties recommended by the Defense Contract Audit Agency (DCAA). *Note: This amount should be the amount allocable to covered contracts; it should not be the gross cost questioned subject to penalty.*

12.3.1.7 Penalties Collected

Enter the total amount (up to 12 places, no cents) of the penalties collected. This is a required element if you enter a value for Penalties Recommended (12.3.1.6). *Notes: This field should be left blank until penalties are actually collected or the ACO determines that no penalties are due at which time the Administrative Contracting Officer (ACO) should enter 0. When penalties are actually collected or the ACO determines that no penalties are due, the ACO can enter an adjusted amount. Use the Comment box (12.2.1.25) on screen 1 to describe the ongoing activities.*