



DEFENSE SECURITY COOPERATION AGENCY  
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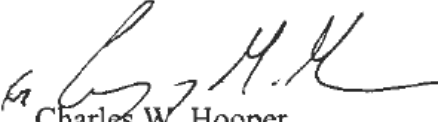
MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR  
INTERNATIONAL AFFAIRS  
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR  
DEFENSE EXPORTS AND COOPERATION  
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR  
INTERNATIONAL PROGRAMS  
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY  
DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE FINANCE  
AND ACCOUNTING SERVICE – INDIANAPOLIS OPERATIONS  
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY  
DIRECTOR, DEFENSE LOGISTICS AGENCY  
DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE  
DIRECTOR, DEFENSE LOGISTICS AGENCY DISPOSITION  
SERVICES  
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY  
DIRECTOR, MISSILE DEFENSE AGENCY  
DIRECTOR, NATIONAL GEOSPATIAL – INTELLIGENCE  
AGENCY  
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,  
NATIONAL SECURITY AGENCY  
DIRECTOR, DEFENSE TECHNOLOGY SECURITY  
ADMINISTRATION

SUBJECT: Prior Coordination of Price & Availability (P&A) Responses with Contractors,  
DSCA Policy 18-47 [SAMM E-Change 398]

Pursuant to Section 1297(b) of the National Defense Authorization Act for Fiscal Year 2017, the attachment updates Chapter 5 of the Security Assistance Management Manual (SAMM) to establish a process by which contractors provide input, feedback, and adjudication of price and availability (P&A) data prior to it being delivered to a potential foreign customer.

Contractor input, feedback, and adjudication is now required in all instances where the anticipated total value for the defense article or service requested exceeds \$50M *and* the prospective purchaser has indicated a preference for a non-competitive sole source acquisition or only a single source exists. For all P&A requests meeting these requirements, Implementing Agencies must formally request from the potential prime contractor a non-certified ROM estimate for the desired defense article or service. Additionally, Implementing Agencies must allow the potential prime contractor five business days to provide feedback on the cost estimate for the contractor's defense article or service included in the USG formal P&A prior to it being delivered to the foreign purchaser.

This policy is effective immediately. For questions relating to this policy or to the Security Assistance Management Manual (SAMM), please contact Mr. Mike Slack, Strategic Planning and Integration Division, at (703) 697-9058 or e-mail: [micheal.d.slack.civ@mail.mil](mailto:micheal.d.slack.civ@mail.mil). Implementing Agencies should disseminate this policy to supporting activities.



Charles W. Hooper  
Lieutenant General, USA  
Director

Attachment:  
As stated

cc:

AFRICOM  
CENTCOM  
EUCOM  
NORTHCOM  
SOUTHCOM  
PACOM  
TRANSCOM  
SOCOM  
STATE/PM-RSAT  
USASAC  
SATFA  
USACE  
NAVSUP  
WSS  
NETSAFA  
TRADOC  
AFSAC  
AFSAT  
DISAM  
MARCOR IP  
SCETC  
USCG International Affairs (G-CI)

## Update of Security Assistance Management Manual (SAMM) Chapter 5 Regarding Prior Coordination of P&A Responses with Contractors, SAMM E-Change 398

### 1) Replace the current C5.3.1. with the following revised version:

**C5.3.1. Definition.** P&A data are rough order of magnitude (ROM) estimates of cost and availability of defense articles or services. These estimates are sufficiently accurate for rough-order planning purposes, but should not be used for budget purposes and are not commitments to sell. P&A data are not valid for use in preparing an LOA. The term P&A data is not used to reference data being developed for an LOA. Instead, data compiled for an LOA are referred to as LOA Data (LOAD). When responding to requests for P&A data, the IA ensures that:

1. The DoD Component can recommend release of the articles and/or services.
2. The USG could likely provide an LOA if the purchaser requests it (i.e., further clearances such as Congressional Notification or disclosure approval are obtainable).
3. If the anticipated total value of the primary defense article or service requested exceeds \$50M and the prospective purchaser has indicated preference for a non-competitive sole source, or there is a only a single source for the primary defense article or service requested; then the IA formally requests from the potential prime contractor uncertified ROM pricing for the requested defense articles and services and, prior to delivering formal P&A to a potential foreign purchaser, the IA allows the potential prime contractor 5 business days to provide feedback on the appropriateness of the cost estimate in the USG P&A for the contractor's defense articles and services. See C5.3.6.
4. The purchaser knows to submit a LOR to request a LOA if it wants to pursue the purchase.

### 2) Add a new paragraph C5.3.6 below and renumber the following paragraphs accordingly.

**C5.3.6. Coordination with Contractors.** In all instances of P&A data preparation where the anticipated total value of the primary defense article or service requested exceeds \$50M and the prospective purchaser has indicated preference for a non-competitive sole source, or there is a only a single source for the primary defense article or service requested, Implementing Agencies (IA) will formally request from the potential prime contractor non-certified ROM pricing data for the requested defense article or service. Prior to delivering formal USG P&A to a potential foreign customer, IAs will allow the potential prime contractor that provided this pricing data 5 business days to provide feedback on the appropriateness of the cost estimate of its end items or services included in the formal USG P&A. The program office should make all reasonable efforts to address recommendations offered by the potential prime contractor and to resolve issues or concerns. The IA policy office shall adjudicate any issues that cannot be resolved at the program office-level, and the Director, DSCA shall adjudicate issues that cannot be resolved at the IA policy office-level.

An issue referred for DSCA resolution must include a summary of the contractor's input and the unresolved concerns, as well as, all pertinent correspondence and references. It is essential that all parties remain conscious of international competition and program deadlines in following this process.