



**DEFENSE LOGISTICS AGENCY**  
DEFENSE ENERGY SUPPORT CENTER  
8725 JOHN J. KINGMAN ROAD, SUITE 4950  
FORT BELVOIR, VIRGINIA 22060-8222

IN REPLY  
REFER TO DESC-CPB

FEB 28 2003

CONTRACTING INSTRUCTION (CI): 03-03  
MEMORANDUM FOR CI Distribution

SUBJECT: Preaward Survey Procedures (Financial)

This revised guidance supersedes Contracting Instruction 01-4 in its entirety.

This instruction has been reissued to provide updated procedures for requesting preaward financial capability audits to support prospective contractor responsibility determinations. The Defense Contract Audit Agency (DCAA) is now the servicing agency for providing DESC financial capability audits.

The following procedures are intended to provide personnel within each of the Commodity Business Units additional directions for requesting preaward surveys.

This CI is effective immediately and expires upon inclusion in the DEPI. Persistent problems with the system or process should be elevated to DESC-CPB. Point of contact is Mark Wirth at (703) 767-7310 or DSN 427-7310.

*Gabriella M. Earhardt*  
GABRIELLA M. EARHARDT  
Center Senior Procurement Official

Attachment  
DEPI coverage



## **APPENDIX F**

### **PREAWARD SURVEY PROCEDURES**

#### **CHARTER**

The Defense Contract Audit Agency (DCAA) is responsible for performing all contract audits for the Department of Defense, and providing accounting and financial advisory services regarding contracts and subcontracts to all DoD Components responsible for procurement and contract administration. This includes the conduct of preaward financial capability audits to assist the Contracting Officer in making a determination of responsibility. The audit will assist in determining if a prospective contractor has adequate financial resources to perform on Government contracts.

#### **GENERAL GUIDANCE**

The preaward financial capability audit request will be prepared in memorandum format (in lieu of an SF-1403) and submitted to DCAA for action as described below. A sample memorandum is attached. The format and content of the memorandum has been approved for use by DCAA. Minimum alterations can be made, particularly to Paragraph 1 of the memo to elaborate on a specific contractor. The Contracting Officer may request a tailored audit if financial information is already available requiring that only specific areas of financial capability be addressed. The Contracting Officer should also advise DCAA if they have specific concerns or suspected financial issues with a prospective contractor. This information will assist DCAA in performing a more relevant audit. Paragraph 3 of the memo should include a short narrative supporting the urgency of need if the audit suspense date is less than 30-days.

#### **PROCESS**

To request a preaward financial capability audit open the DCAA Home Page at [www.dcaa.mil](http://www.dcaa.mil) click on the Web Site Index then click on Audit Office Locator. This screen will prompt you to enter the zip code for the prospective contractor requiring audit. Once the zip code is entered the system will display the cognizant Field Audit Office (FAO) responsible for that area or that specific contractor. An e-mail address is provided for sending the preaward request memorandum directly to the FAO electronically. Also provided is a phone number for the office and a fax number. The audit request may also be forwarded by fax though this is not the preferred method. When the audit is completed the written report will be forwarded to the DESC requestor electronically.

MEMORANDUM FOR THE DEFENSE CONTRACT AUDIT AGENCY, (*INSERT OFFICE NAME AND ADDRESS, ALL CAPS*)

Attn: (fill in if you have a specific contact)

E-mail address: DCAA-FAO (4 digit number\*)@dcaa.mil

*\*The DCAA e-mail address can be found by visiting the DCAA website ([www.dcaa.mil](http://www.dcaa.mil)). Click on "Audit Office Locator." Enter the zip code of the company for which you need an audit. This will identify the DCAA office, address, telephone number and e-mail address.*

SUBJECT: Request for Financial Capability Audit

1. We request you perform a Financial Capability audit for the contractor listed below. The purpose of the audit is to determine if the contractor has adequate financial resources to perform on government contracts. If your audit discloses the company is not considered financially capable to perform, please comment on whether a guarantee from the parent organization, if applicable, would improve the financial picture for performing on government contracts.

2. Relevant procurement data:

Contractor Point of Contact: (*Insert Contractor Point of Contact*)  
and E-Mail/Phone No.: (*Insert E-mail and/or Phone Number*)

3. We have requested a suspense date of (*insert date - allow at least 30 days if possible*) for receipt of the written report. Should you encounter any delays in scheduling the review or during the course of the fieldwork, you should notify this office at once.

4. Please acknowledge receipt of this request within 5 working days by electronic mail or datafax to the requester and point of contact noted below.

Case/Identifier Number: (*Insert any Case or Local Identifier number for this request*)  
Point of Contact: (*Insert Point of Contact Name*)  
Telephone No.: (*Insert Point of Contact Telephone Number*)  
E-mail Address: (*Insert Point of Contact E-mail Address*)  
Datafax No.: (*Insert Point of Contact Fax Number*)  
Mailing Address: (*Insert Mailing Address*)

5. Any additional information needed relative to this request should be directed to the point of contact or requester. Your audit report should be transmitted electronically to this office to the point of contact identified above.

(*Insert Name*)  
(*Insert Title*)