

**Council of Defense and Space Industry Associations**  
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**CODSIA Case 2019-007**

November 25, 2019

Defense Acquisition Regulations System  
ATTN: Amy Williams  
OUSD(A&S) DARS/DPC  
3060 Defense Pentagon, Room 3B941  
Washington, DC 20301-3060

**Subject:** Council of Defense and Space Industry Associations (CODSIA) Comments on Defense Federal Acquisition Regulation Supplement (DFARS) Case 2019-D027; Proposed Rule on "Market Research and Value Analysis for the Determination of Price Reasonableness"

Dear Ms. Williams:

On behalf of the undersigned member associations of the Council of Defense and Space Industry Associations (CODSIA),<sup>1</sup> we are pleased to offer the following comments on the subject proposed DFARS rule, published in the Federal Register on September 26, 2019.<sup>2</sup>

**Comments and Recommendations**

1. In the proposed definition of "value analysis" at DFARS 234.7001, "cost" should be replaced with "price". This is consistent with the Contract Pricing Reference Guide which states: "A **value analysis estimate** results from a specialized analysis of the function of a product and its related price."<sup>3</sup>

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<sup>1</sup> CODSIA was formed in 1964 by industry associations with common interests in federal procurement policy issues at the suggestion of the Department of Defense. CODSIA consists of seven associations – Aerospace Industries Association (AIA), American Council of Engineering Companies (ACEC), Associated General Contractors (AGC), Information Technology Industry Council (ITI), National Defense Industrial Association (NDIA), Professional Services Council (PSC), and U.S. Chamber of Commerce. CODSIA's member associations represent thousands of government contractors nationwide. The Council acts as an institutional focal point for coordination of its members' positions regarding policies, regulations, directives, and procedures that affect them. A decision by any member association to abstain from participation in a particular case is not necessarily an indication of dissent.

<sup>2</sup> 84 Fed. Reg. 50812, September 26, 2019, available at <https://www.govinfo.gov/content/pkg/FR-2019-09-26/pdf/2019-20558.pdf>.

<sup>3</sup> See Contract Pricing Reference Guides; Volume 1, "Price Analysis," available at: <https://www.dau.edu/tools/p/cprg>

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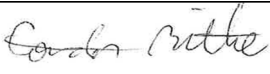
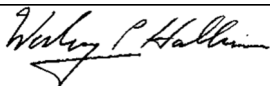

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2. The word “legitimate” should be removed from the proposed DFARS 234.7002(d)(5). “Legitimate” is a subjective term that cannot be measured. The policy should leave the determination of value to the discretion of the Contracting Officer.

Otherwise, we support the rule.

Thank you for your consideration of our comments. CODSIA’s POC for this case is Ryan Ouimette of AIA who may be contacted at (703) 358-1086 or [ryan.ouimette@aia-aerospace.org](mailto:ryan.ouimette@aia-aerospace.org) if you have any questions.

Sincerely,

	
John Luddy Vice President National Security Aerospace Industries Association	Gordon Bitko Senior Vice President of Policy, Public Sector Information Technology Industry Council (ITI)
	
Wesley P. Hallman Senior Vice President for Policy National Defense Industrial Association	Alan Chvotkin Executive Vice President and Counsel Professional Services Council