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15.407-5 Estimating systems.

(a) Using an acceptable estimating system for proposal preparation benefits both the Government and the contractor by increasing the accuracy and reliability of individual proposals. Cognizant audit activities, when it is appropriate to do so, *shall* establish and manage regular programs for reviewing selected contractors' estimating systems or methods, in order to reduce the scope of reviews to be performed on individual proposals, expedite the negotiation process, and increase the reliability of proposals. The results of estimating system reviews *shall* be documented in survey reports.

(b) The auditor *shall* send a copy of the estimating system survey report and a copy of the official notice of corrective action required to each *contracting office* and *contract administration office* having substantial business with that contractor. Significant *deficiencies* not corrected by the contractor *shall* be a consideration in subsequent proposal analyses and negotiations.

Parent topic: 15.407 Special cost or pricing areas.