

# 15.406-1 Prenegotiation objectives.

(b)(1) For acquisitions above the SAT, except for those noted within (b)(2) of this section, the contracting officer shall document the basis for the prenegotiation objectives using the appropriate Price Negotiation Memorandum (PNM) format (see 15.406-3(a)(S-90)-(S-91).

(2) For acquisitions above the SAT up to \$10 million that do not use cost analysis, and for acquisitions conducted using FAR 13.5 procedures, the contracting officer shall document the basis for the prenegotiation objectives but is not required to use the Price Negotiation Memorandum (PNM) format prescribed at 15.406-3(a)(S-90)-(S-91). The contracting officer may use another format (e.g., memorandum, briefing charts, or spreadsheets) to document the objectives.

(b)(ii) Adjudication Procedures. When the HCA cannot reach resolution with DCAA, the contracting officer provides the DLA Acquisition Contract and Pricing Compliance Division Chief documentation of the unresolved audit to inform the DLA Acquisition Director. The DLA Acquisition Director may discuss resolution with the DCAA Director before DCAA refers to the Director, Defense Procurement and Acquisition Policy.

**Parent topic:** [15.406 Documentation.](#)