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### AF PGI 5315.404-3-90 Subcontract Pricing Considerations

(a) When a contractor refuses to provide adequate supplier proposals and/or the results of their subcontract reviews/evaluations in accordance with FAR 15.404-3(b), or when the contracting officer determines the supplier proposals and/or prime evaluations are so deficient as to preclude an adequate analysis and evaluation of the contractor’s proposal, the contracting officer should attempt to secure the subcontract proposals and review/evaluations and/or elicit corrective action. If the contractor persists in refusing to provide subcontract reviews and evaluations, the contracting officer should withhold the award and elevate the matter to management for resolution.

(b) If subcontract reviews and evaluations are not provided by the prime contractor, or are inadequate, the contracting officer may assign below-normal values for management/cost control under the performance risk factor when using the weighted guidelines method (see DFARS 215.404-71-2(e)(3)(i)(E)) to establish a profit objective. Contracting officers should consider taking action described in DFARS 215.407-5 when a contractor consistently fails to provide adequate subcontract reviews and evaluations. If a subcontract represents a significant cost risk to the Government, the contracting officer should consider:

(1) Conducting a joint Government/contractor team analysis of the subcontract proposal, and/or

(2) Directing the contractor to definitize the subcontract prior to completion of prime contract negotiations once the Government has determined the prime contractor’s settlement position is fair and reasonable.