

2.6 Truth In Negotiations Act (TINA)

Lesson Goals

- To introduce students to cost principles those small businesses and individuals need to be aware of.

Start Video

- Please watch the video now – Lesson 2.6 TINA
- Use the following pages to take notes.



Truth in Negotiations Act (TINA)

•Purpose

–To put the Government on an equal footing with contractors by requiring contractors to provide the Government with an extremely broad range of cost or pricing information relevant to the expected costs of contract performance.

- Requires

- Contractors and subcontractors to submit cost or pricing data to Government and to certify that, to the best of their knowledge and belief, the data are current, _____, and complete.

- _____ or omissions in the cost or pricing data even if unintentional can lead to reductions in the contract price or to a fraud investigation.

Applicability

- Applies to negotiated contract expected to exceed \$_____

- _____ of procuring activity may require in writing, cost or pricing data from a contractor when a price of the contractor is less than the established threshold in writing if data must be evaluated to determine the reasonableness of contract price.

Cost or Pricing Data Defined

- TINA defines the term “cost or pricing data” as follows:

–“All facts that, as of the date of agreement on the price of a contract (or the price of a contract modification), a prudent buyer or seller would reasonable expect to affect price negotiations significantly. Such term does not include information that is judgmental, but does include the factual information from which a judgment is derived.”

Audits

- Government Audit Rights
 - Defense Contract Audit Agency (DCAA)
- Principal contract audit entity in the Federal Government
- Performs all _____audit functions for DoD.
- Services are used by most civilian agencies to perform their contract audits.

- Price Proposal Audits

- Contract Settlement Audits

Other Miscellaneous Information

- Government Accountability Office (GAO)

 - Formally General Accounting Office

 - Mission – Role is to oversee the adequacy and effectiveness of agency procurement procedures, not to duplicate the work of contract audit agencies.

 - <http://www.gao.gov/>

- Inspectors General

 - Authorized to conduct _____ and investigations relating to programs and operations of their agencies to prevent fraud and abuse.



Mini-Lab

Visit the Government Accountability Office Website
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Click on the top 10 Notable Reports. Scan the
reports that you are interested in. To review the
report, click on the GAO number at the end of the
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Report Title: _____

Notes:

References

- FAR
- DFARS
- USC Code
- CFR
- *Government Contract Guidebook*, Donald P. Arnavas, Thompson-West, 2001.