15.406-1 Prenegotiation objectives.

(a) The prenegotiation objectives establish the Government’s initial negotiation position. They assist in the *contracting officer*’s determination of fair and reasonable *price*. They *should* be based on the results of the *contracting officer*’s analysis of the *offeror*’s proposal, taking into consideration all pertinent information including field *pricing* assistance, audit reports and technical analysis, fact-finding results, independent Government cost estimates and *price* histories.

(b) The *contracting officer shall* establish prenegotiation objectives before the negotiation of any *pricing* action. The scope and depth of the analysis supporting the objectives *should* be directly related to the dollar value, importance, and complexity of the *pricing* action. When cost analysis is required, the *contracting officer shall* document the pertinent issues to be negotiated, the cost objectives, and a profit or fee objective.

Parent topic: 15.406 Documentation.