

IDS Terms and Conditions Guide
Section A

Clause Number: A504V
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ADEQUACY OF ACCOUNTING SYSTEM

Seller is required to include a statement, readily visible in its proposal, addressing its ability to support the cost reporting requirement of the proposed contract type. Suggested wording for submission of proposals is as follows:

“Seller’s submission of proposal certifies that seller’s accounting system has been determined by the seller’s cognizant **Administrative Contracting Officer** (ACO) to be adequate for:

1. Timely development of all necessary cost data applicable to the proposed contract in the form required by the contract type proposed;
2. Price redetermination;
3. Providing data for negotiation of targets or ceilings, a realistic profit adjustment formula, and later negotiating of final price.”