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.”