Reflection

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The Truth in Negotiation Act (TINA) was passed on December 2, 1962, as a Public Law 87-653. Before TINA the bids that were submitted to the government by contractors were not bound to any substantial requirement to disclose any relevant information that they have made the basis for their pricing and costs to the government. The government felt a need to solve this issue because they found that if contractors will not open up the information of the base of their prices, clarification related to pricing cannot be done.

In 1959, Government Accountability Office (GAO) carried out an audit and the report showed that some defense contractors had prices that were high and resulted in unjustified profits (Barren, 1967). This audit report further highlighted that the government negotiators should be aware of details of the cost that is comprised of the prices proposed to be charged to the government. Actions that were initiated to bring the government and industry on equal footing. The different actions resulted in the enactment of TINA.

The government uses contractors' cost data to determine if the prices proposed are fair and reasonable. Moreover the contracting officer requests for Certificate of Current Cost or Pricing Data” (CCCPD). from the contractor to check the contractor's compliance with the law.

References

Barron, P. A. (1967). Introduction to This Issue on Public Law 87-653: Truth in Negotiations. *Pub. Cont. LJ*, *1*, 1.