

FAR Overview: Parts 31-53

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Part 31 - Contract Cost Principles & Procedures

Applicability of Part 31 (31.1)

Contracts with commercial organizations (31.2)

- Allocable/Reasonable/Allowable
 - Direct vs. indirect costs
 - Reasonableness
 - Allowability



Allowability:

Specific categories of costs

- Alcohol
- Contingencies
- Compensation
- Entertainment
- Fines & penalties
- Lobbying
- Marketing
- Professional costs

Part 32 – Contract Financing

Non-commercial item financing (32.1)

Commercial item financing (32.2)

Advance payments for non-commercial items (32.4)

Progress payments based on costs (32.5)

- Customary (80%/85%)
- Unusual (higher percentage than customary)
- Loss adjustments are possible
- Risk of loss/conditional

Part 32 – Contract Financing con't

Collecting debts from contractors (32.6)

Contract funding (Anti-Deficiency & LOC/LOF) (32.7)

Assignment of claims (32.8)

Prompt Payment Act (32.9)

- Invoice vs. financing payments
- When is a payment “late”
- Interest accrues automatically

Performance-Based Payments (32.10)

Part 33 – Protests, Disputes and Appeals

Protests (33.1)

- Agency protests
- GAO protests <http://www.gao.gov/legal/bidprotest.html>
- Protests to the courts (rarely used)

Disputes and Appeals (33.2)

- The Contract Disputes Act (CDA) of 1978
- Submission of a “claim”
- Contracting Officer’s “Final Decision”

FAR Subchapter F

Part 36 – Construction and Architect-Engineer Contracts

- Unique aspects of construction contracting
- Design-Build contracting procedures

Part 37 – Service Contracting

- Personal vs. Non-personal services
- Advisory and Assistance Services (37.2)
- Performance Based Contracting (PWS/SOO) (37.6)

Part 38 - Federal Supply Schedule Contracting

FAR Subchapter F con't

Part 39 - Acquisition of Information Technology

- Modular contracting preferred
- Section 508 compliance required to ensure access by persons with disabilities (see <http://www.section508.gov>)

Part 41 – Acquisition of Utility Services

- GSA issues utility services acquisition policy
- GSA has area-wide contracts for use by Federal agencies that provide a pre-established contractual vehicle for ordering utility services
- GSA has delegated authority to DoD and DOE

Part 42 – Contract Admin and Audit Services

Audit Services (42.1)

- Use of interagency agreements encouraged
- DCAA often used by non-DoD agencies

Contract Administration Services (42.2)

- Delegation
- DCMA, etc.
- PCO/ACO/TCO

Part 42 – Contract Admin and Audit Services con't

Contract Administration Functions (42.3), e.g.:

- Business systems
- Proposals
- FPRA
- Allowability
- Final rates
- CAS, etc.

The Corporate Administrative Contracting Officer (42.6)

Novation (42.12)

- Novation agreement when contractor wants Government to recognize a successor in interest
- Issue arises when contractor transfers substantially all of its assets to another.

Part 42 – Contract Admin and Audit Services con't

Stop-Work Orders (42.13)

- Ninety day max

Contract Performance Information (42.15)

- What is evaluated? (42.1501)
- Provides data for past performance evaluation (<http://www.ppirs.gov/>)
- Contractor is provided minimum of 30 days to respond

Part 43 – Contract Modifications

General Guidance

- Bilateral vs. unilateral modifications
- Contractor notification requirements (43.104)

Change Orders (43.2)

- Changes clauses
- Written order/defined categories
- Contractor must continue working, unless USG is in breach of contract

Part 44 – Subcontracting Policies & Procedures

Consent to Subcontracts

Notification Requirements (DOD/NASA/Others)

Contractor Purchasing System Reviews (CPSR)

- http://www.dcaa.mil/sap/12030_ap_na.pdf (CPSR outline)
- Generally conducted every three years

Subcontracts for Commercial Items (FAR 52.244-6)

Part 45 – Government Property

General Policies (45.1)

Solicitation and Evaluation Procedures (45.2)

- List in RFP (subject to equitable adjustment)
- Competitive Advantage Issues

Title to/in Government Property (45.4)

Reporting, Reutilization and Disposal (45.6)

Part 46 – Quality Assurance

Contract Quality Requirements (46.2):

- Inspection methods must be reasonable in relation to criticality and complexity of performance inspected

Government Contract Quality Assurance (46.4)

- “All times & places”
- Prescribed tests
- Commercial items

Part 46 – Quality Assurance

The Finality of Acceptance (46.5)

- Fraud
- Gross mistakes
- Latent defects

Warranties (46.7)

Contractor Liability for Loss of or Damage to Property of the Government (46.8)

Part 49 – Termination of Contracts

General Principles (49.1)

- Formal notice required for all termination actions
- Contractor duties (49.104)

Termination of Fixed-Price Contracts (49.2)

Termination of Cost-Reimbursement Contracts (49.3)

T for C



Part 49 – Termination of Contracts con't

Termination for Default (49.4)

- Causes
- Process
- Effect on contractor
- Government's right to excess procurement costs
- Conversion to T4C
- Commercial contracts

FAR Subchapter G

Part 50 – Extraordinary Contractual Actions

- Pub. L. 85-804
- If essential to national defense, law allows contract adjustments that would not be otherwise authorized
- Authority to approve actions over \$55,000 may not be delegated below the secretarial level
- Indemnification for “unusually hazardous or nuclear risks”

Part 51 – Use of Government Sources by Contractors

Clauses & Forms

Part 52

- Clauses & provisions
- Numbering system explained
- Part 52.3—The Matrix

Part 53

- Forms
- SF/OF/DD

Conclusion
