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(c) In many circumstances, an examination of cost and profits is not required. Where adequate price competition exists and in other situations where cost analysis is not required (e.g., established catalog or market prices of commercial items sold in substantial quantities to the general public or prices set by law or regulation), contracts may be awarded without regard to the amount of profit involved.

(d) Additional internal instruction on the use of the structured approach can be found in Procurement Letters or policy manuals issued by the Office of Procurement and Federal Assistance.

PART 1316—TYPES OF CONTRACTS

Subpart 1316.3 [Reserved]

Subpart 1316.4—Incentive Contracts

Sec.
1316.404-2 Cost-plus-award-fee contracts.

Subpart 1316.6 [Reserved]

AUTHORITY: Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 486(c)), as delegated by the Secretary of Commerce in Department Organization Order 10-5 and Department Administrative Order 208-2.

SOURCE: 49 FR 12962, Mar. 30, 1984, unless otherwise noted.

Subpart 1316.3 [Reserved]

Subpart 1316.4—Incentive Contracts

1316.404-2 Cost-plus-award-fee contracts.

(d) *Fee determination plans.* The award fee determination plan shall include both technical performance (including scheduling as appropriate) and business management consideration tailored to the needs of the particular situation. The goals and evaluation criteria should be results-oriented. The award fee should concentrate on the end product of the contract. However, equal employment opportunity, small business programs, and functional management areas, such as safety and security, cannot be disregarded and may be appropriately part of the criteria upon which to base the award fee. Specific goals or

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objectives should be established in relation to each performance evaluation criterion against which contractor performance is measured.

Subpart 1316.6 [Reserved]

PART 1317—SPECIAL CONTRACTING METHODS

Subparts 1317.4-1317.5 [Reserved]

Subpart 1317.70—Contracts for Ship Construction, Ship Alteration, and Ship Repair

Sec.
1317.7001 Solicitation provisions and contract clauses.

AUTHORITY: Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 486(c)), as delegated by the Secretary of Commerce in Department Organization Order 10-5 and Department Administrative Order 208-2.

Subparts 1317.4-1317.5 [Reserved]

Subpart 1317.70—Contracts for Ship Construction, Ship Alteration, and Ship Repair

1317.7001 Solicitation provisions and contract clauses.

(a)(1) The contracting officer shall insert the following clauses in sealed bid fixed-price solicitations and contracts for ship construction, ship alteration, and ship repair.

(i) Inspection and Manner of Doing Work, 1352.217-90.

(ii) Delivery of the Vessel to the Contractor, 1352.217-91.

(iii) Performance, 1352.217-92.

(iv) Delays, 1352.217-93.

(v) Minimization of Delay Due to Government Furnished Property, 1352.217-94.

(vi) Additional Provisions Relating to Government Property, 1352.217-95.

(vii) Liability and Insurance, 1352.217-96.

(viii) Title, 1352.217-97.

(ix) Discharge of Liens, 1352.217-98.

(x) Department of Labor Occupational Safety and Health Standards for Ship Repairing, 1352.217-99.

(xi) Regulations Governing Asbestos Work, 1352.217-100.

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(xii) Complete and Final Equitable Adjustments, 1352.217-101.

(xiii) Government Review, Comment, Acceptance, and Approval, 1352.217-102.

(xiv) Access to the Vessel, 1352.217-103.

(xv) Documentation of Requests for Equitable Adjustment, 1352.217-104.

(xvi) Change Proposals, 1352.217-105.

(xvii) Lay Days, 1352.217-106.

(xviii) Changes—Ship Repair, 1352.217-107.

(xix) Default—Ship Repair, 1352.217-108.

(2) Unless inappropriate due to contract type, the contracting officer shall insert the clauses listed above in negotiated solicitations and contracts for ship construction, ship alteration, and ship repair.

(b) The contracting officer shall insert a clause substantially the same as the clause at 1352.217-109, Insurance Requirements, in solicitations and contracts for ship construction, ship alteration, and ship repair, unless the contracting officer determines that the contract, or job order, requires work on

parts of a vessel only and the work is to be performed at a plant other than the site of the vessel.

(c) The contracting officer shall insert the clause at 1352.217-110, Guarantees, unless the contracting officer determines that its use would be inappropriate under the circumstances.

(d) The contracting officer shall insert the clause at 1352.217-111, Temporary Services, in solicitations and contracts for ship construction, ship alteration, and ship repair, unless the contracting officer determines that its use would be inappropriate under the circumstances.

(e) The contracting officer shall insert the provision at 1352.217-112, Self-Insurance Information, in solicitations and contracts for ship construction, ship alteration, and ship repair, when the contracting officer determines that it is appropriate to allow offerors the opportunity to self-insure for any or all of the risks set forth in the applicable insurance clauses of the contract.

[52 FR 3807, Feb. 6, 1987]