

## SUBCHAPTER C—CONTRACTING METHODS AND CONTRACT TYPES

### PART 1614—SEALED BIDDING

AUTHORITY: 5 U.S.C. 8913; 40 U.S.C. 486(c); 48 CFR 1.301.

#### 1614.000 Applicability.

FAR part 14 has no practical application to FEHBP contracts in view of the statutory exemption provided by 5 U.S.C. 8902.

[52 FR 16039, May 1, 1987]

### PART 1615—CONTRACTING BY NEGOTIATION

#### Subpart 1615.1—General Requirements for Negotiation

Sec.

1615.170 Negotiation authority.

#### Subpart 1615.4—Solicitations and Receipt of Proposals and Quotations

1615.401 Applicability.

#### Subpart 1615.6—Source Selection

1615.602 Applicability.

#### Subpart 1615.8—Price Negotiation

1615.802 Policy.

1615.804–70 Certificate of cost or pricing data for community rated carriers.

1615.804–71 [Reserved]

1615.804–72 Rate reduction for defective pricing or defective cost or pricing data.

1615.805–70 Carrier investment of FEHB funds.

1615.805–71 Investment income clause.

#### Subpart 1615.9—Profit

1615.902 Policy.

1615.905 Profit analysis factors.

AUTHORITY: 5 U.S.C. 8913; 40 U.S.C. 486(c); 48 CFR 1.301.

SOURCE: 52 FR 16040, May 1, 1987, unless otherwise noted.

#### Subpart 1615.1—General Requirements for Negotiation

##### 1615.170 Negotiation authority.

The authority to negotiate FEHBP contracts is conferred by 5 U.S.C. 8902.

#### Subpart 1615.4—Solicitations and Receipt of Proposals and Quotations

##### 1615.401 Applicability.

FAR subpart 15.4 has no practical application to the FEHBP because OPM does not issue solicitations. Eligible contractors (i.e., qualified health benefits carriers) are identified in accordance with 5 U.S.C. 8903. Offerors voluntarily come forth in accordance with procedures provided in 5 CFR part 890.

#### Subpart 1615.6—Source Selection

##### 1615.602 Applicability.

FAR subpart 15.6 has no practical application to the FEHBP because prospective contractors (carriers) are considered for inclusion in the FEHBP in accordance with criteria provided in 5 U.S.C. chapter 89 and 5 CFR part 890 rather than on the basis of competition *between* prospective carriers.

#### Subpart 1615.8—Price Negotiation

##### 1615.802 Policy.

Pricing of FEHB contracts is governed by 5 U.S.C. 8902(i), 5 U.S.C. 8906, and other applicable law. FAR subpart 15.8 shall be implemented by applying the policies and procedures—to the extent practicable—as follows:

(a) For both experience rated and community rated contracts for which the FEHBP premiums for the contract term will be less than \$500,000, OPM shall not require the carrier to provide cost or pricing data in the rate proposal for the following contract term.

(b) Cost analysis shall be used for contracts where premiums and subscription income are determined on the basis of experience rating.