

## 1830.7001

## 48 CFR Ch. 18 (10-1-02 Edition)

### 1830.7001 Facilities capital employed for facilities in use.

### 1830.7001-4 Postaward FCCOM applications.

#### 1830.7001-1 Contract facilities capital estimates.

To estimate facilities capital cost of money (FCCOM), the contracting officer shall use DD Form 1861, Contract Facilities Capital Cost of Money, after evaluating the contractor's cost proposal, establishing cost of money factors, and developing a prenegotiation cost objective.

(a) *Interim billings based on costs incurred.* (1) The contractor may include FCCOM in cost reimbursement and progress payment invoices. To determine the amount that qualifies as cost incurred, multiply the incurred portions of the overhead pool allocation bases by the latest available cost of money factors. These FCCOM calculations are interim estimates subject to adjustment.

#### 1830.7001-2 DD For 1861 completion instructions.

(2) As actual cost of money factors are finalized, use the new factors to calculate FCCOM for the next accounting period.

(a) List overhead pools and direct-charging services centers (if used) in the same structure as they appear on the contractor's cost proposal and Form CASB-CMF. The structure and allocation base units-of-measure must be compatible on all three displays.

(b) *Final settlements.* (1) Contract FCCOM for final cost determination or repricing is based on each year's final cost of money factors determined under CAS 414 and supported by separate Forms CASB-CMF.

(b) Extract appropriate contract overhead allocation base data, by year, from the evaluated cost breakdown or prenegotiation cost objective, and list them against each overhead pool and direct-charging service center.

(2) Separately compute contract FCCOM in a manner similar to yearly final overhead rates. As in overhead rates, include in the final settlement an adjustment from interim to final contract FCCOM. Do not adjust the contract estimated or target cost.

(c) Multiply each allocation base by its corresponding cost of money factor to compute the FCCOM estimated to be incurred each year. The sum of these products represents the estimated contract FCCOM for the year's effort.

### 1830.7002 Facilities capital employed for facilities under construction.

(d) Add the yearly estimates to calculate the total contract FCCOM.

#### 1830.7002-1 Definitions.

#### 1830.7001-3 Preaward FCCOM applications.

Apply FCCOM in establishing cost and price objectives as follows:

(a) *Cost of money rate* is either—

(a) *Cost objective.* Use the FCCOM with normal, booked costs in establishing a cost objective or the target cost of an incentive type contract. Do not subsequently adjust these target costs when actual cost of money rates become available during the contract performance period.

(1) The interest rate determined by the Secretary of the Treasury under Public Law 92-41 (85 Stat. 97); or

(b) *Profit/fee objective.* Do not include FCCOM in the cost base when establishing a prenegotiation profit/fee objective. Use only normal, booked costs in this cost base.

(2) The time-weighted average of such rates for each cost accounting period during which the capital asset is being constructed, fabricated, or developed.

(b) *Representative investment* is the calculated amount considered invested by the contractor during the cost accounting period to construct, fabricate, or develop the capital asset.

#### 1830.7002-2 Cost of money calculations.

(a) The interest rate referenced in 1830.7002-1(a)(1) is established semi-annually and published in the FEDERAL REGISTER during the fourth week of December and June.