

cost rate determination procedure where the issues involved would have a significant financial impact on the agency. The NASA participant should be a representative from that installation providing the preponderance of NASA funding. If a determination is made that NASA's participation is not warranted, that decision must be communicated to the cognizant contracting officer (or cognizant Federal agency official).

(ii) When NASA is the cognizant Federal agency, settlement of indirect costs should be conducted by the cognizant NASA contracting officer (normally from the installation providing the preponderance of NASA funding).

[65 FR 63807, Oct. 25, 2000]

1842.708 Quick-closeout procedure.

(a)(2)(ii) The 15 percent parameter does not apply to NASA contracts. Instead, perform a risk analysis that takes into consideration the contractor systems identified in FAR 42.708(a)(2)(ii), as well as the concerns of the cognizant contract auditor, and any other pertinent information.

[62 FR 36228, July 7, 1997]

1842.708-70 NASA quick-closeout procedures.

After a decision is made that the use of quick closeout is appropriate, the contracting officer shall:

(a) Obtain a written agreement from the contractor to participate in the quick-closeout process under FAR 42.708 for the selected contract(s).

(b) Require the contractor to submit a final voucher and a summary of all costs by cost element and fiscal year for the contract(s) in question, as well as a copy of the contractor's final indirect cost rate proposal for each fiscal year quick closeout is involved.

(c) Notify the cognizant audit activity in writing, identify the contract(s), and request: (1) the contractor's indirect cost history covering a sufficient number of fiscal years to see the trend of claimed, audit questioned, and disallowed costs; and (2) any other information that could impact the decision to use quick-closeout procedures. Indirect cost histories should be requested

from the contractor only when the cognizant audit activity is unable to provide the information.

(d) Review the contract(s) for indirect cost rate ceilings and any other contract limitations, as well as the rate history information.

(e) Establish final indirect cost rates using one of the following rates:

(1) The contract's ceiling indirect cost rates, if applicable, and if less than paragraphs (e)(2) through (e)(6) of this section.

(2) The contractor's claimed actual rates adjusted based on the contractor's indirect cost history, if less than paragraphs (e)(3) through (e)(6) of this section.

(3) Recommended rates from the cognizant audit agency, the local pricing office, another installation pricing office, or other recognized knowledgeable source.

(4) The contractor's negotiated billing rates, if less than paragraphs (e)(5) or (e)(6) of this section.

(5) The previous year's final rates.

(6) Final rates for another fiscal year closest to the period for which quick-closeout rates are being established.

(f) If an agreement is reached with the contractor, obtain a release of all claims and other applicable closing documents.

(g) For those contracts where the indirect cost rate negotiation function was delegated or falls under the cognizance of another agency, send a copy of the agreement to that office.

Subpart 1842.8—Disallowance of Costs

1842.803 Disallowing costs after incurrence. (NASA supplements paragraph (b))

(b) Auditor receipt of vouchers. (1) NASA has designated the contract auditor as the contracting officer's representative for—

(A) Reviewing vouchers received directly from contractors;

(B) Approving vouchers for provisional payment and sending them to the disbursing office;

(C) Reviewing completion/final vouchers and sending them to the designated contracting officer for approval.

(D) Authorizing direct submission of interim vouchers for provisional payment to disbursing offices for contractors with approved billing systems.

(2)(A) When contract costs are questioned, the auditor shall prepare and send to the cognizant contracting officer NASA Form 456, Notice of Contract Costs Suspended and/or Disapproved.

(B) After coordination with other NASA and Federal agency contracting officers administering contracts with the same contractor under which a NASA Form 456 or a DCAA Form 1 has been issued for the same items of cost, the NASA contracting officer shall take one of the following actions:

(a) Assign a notice number and sign the NASA Form 456.

(b) Issue a new NASA Form 456 suspending the costs rather than disapproving them pending resolution of the issues.

(c) Return the unsigned NASA Form 456 to the auditor with a detailed explanation of why the suspension or disapproval is not being signed, and process the contractor's claim for payment.

(C) When more than one NASA contract is affected by a notice, the NASA contracting officer with the largest amount of contract dollars affected is responsible for coordination of the NASA Form 456 with the other contracting officers, including those of other Federal agencies, listed in the notice.

(D) An original and three copies (which includes two acknowledgment copies, one each for return to the contracting officer and the auditor) of the NASA Form 456 shall be sent to the contractor by certified mail, return receipt requested; one copy shall be attached to the Standard Form 1034 and each copy of the Standard Form 1034A on which the deduction for the suspension/disapproval is made.

(E)(a) If the amount of the deduction is more than the amount of the public voucher, the installment method of deduction shall be applied to the current and subsequent public vouchers until the amount is fully liquidated. The deductions on any voucher may not exceed the voucher amount to avoid processing of a voucher in a credit amount. Public voucher(s) with zero amounts

must be forwarded to the fiscal or financial management office for appropriate action.

(b) If deductions are in excess of contractor claims, recovery may be made through a direct refund from the contractor, in the form of a check payable to NASA, or by a set-off deduction from the voucher(s) submitted by the contractor under any other contract unless those contracts contain a "no set-off" provision. If a set-off is affected, the voucher(s) from which the deduction is made should be annotated to identify the contract and appropriation affected and the applicable NASA Form 456.

[62 FR 14017, Mar. 25, 1997, as amended at 62 FR 58688, Oct. 30, 1997]

Subpart 1842.12—Novation and Change-of-Name Agreements

1842.1203 Processing agreements. (NASA supplements paragraphs (b) and (h))

(b) The installation shall immediately notify the Headquarters Office of Procurement (Code HS) of the request to execute a novation (successor-in-interest) or change-of-name agreement.

(h) The contracting officer shall forward one copy of the agreement to the Code HS.

[62 FR 14017, Mar. 25, 1997, as amended at 63 FR 32764, June 16, 1998]

1842.1203-70 DOD processing of novation and change-of-name agreements on behalf of NASA.

(a) Copies of novation and change-of-name agreements executed by DOD on behalf of NASA are maintained by the Headquarters Office of Procurement (Code HS).

(b) Code HS is the Agency point of contact for issues related to proposed novation agreements. With the concurrence of Code HS, an installation may execute a separate agreement with the contractor.

[62 FR 14017, Mar. 25, 1997, as amended at 63 FR 32764, June 16, 1998]