

**2146.270**

**2146.270 FEGLI Program quality assurance requirements.**

(a) The contractor shall develop and apply a quality assurance program specifying procedures for assuring contract quality, as directed by the contracting officer. At a minimum, the program should include procedures to address:

- (1) Accuracy of payments and recovery of overpayments;
- (2) Timeliness of payments to beneficiaries;
- (3) Quality of services and responsiveness to beneficiaries;
- (4) Quality of service and responsiveness to OPM; and
- (5) Detection and recovery of fraudulent claims.

(b) The contractor shall prepare overpayment recovery guidelines to include a system of internal control for approval annually by the contracting officer. The contracting officer may withdraw such approval with 90 days' notice of prospective withdrawal.

(c) The contracting officer may order the correction of a deficiency or a modification in the contractor's services and/or quality assurance program. The contractor shall take the necessary action promptly to implement the contracting officer's order. If the contracting officer orders the correction of a deficiency or a modification of the contractor's services and/or quality assurance program pursuant to this paragraph after the contract year has begun, the costs incurred in correcting the deficiency or making the modification will not be considered to the contractor's detriment in the cost control factor of the service charge [if applicable] for the following contract

**48 CFR Ch. 21 (10-1-02 Edition)**

year. However, if there is a deficiency, the deficiency itself may be taken into consideration.

**2146.270-1 Contract clause.**

The clause at 2152.246-70 shall be inserted in all FEGLI Program contracts.

**PART 2149—TERMINATION OF CONTRACTS**

Sec.

2149.002 Applicability.

**Subpart 2149.5—Contract Termination Clauses**

2149.505 Other termination clauses.

2149.505-70 FEGLI Program contract termination clause.

AUTHORITY: 5 U.S.C. 8716; 40 U.S.C. 486(c); 48 CFR 1.301.

SOURCE: 58 FR 40380, July 28, 1993, unless otherwise noted.

**2149.002 Applicability.**

(a) *Termination.* (1) Termination of FEGLI Program contracts is controlled by 5 U.S.C. 8709(c) and this chapter. The procedures for termination of FEGLI Program contracts shall be those contained in FAR part 49. For the purpose of this part, terminate means to "discontinue" as used in 5 U.S.C. 8709(c).

(2) A life insurance contract entered into by OPM may be terminated by OPM at any time for default by the contractor. A life insurance contract entered into by OPM may be terminated at the end of the 31st day after default for nonpayment by OPM [see 2152.232-70, Payments].

**Office of Personnel Management**

**2149.505-70**

(3) A life insurance contract entered into by OPM may be terminated for convenience of the Government 60 days after the contractor's receipt of OPM's notice to terminate.

(4) The contractor may terminate its contract with OPM at the end of any policy year when notice of intent to terminate is given to OPM in writing at least 60 days prior to the end of the policy year (i.e., no later than July 31).

(b) *Continuation of services.* The services under this contract are of vital interest to the Government and must be continued without interruption in the event the contract is terminated. Consequently, the contract termination procedures contained in this paragraph

must be used in conjunction with 2137.102, 2137.110, and the provisions of the "Continuity of Services" clause at 2152.237-70.

(c) *Settlement.* The procedures for settlement of contracts after they are terminated shall be those contained in FAR Part 49.

**Subpart 2149.5—Contract Termination Clauses**

**2149.505 Other termination clauses.**

**2149.505-70 FEGLI Program contract termination clause.**

The clause in 2152.249-70 shall be inserted in all FEGLI Program contracts.