

(2) Determine whether IR&D/B&P projects performed by major contractors (see 231.205-18(a)) are of potential interest to DoD; and

(3) Notify the contractor promptly of any IR&D/B&P activities that are not of potential interest to DoD.

(b) The Defense Contract Management Agency or the military department responsible for performing contract administration functions is responsible for providing the Defense Contract Audit Agency (DCAA) with IR&D/B&P statistical information, as necessary, to assist DCAA in the annual report required by paragraph (c) of this subsection.

(c) DCAA is responsible for submitting an annual report to the Director of Defense Procurement, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics (OUSD (AT&L))) setting forth required statistical information relating to the DoD-wide IR&D/B&P program.

(d) The Director, Defense Research and Engineering (OUSD(AT&L)DDR&E), is responsible for establishing a regular method for communication—

(1) From DoD to contractors, of timely and comprehensive information regarding planned or expected DoD future needs; and

(2) From contractors to DoD, of brief technical descriptions of contractor IR&D projects.

[64 FR 8730, Feb. 23, 1999, as amended at 65 FR 39706, June 27, 2000; 65 FR 52953, Aug. 31, 2000]

Subpart 242.8—Disallowance of Costs

242.801 Notice of intent to disallow costs.

(e) A corporate administrative contracting officer need not obtain the approval of the individual administrative contracting officers to disallow items of corporate expense.

242.803 Disallowing costs after incurrence.

(a) *Contracting officer receipt of vouchers.* Contracting officer receipt of vouchers is applicable only for cost-reimbursement contracts with the Cana-

dian Commercial Corporation. See 225.870-5(b) for invoice procedures.

(b) *Auditor receipt of voucher.*

(i) The contract auditor is the authorized representative of the contracting officer for—

(A) Receiving vouchers from contractors;

(B) Approving interim vouchers for provisional payment (this includes approving the fee portion of vouchers in accordance with the contract schedule and administrative contracting officer instructions) and sending them to the disbursing office;

(C) Authorizing direct submission of interim vouchers for provisional payment to the disbursing office for contractors with approved billing systems;

(D) Reviewing completion/final vouchers and sending them to the administrative contracting officer; and

(E) Issuing DCAA Forms 1, Notice of Contract Costs Suspended and/or Disapproved, to deduct costs where allowability is questionable.

(ii) The administrative contracting officer—

(A) Approves all completion/final vouchers and sends them to the disbursing officer; and

(B) May issue or direct the issuance of DCAA Form 1 on any cost when there is reason to believe it should be suspended or disallowed.

[61 FR 25409, May 21, 1996, as amended at 61 FR 25409, May 21, 1996; 61 FR 50454, Sept. 26, 1996]

Subpart 242.11—Production Surveillance and Reporting

242.1104 Surveillance requirements.

(a) The cognizant contract administration office (CAO) must—

(i) Conduct a periodic risk assessment of each contractor to determine the degree of production surveillance needed for contracts awarded to that contractor. The risk assessment must consider information provided by the contractor and the contracting officer;

(ii) Develop a production surveillance plan based on the risk level determined during the risk assessment;

(iii) Modify the production surveillance plan to incorporate any special

242.1105

surveillance requirements for individual contracts, including any requirements identified by the contracting officer; and

(iv) Monitor contract progress and identify potential contract delinquencies in accordance with the production surveillance plan.

[65 FR 39723, June 27, 2000]

242.1105 Assignment of criticality designator.

(1) Contracting officers shall—

(i) Assign criticality designator A to items with a priority 01, 02, 03, or 06 (if emergency supply of clothing) under DoD 4140.1-R, DoD Materiel Management Regulation; and

(ii) Ordinarily assign criticality designator C to unilateral purchase orders.

(2) Only the contracting officer shall change the assigned designator.

[56 FR 36437, July 31, 1991, as amended at 67 FR 61516, Oct. 1, 2002]

242.1106 Reporting requirements.

(a) See DoD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs.

(b)(i) Within four working days after receipt of the contractor's report, the CAO must provide the report and any required comments to the contracting officer and, unless otherwise specified in the contract, the inventory control manager.

(ii) If the contractor's report indicates that the contract is on schedule and the CAO agrees, the CAO does not need to add further comments. In all other cases, the CAO must add comments and recommend a course of action.

[65 FR 39723, June 27, 2000]

242.1107 Contract clause.

(b) When using the clause at FAR 52.242-2, include the following instructions in the contract schedule—

(i) Frequency and timing of reporting (normally 5 working days after each reporting period);

(ii) Contract line items, exhibits, or exhibit line items requiring reports;

48 CFR Ch. 2 (10-1-02 Edition)

(iii) Offices (with addressees/codes) where reports should be sent (always include the contracting office and contract administration office); and

(iv) The following requirements for report content—

(A) The problem, actual or potential, and its cause;

(B) Items and quantities affected;

(C) When the delinquency started or will start;

(D) Actions taken to overcome the delinquency;

(E) Estimated recovery date; and/or

(F) Proposed schedule revision.

242.1107-70 Solicitation provision and contract clause.

(a) Use the clause at 252.242-7005, Cost/Schedule Status Report, in solicitations and contracts for other than major systems that require cost/schedule status reports (i.e., when the Contract Data Requirements List includes DI-MGMT-81467 in accordance with DoD 5000.2-R).

(b) Use the provision at 252.242-7006, Cost/Schedule Status Report Plans, in solicitation for other than major systems that require cost/schedule status reports.

[63 FR 11541, Mar. 9, 1998]

Subpart 242.12—Novation and Change-of-Name Agreements

242.1202 Responsibility for executing agreements.

The contracting officer responsible for processing and executing novation and change-of-name agreements shall ensure agreements are executed promptly.

[60 FR 1749, Jan. 5, 1995]

242.1203 Processing agreements.

(b)(2)(A) For contracts awarded by the Military Departments, provide notices to the following addressees instead of individual contracting or contract administration offices—

- Army HQ, U.S. Army Material Command, ATTN: AMCCC-P, 5001 Eisenhower Avenue, Alexandria, VA 22333-0001.
- Navy Office of the Assistant Secretary of the Navy, Research, Development & Acquisition, Acquisition and Business Management, 2211 South Clark Place, Room 578, Arlington, VA 22202-3738.