

Department of Defense

242.1204

Air Force ...	HQ, Air Force Materiel Command, Attn: HQ AFMC/PKP, 4375 Chidlaw Road, suite 6, Wright Patterson AFB, OH 45443-5006.
National Aeronautics and Space Administration.	National Aeronautics and Space Administration, Associate Administrator for Procurement, ATTN: HS, Washington, DC 20546-0001.

(g)(ii) of this section. They will issue their own modifications.

[56 FR 36437, July 31, 1991, as amended at 59 FR 27674, May 27, 1994; 64 FR 51076, Sept. 21, 1999; 65 FR 39706, June 27, 2000; 65 FR 63805, Oct. 25, 2000; 67 FR 4208, Jan. 29, 2002]

242.1204 Agreement to recognize a successor in interest (novation agreement).

(2)(B) Lists for notices of a successor in interest should include the information at FAR 42.1204(e)(2).

(C) Lists for notices of a name change should include the information at FAR 42.1205(a)(3).

(D) On notices sent to the addressees in paragraph (b)(2)(A) of this section, include a consolidated list for all subordinate contracting offices of the addressee.

(f)(i) Before making any substantial alterations or additions to the novation agreement format at FAR 42.1204(i), coordinate with those addressees in paragraph (b)(2)(A) of this section that have contracts with the contractor. Resolve any objections before executing the agreement.

(ii) If the National Aeronautics and Space Administration (NASA) wants a separate agreement with the contractor, continue to process the agreement only for DoD.

(g) Also, make distribution to—

(i) The addressees in paragraph (b)(2)(A) of this section—two copies; and

(ii) The appropriate Military Traffic Management Command (MTMC) area command for agreements affecting contracts and basic agreements for storage and related services for personal property of military and civilian personnel—two copies—

Commander	Commander.
Eastern Area	Western Area.
Military Traffic Management Command.	Military Traffic Management Command.
ATTN: MTE-LO	Oakland Army Base.
Bayonne, NJ 07002	ATTN: MTW-LO, Oakland, CA 94626.

(i) When a novation agreement is required and the transferee intends to incur restructuring costs as defined at 213.205-70, the cognizant contracting officer shall include the following provision as paragraph (b)(7) of the novation agreement instead of the paragraph (b)(7) provided in the sample format at FAR 42.1204(i):

“(7)(i) Except as set forth in subparagraph (7)(ii) below, the Transferor and the Transferee agree that the Government is not obligated to pay or reimburse either of them for, or otherwise give effect to, any costs, taxes, or other expenses, or any related increases, directly or indirectly arising out of or resulting from the transfer or this Agreement, other than those that the Government in the absence of this transfer or Agreement would have been obligated to pay or reimburse under the terms of the contracts.

(ii) The Government recognizes that restructuring by the Transferee incidental to the acquisition/merger may be in the best interests of the Government. Restructuring costs that are allowable under Part 31 of the Federal Acquisition Regulation (FAR) or Part 231 of the Defense Federal Acquisition Regulation Supplement (DFARS) may be reimbursed under flexibly-priced novated contracts, provided the Transferee demonstrates that the restructuring will reduce overall costs to the Department of Defense (DoD) (and to the National Aeronautics and Space Administration (NASA), where there is a mix of DoD and NASA contracts), and the requirements included in DFARS 231.205-70 are met. Restructuring costs shall not be allowed on novated contracts unless there is an audit of the restructuring proposal; a determination by the contracting officer of overall reduced costs to DoD/NASA; and an Advance Agreement setting forth a cumulative cost ceiling for restructuring projects and the period to which such costs shall be assigned.”

[60 FR 1749, Jan. 5, 1995, as amended at 61 FR 16882, Apr. 18, 1996; 65 FR 63805, Oct. 25, 2000]

(h)(4) Additional distribution instructions—

(A) Send two copies to the address in paragraph (b)(2)(A) of this section. The list of contracts may be confined to those issued by that department.

(B) Do not send copies to NASA or the MTMC commands in paragraph