

**1615.406-2**

have not been recovered directly or indirectly through allowable administrative expenses. OPM will use this factor to provide additional profit opportunities based upon an assessment of the contractor's investment and risk in developing techniques, methods, and practices having viability to the program at large. OPM will not consider improvements and innovations recognized and rewarded under any of the other profit factors.

(b) The following weight ranges for each factor are used in the weighted guidelines approach:

Profit factor	Weight ranges (percent)
1. Contractor performance .....	-.2 to +.45
2. Contract cost risk* .....	+.02 to +.2
3. Federal socioeconomic programs .....	-.05 to +.05
4. Capital investments .....	0 to +.02
5. Cost control .....	0 to +.35
6. Independent development .....	0 to +.03

\*The contract cost risk factor is subdivided into two parts: group size (.02 to .10) and other risk elements (0 to .10). With respect to the group size element, subweights should be assigned as follows:

Enrollment	Weight (percent)
10,000 or less .....	.06 to .10
10,001-50,000 .....	.05 to .09
50,001-200,000 .....	.04 to .07
200,001-500,000 .....	.03 to .06
500,001 and over .....	.02 to .04

**1615.406-2 Certificate of accurate cost or pricing data for community-rated carriers.**

The contracting officer will require a carrier with a contract meeting the requirements in 1615.402(c)(2) or 1615.402(c)(3) to execute the Certificate of Accurate Cost or Pricing Data contained in this section. A carrier with a contract meeting the requirements in 1615.402(c)(2) will complete the Certificate and keep it on file at the carrier's place of business in accordance with 1652.204-70. A carrier with a contract meeting the requirements in 1615.402(c)(3) will submit the Certificate to OPM along with its rate reconciliation, which is submitted during the first quarter of the applicable contract year.

**48 CFR Ch. 16 (10-1-06 Edition)**

**Certificate of Accurate Cost or Pricing Data for Community-Rated Carriers**

This is to certify that, to the best of my knowledge and belief: (1) The cost or pricing data submitted (or, if not submitted, maintained and identified by the carrier as supporting documentation) to the Contracting officer or the Contracting officer's representative or designee, in support of the

\_\_\_\_\_ \*FEHB Program rates were developed in accordance with the requirements of 48 CFR Chapter 16 and the FEHB Program contract and are accurate, complete, and current as of the date this certificate is executed; and (2) the methodology used to determine the FEHB Program rates is consistent with the methodology used to determine the rates for the carrier's Similarly Sized Subscriber Groups.

Firm: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Date of Execution: \_\_\_\_\_

\*Insert the year for which the rates apply. Normally, this will be the year for which the rates are being reconciled.

(End of certificate)

**1615.407-1 Rate reduction for defective pricing or defective cost or pricing data.**

The clause set forth in section 1652.215-70 will be inserted in FEHB Program contracts, at or above the threshold in FAR 15.403-4(a)(1), that are based on a combination of cost and price analysis (community-rated).

**1615.470 Carrier investment of FEHB funds.**

(a) Except for contracts based on a combination of cost and price analysis (community-rated), the carrier is required to invest and reinvest all funds on hand, including any attributable to the special reserve or the reserve for incurred but unpaid claims, exceeding the funds needed to discharge promptly the obligations incurred under the contract.

(b) The carrier is required to credit income earned from its investment of FEHB funds to the special reserve on behalf of the FEHB Program. If a carrier, for any reason, fails to invest excess FEHB funds or to credit any income due to the contract, it will return or credit any investment income lost to OPM or the special reserve.

(c) Investment income. Investment income is the net amount earned by

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the carrier after deducting investment expenses.

### **1615.470-1 Investment income clause.**

The clause set forth in 1652.215-71 will be inserted in all FEHB contracts based on cost analysis.

## **Subparts 1615.8-1615.9 [Reserved]**

### **Subpart 1615.70—Audit and Records—Negotiation**

#### **1615.7001 Audit and records.**

The Contracting officer will modify 52.215-2 in all FEHB Program experience-rated contracts by amending paragraph (g) of that section to replace the words “exceed the simplified acquisition threshold” with “equals or exceeds \$550,000.” This amount shall be adjusted by the same amount and at the same time as any change to the threshold for application of the Truth in Negotiations Act pursuant to 41 U.S.C. 254b(a)(7).

[70 FR 31381, June 1, 2005]

## **PART 1616—TYPES OF CONTRACTS**

### **Subpart 1616.1—Selecting Contract Types**

Sec.

1616.102 Policies.

1616.105 Solicitation provision.

### **Subpart 1616.70—Negotiated Benefits Contracts**

1616.7001 Clause—contracts based on a combination of cost and price analysis (community rated).

## **1616.7002**

1616.7002 Clause—contracts based on cost analysis (experience rated).

AUTHORITY: 5 U.S.C. 8913; 40 U.S.C. 486(c); 48 CFR 1.301.

SOURCE: 52 FR 16041, May 1, 1987, unless otherwise noted.

### **Subpart 1616.1—Selecting Contract Types**

#### **1616.102 Policies.**

All FEHBP contracts shall be negotiated benefits contracts.

[62 FR 47575, Sept. 10, 1997]

#### **1616.105 Solicitation provision.**

FAR 16.105 has no practical application because the statutory provisions of 5 U.S.C. chapter 89 obviate the issuance of solicitations.

### **Subpart 1616.70—Negotiated Benefits Contracts**

SOURCE: 62 FR 47575, Sept. 10, 1997, unless otherwise noted.

#### **1616.7001 Clause—contracts based on a combination of cost and price analysis (community rated).**

The clause at section 1652.216-70 shall be inserted in all FEHBP contracts based on a combination of cost and price analysis (community rated).

#### **1616.7002 Clause—contracts based on cost analysis (experience rated).**

The clause at section 1652.216-71 shall be inserted in all FEHBP contracts based on cost analysis (experience rated).