

change orders issued by the contracting officer to ensure compatibility with the status of performance. If the contractor has progressed beyond the effective point specified in the change order, the ACO must determine the earliest practical point at which the change order could be made effective and advise the contracting officer. The contracting officer must issue another change order to correct, revise, or supersede the first change order, then definitize by supplemental agreement citing both change orders.

243.204-70 Certification of requests for equitable adjustment.

(a) A request for equitable adjustment to contract terms that exceeds the simplified acquisition threshold may not be paid unless the contract certifies the request in accordance with the clause at 252.243-7002.

(b) The aggregate amount of both the increased and decreased costs shall be used in determining when the dollar threshold requiring certification is met (see example in FAR 15.403-4(a)(1)(iii)).

(c) The certification required by 10 U.S.C. 2410(a), as implemented in the clause at 252.243-7002, is different from the certification required by the Contract Disputes Act of 1978 (41 U.S.C. 605(c)). If the contractor has certified a request for equitable adjustment in accordance with 10 U.S.C. 2410(a), and desires to convert the request to a claim under the Contract Disputes Act, the contractor shall certify the claim in accordance with FAR Subpart 33.2.

[62 FR 37147, July 11, 1997, as amended at 63 FR 11541, Mar. 9, 1998]

243.205 Contract clauses.

243.205-70 Engineering change proposals.

Engineering changes can originate with either the contractor or the Government. In either case, the Government will need detailed information from the contractor for evaluation of the technical, cost, and schedule effects of implementing the change. When the contracting officer wants this information submitted in the format prescribed by MIL-STD-973, use the clause at 252.243-7000, Engineering Change Proposals. Use the clause with

its Alternate I, when appropriate, to discourage submission of a large number of small dollar, contractor originated engineering change proposals.

[59 FR 27674, May 27, 1994]

243.205-71 Pricing of contract modifications.

Use the clause at 252.243-7001, Pricing of Contract Modifications, in solicitations and contracts when anticipating and using a fixed price type contract.

243.205-72 Requests for equitable adjustment.

Use the clause at 252.243-7002, Requests for Equitable Adjustment, in solicitations and contracts estimated to exceed the simplified acquisition threshold.

[63 FR 17124, Apr. 8, 1998]

PART 244—SUBCONTRACTING POLICIES AND PROCEDURES

Subpart 244.2—Consent to Subcontracts

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244.202 Contracting officer's evaluation.

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Subpart 244.4—Subcontracts for Commercial Items and Commercial Components

244.403 Contract clause.

AUTHORITY: 41 U.S.C. 421 and 48 CFR chapter 1.

SOURCE: 56 FR 36447, July 31, 1991, unless otherwise noted.

Subpart 244.2—Consent to Subcontracts

244.202 Contracting officer's evaluation.

244.202-2 Considerations.

(a) Where other than lowest price is the basis for subcontractor selection,

has the contractor adequately substantiated the selection as offering the greatest value to the Government?

[60 FR 29501, June 5, 1995]

Subpart 244.3—Contractors' Purchasing Systems Reviews

244.301 Objective.

The administrative contracting officer (ACO) is responsible for reviewing the contractor's purchasing systems. Members of other organizations such as audit or program management activities should not conduct separate reviews of a contractor's purchasing system, but may participate in a review conducted for the ACO. These organizations may, if they suspect a problem, recommend that the ACO initiate a special review.

244.304 Surveillance.

(b) The ACO, or the purchasing system analyst (PSA) with the concurrence of the ACO, may initiate a special review of specific weaknesses in the contractor's purchasing system. The weaknesses, for example—

(i) May arise because of—

(A) Major changes in the contractor's purchasing policies, procedures, or key personnel; or

(B) Changes in plant workload or type of work.

(ii) May be discovered—

(A) During reviews of subcontracts submitted under advance notification and consent (FAR subpart 44.2); or

(B) From information provided by Government personnel.

[56 FR 36447, July 31, 1991, as amended at 61 FR 50455, Sept. 26, 1996]

244.305 Granting, withholding, or withdrawing approval.

244.305-70 Granting, withholding, or withdrawing approval.

Use this subsection instead of FAR 44.305-2(c) and 44.305-3(b).

(a) At the completion of the in-plant portion of the review, the ACO shall hold an exit conference with the contractor. At the conference, the ACO should—

(1) Present the review team's recommendations, signed by the ACO;

(2) Request the contractor submit its plan for correcting deficiencies or making improvements within 15 days; and

(3) Not comment on the pending or planned decision to grant or withhold approval of the contractor's purchasing system.

(b) The PSA should submit the complete report to the ACO, or any department or agency established review board, within ten days after receipt of the contractor's response under paragraph (a)(2) of this subsection.

(c) The ACO should completely review the report and consider the contractor's response before making a decision on granting, withholding, or withdrawing purchasing system approval. The ACO shall notify the contractor of the decision within ten days after receipt of the report with a copy of the decision to the PSA and the contracting office, when requested.

(d) When a contractor advises that it has corrected deficiencies that led the ACO to withhold or withdraw the purchasing system approval, the ACO—

(1) Shall request the PSA to verify that the contractor has—

(i) Corrected the deficiencies; and

(ii) Implemented any other ACO recommendations.

(2) Should ask for a review of purchasing policies and procedures issued since the last review.

Subpart 244.4—Subcontracts for Commercial Items and Commercial Components

244.403 Contract clause.

Use the clause at 252.244-7000, Subcontracts for Commercial Items and Commercial Components (DoD Contracts), in solicitations and contracts for supplies or services other than commercial items, that contain the clause at 252.225-7014, Preference for Domestic Specialty Metals, Alternate I.

[62 FR 5780, Feb. 7, 1997; 62 FR 49305, Sept. 19, 1997]

**PART 245—GOVERNMENT
PROPERTY**

Subpart 245.1—General

Sec.

245.104 Review and correction of contractor's property control systems.

**Subpart 245.3—Providing Government
Property to Contractors**

245.301 Definitions.
245.302 Providing facilities.
245.302-1 Policy.
245.302-2 Facilities contracts.
245.302-7 Optional property-related clauses for facilities contracts.
245.303 Providing material.
245.303-2 Procedures.
245.307 Providing special test equipment.
245.307-2 Acquiring special test equipment.
245.310 Providing agency-peculiar property.
245.310-70 Contract clause.

**Subpart 245.4—Use and Rental of
Government Property**

245.401 Policy.
245.403 Rental—Use and charges clause.
245.405 Contracts with foreign governments or international organizations.
245.407 Non-Government use of plant equipment.

**Subpart 245.5—Management of Govern-
ment Property in the Possession of
Contractors**

245.505 Records and reports of Government property.
245.505-3 Records of material.
245.505-5 Records of plant equipment.
245.505-6 Special reports of plant equipment.
245.505-14 Reports of Government property.

**Subpart 245.6—Reporting, Redistribution,
and Disposal of Contractor Inventory**

245.601 Definitions.
245.603 Disposal methods.
245.603-70 Contractor performance of plant clearance duties.
245.603-71 Disposal of contractor inventory for NATO cooperative projects.
245.604 Restrictions on purchase or retention of contractor inventory.
245.606 Inventory schedules.
245.606-3 Acceptance.
245.606-5 Instructions for preparing and submitting schedules of contractor inventory.
245.606-70 Instructions for completing DD Form 1342, DoD Property Record.
245.607 Scrap.
245.607-1 General.

245.607-2 Recovering precious metals.
245.607-70 Scrap warranty.
245.608 Screening of contractor inventory.
245.608-1 General.
245.608-2 Standard screening.
245.608-5 Special items screening.
245.608-7 Reimbursement of cost for transfer of contractor inventory.
245.608-70 Contractor inventory redistribution system (CIRS).
245.608-71 Screening industrial plant equipment.
245.608-72 Screening excess automatic data processing equipment (ADPE).
245.609 Donations.
245.610 Sale of surplus contractor inventory.
245.610-1 Responsibility.
245.610-3 Proceeds of sale.
245.610-4 Contractor inventory in foreign countries.
245.612 Removal and storage.
245.612-3 Special storage at the Government's expense.
245.613 Property disposal determinations.

**Subpart 245.70—Appointment of Property
Administrators and Plant Clearance
Officers**

245.7001 Selection, appointment, and termination.
245.7002 Duties and responsibilities of plant clearance officers.

Subpart 245.71—Plant Clearance Forms

245.7101 Forms.
245.7101-1 Standard Form 97, Certificate of Release of a Motor Vehicle (Agency Record Copy).
245.7101-2 DD Form 1149, Requisition and Invoice Shipping Document.
245.7101-3 DD Form 1348-1, DoD Single Line Item Release/Receipt Document.
245.7101-4 DD Form 1640, Request for Plant Clearance.

Subpart 245.72—Special Instructions

245.7201 Performing inventory verifications and determination of allocability.
245.7202 Establishing a plant clearance case.
245.7203 Assigning plant clearance case numbers.
245.7204 Preparing inventory disposal report.
245.7205 Reporting excess and surplus contractor inventory.
245.7206 Transmitting DD Form 1342, DoD Property Record.

**Subpart 245.73—Sale of Surplus Contractor
Inventory**

245.7301 Policy.
245.7302 Competitive sales.
245.7302-1 Property descriptions.