

Subpart 242.11—Production Surveillance and Reporting

242.1104 Surveillance requirements.

(a)(i) As a minimum, contracts will receive pre-delivery telephonic surveillance.

(ii) Contracts in the following categories will receive pre-delivery on-site production surveillance:

(A) Contracts assigned criticality designator A (see FAR 42.1105).

(B) Contracts specifically identified for special surveillance by the contracting officer.

(C) Any contract where telephonic surveillance reveals actual or anticipated delinquency unless the contract administration office, in coordination with the contracting officer, decides that on-site surveillance is not warranted.

[60 FR 29500, June 5, 1995]

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 Directive 4410.6, Uniform Materiel Movement and Issue Priority System; and

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

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

242.1106 Reporting requirements.

(a) See also—

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

(ii) For cost/schedule control system requirements on major systems acquisitions, 234.005-70.

(b)(i) Within 4 working days after receipt of the contractor's report, the contract administration office (CAO) shall 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 shall add comments and recommend a course of action.

(c)(i) CAOs may report using—

(A) DD Form 375-2, Delay in Delivery (Flash Notice);

(B) DD Form 375, Production Progress Report;

(C) MILSCAP Revised Delivery Forecast (RDF) system; or

(D) Message, letters, or facsimile.

(ii) The contracting office shall acknowledge receipt of the CAO report.

[56 FR 36437, July 31, 1991, as amended at 61 FR 50455, Sept. 26, 1996]

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;

(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)(1) 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 Materiel Command, ATTN: AMCCC-P, 5001 Eisenhower Avenue, Alexandria, VA 22333-0001.
Navy	Office of the Assistant Secretary of the Navy (RDA) Procurement Policy, Washington, DC 20350-1000.
Air Force ...	HQ, Air Force Materiel Command, Attn: AFMC/PKM, 4375 Chidlaw Road, suite 6, Wright Patterson AFB, OH 45443-5006.
National Aeronautics and Space Administration.	National Aeronautics and Space Administration, Assistant Administrator for Procurement, ATTN: HP, Washington, DC 20546.

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

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

(C) On notices sent to the addressees in paragraph (b)(1) of this section, include a consolidated list for all subordinate contracting offices of the addressee.

(d)(i) Before making any substantial alterations or additions to the novation agreement format at FAR 42.1204(e), coordinate with those addressees in paragraph (b)(1) 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.

(e) Also, make distribution to—

(i) The addressees in paragraph (b)(1) 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.

(f)(4) Additional distribution instructions—

(A) Send two copies to the address in paragraph (b)(1) 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 (e)(ii). They will issue their own modifications.

[56 FR 36437, July 31, 1991, as amended at 59 FR 27674, May 27, 1994]

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

(e) 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(e):

“(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