

## Department of Commerce

1349.402-3

### Subpart 1346.6—Material Inspection and Receiving Reports

#### 1346.601 General.

Each DOC operating unit shall develop instructions and procedures regarding material inspection and receiving reports as appropriate.

### Subpart 1346.7—Warranties

#### 1346.704 Authority for use of warranties.

Contracting officers are authorized to approve the use of warranties.

#### 1346.705 Limitations.

Warranties in cost reimbursement contracts are authorized.

#### 1346.710 Contract clauses.

The warranty clauses and alternates under FAR Subpart 46.710 may be used in solicitations and contracts.

## PART 1348—VALUE ENGINEERING

### Subpart 1348.1—Policies and Procedures

Sec.  
1348.102 Policies.

#### Subpart 1348.2—Contract Clauses

1348.201 Clauses for supply or service contracts.

AUTHORITY: 41 U.S.C. 414; 48 CFR 1.301-1.304.

SOURCE: 75 FR 10570, Mar. 8, 2010, unless otherwise noted.

#### Subpart 1348.1—Policies and Procedures

##### 1348.102 Policies.

(a) Contracting activities shall send contractor-submitted Value Engineering Change Proposals (VECPs) to the appropriate technical personnel for review.

(b) Technical personnel shall conduct a comprehensive review of VECPs for technical feasibility, usefulness, and adequacy of the contractor's estimate of cost savings; make a written report; and recommend acceptance or rejection to the contracting officer.

(c) The designee authorized to grant exemptions from value engineering

provisions in appropriate supply, service, architect-engineer and construction contracts is set forth in CAM 1301.70.

### Subpart 1348.2—Contract Clauses

#### 1348.201 Clauses for supply or service contracts.

The designee authorized to grant exemptions from the requirements of FAR Part 48 for a contract or class of contracts is set forth in CAM 1301.70.

## PART 1349—TERMINATION OF CONTRACTS

### Subpart 1349.1—General Principles

Sec.  
1349.106 Fraud or other criminal conduct.

#### Subpart 1349.4—Termination for Default

1349.402 Termination of fixed-price contracts for default.

1349.402-3 Procedure for default.

AUTHORITY: 41 U.S.C. 414; 48 CFR 1.301-1.304.

SOURCE: 75 FR 10570, Mar. 8, 2010, unless otherwise noted.

#### Subpart 1349.1—General Principles

##### 1349.106 Fraud or other criminal conduct.

If the terminating contracting officer (TCO) suspects fraud or other criminal conduct related to the settlement of a terminated contract, the TCO shall immediately discontinue negotiations and prepare a written report concerning the matter. The report shall be submitted to the Bureau Procurement Official, the Office of Inspector General, and the DOC suspension and debarment official. An informational copy shall be provided to Procurement Counsel.

#### Subpart 1349.4—Termination for Default

1349.402 Termination of fixed-price contracts for default.

1349.402-3 Procedure for default

No action relating to a default termination, including issuance of a show