215.404–74 Fee requirements for cost-plus-award-fee contracts.

In developing a fee objective for cost-plus-award-fee contracts, the contracting officer shall—
(a) Follow the guidance in FAR 16.405–2 and 216.405–2;
(b) Not use the weighted guidelines method or alternate structured approach;
(c) Apply the offset policy in 215.404–73(b)(2) for facilities capital cost of money, i.e., reduce the base fee by the amount of facilities capital cost of money; and
(d) Not complete a DD Form 1547.


215.404–75 Fee requirements for FFRDCs.

For nonprofit organizations that are FFRDCs, the contracting officer—
(a) Should consider whether any fee is appropriate. Considerations shall include the FFRDC’s—
(1) Proportion of retained earnings (as established under generally accepted accounting methods) that relates to DoD contracted effort;
(2) Facilities capital acquisition plans;
(3) Working capital funding as assessed on operating cycle cash needs; and
(4) Provision for funding unreimbursed costs deemed ordinary and necessary to the FFRDC.
(b) Shall, when a fee is considered appropriate, establish the fee objective in accordance with FFRDC fee policies in the DoD FFRDC Management Plan.
(c) Shall not use the weighted guidelines method or an alternate structured approach.