Office of Personnel Management

52.220–4 shall not be inserted into FEGLI Program contracts.

PART 2131—CONTRACT COST PRINCIPLES AND PROCEDURES

Subpart 2131.1—Applicability

Sec. 2131.103 Contracts with commercial organizations.
2131.109 Advance agreements.

Subpart 2131.2—Contracts With Commercial Organizations

2131.201 General.
2131.201–5 Credits.
2131.203 Indirect costs.
2131.205 Selected costs.
2131.205–1 Public relations and advertising costs.
2131.205–5 Bad debts.
2131.205–6 Compensation for personal services.
2131.205–32 Precontract costs.
2131.205–38 Selling costs.
2131.205–41 Taxes.
2131.205–43 Trade, business, technical and professional activity costs.
2131.205–70 Major subcontractor service charge.
2131.205–71 Reinsurer administrative expense costs.

SOURCE: 58 FR 40378, July 28, 1993, unless otherwise noted.

Subpart 2131.1—Applicability

2131.103 Contracts with commercial organizations.

The contracting officer shall incorporate the cost principles and procedures of FAR subpart 31.2 and this part by reference in all FEGLI Program contracts because of the nature of a fixed price with limited cost redetermination plus fixed fee contract.

2131.109 Advance agreements.

FAR 31.109 is applicable to FEGLI Program contracts, except that precontract costs and nonrecurring costs that exceed $100,000 will not be allowed in the absence of an advance agreement between OPM and any potential FEGLI Contractor.

(70 FR 41152, July 18, 2005)

Subpart 2131.2—Contracts With Commercial Organizations

2131.201 General.
2131.201–5 Credits.

The provisions of FAR 31.201–5 shall apply to income, rebates and other credits resulting from benefit payments that include, but are not limited to—
(a) Uncashed and returned checks.
(b) Refunds attributable to litigation with regard to payments of FEGLI Program life insurance monies.
(c) Erroneous benefit payment, refunds, overpayment, and duplicate payment recoveries.
(d) Escheatments.

2131.203 Indirect costs.

The provisions of FAR 31.203 apply to the allocation of indirect costs.

(70 FR 41152, July 18, 2005)

2131.205 Selected costs.

2131.205–1 Public relations and advertising costs.

The provisions of FAR 31.205–1 shall be modified to include the following:
(a) Costs of media messages are allowable if approved by the contracting officer and all of the following criteria are met:
(1) The primary objective of the message is to disseminate information on general health and fitness or encouraging healthful lifestyles;
(2) The costs of the contractor’s messages are allocated to all underwritten and non-underwritten lines of business; and
(3) The contracting officer approves the total dollar amount of the contractor’s messages to be charged to the FEGLI Program in advance of the policy year.
(b) Costs of media messages that inform enrollees about the FEGLI Program are allowable if approved by the contracting officer.
(c) In those instances where contracting officer approval of the total dollar amount is not solicited in advance, it is incumbent upon the contractor to show the contracting officer, for subsequent approval, that the costs...
are reasonable and do not unduly burden the administrative cost to the contract.

(d) Costs of messages that are intended to, or which have the primary effect of, calling favorable attention to the contractor or subcontractor for the purpose of enhancing its overall image or selling its product or services are not allowable.

2131.205–3 Bad debts.

Erroneous benefit payments. If the contractor or OPM determines that a FEGLI Program benefit has been paid in error for any reason, the contractor shall make a diligent effort to recover such erroneous payment from the recipient. The contracting officer shall allow an unrecovered erroneous payment to be charged to the contract provided the contractor demonstrates that the recovery of the erroneous payment was attempted in accordance with a system that is approved under 2146.270(b) and that either a diligent effort was made to recover the erroneous overpayment or it would not be cost effective to recover the erroneous overpayment. The contractor’s compliance with a system that is approved under 2146.270(b) will be deemed to be a diligent effort to recover the erroneous overpayment.

2131.205–6 Compensation for personal services.

FAR 31.205–6 is supplemented as follows: Overtime on a FEGLI Program contract normally would meet the conditions specified in FAR 22.103. Advance approval of the contracting officer is not required for overtime, extra pay shifts, and multi-shifts.

2131.205–32 Precontract costs.

Precontract costs will be allowable in accordance with FAR part 31, but precontract costs that exceed $100,000 will not be allowable except to the extent allowable under an advance agreement negotiated in accordance with section 2131.109 of this chapter.

2131.205–38 Selling costs.

Selling costs are not allowable costs to FEGLI contracts except to the extent that they are attributable to conducting contract negotiations with the Government and for liaison activities involving ongoing contract administration, including the conduct of informational and enrollment activities as directed or approved by the Contracting Officer.

[70 FR 41152, July 18, 2005]