

SUBCHAPTER G—CONTRACT MANAGEMENT

PART 1242—CONTRACT ADMINISTRATION AND AUDIT SERVICES

Subpart 1242.1—Contract Audit Services

Sec.

1242.101 Contract audit responsibilities.

1242.102 Assignment of contract audit services.

1242.170 Contract clause.

Subpart 1242.2—Contract Administration Services

1242.270 Contract clauses.

Subpart 1242.3—Contract Administration Office Functions

1242.302 Contract administration functions.

Subpart 1242.15—Contractor Performance Information

1242.1503 Procedures.

AUTHORITY: 5 U.S.C. 301; 41 U.S.C. 1121(c)(3); 41 U.S.C. 1702; and 48 CFR 1.301 through 1.304.

SOURCE: 87 FR 61159, Oct. 7, 2022, unless otherwise noted.

Subpart 1242.1—Contract Audit Services

1242.101 Contract audit responsibilities.

(b) It is DOT policy that private certified public accounting (CPA) firms may be used to provide audit services as described in FAR 42.101 to DOT contracting officers when procurement schedule demands cannot be met by the Defense Contract Audit Agency (DCAA) or the agency with audit cognizance.

1242.102 Assignment of contract audit services.

(b) In accordance with 1242.101, when the responsible audit agency declines a request for services, DOT contracting officers may utilize audit services from commercial CPA firms as authorized in 1242.101.

1242.170 Contract clause.

The contracting officer shall insert the clause at 1252.242-74, Contract Audit Support, in solicitation and con-

tracts when other than firm-fixed-price contracts are contemplated.

Subpart 1242.2—Contract Administration Services

1242.270 Contract clauses.

(a) The contracting officer may use the clause at 1252.242-70, Dissemination of Information—Educational Institutions, in lieu of the clause at 1252.242-72, Dissemination of Contract Information, in DOT research contracts with educational institutions, except contracts that require the release or coordination of information.

(b) The contracting officer shall insert the clause at 1252.242-71, Contractor Testimony, in all solicitations and contracts issued by NHTSA. Other OAs may use the clause as deemed appropriate.

(c) The contracting officer may insert the clause at 1252.242-72, Dissemination of Contract Information, in all DOT contracts except contracts that require the release or coordination of information.

Subpart 1242.3—Contract Administration Office Functions

1242.302 Contract administration functions.

(a) If a cognizant Federal agency has not performed the functions identified in FAR 42.302(a)(5), (9), (11), and (12), then DOT contracting officers are authorized to perform these functions with the assistance of the cognizant government auditing agency, if assigned and available to provide support in a timely manner. If the cognizant government auditing agency is not assigned and/or available in the necessary timeframe, DOT contracting officers may use the audit services of a CPA firm.

(13) The assignment of contract administration to a Defense Contract Management Agency (DCMA) office by the contracting officer does not affect the designation of the paying office unless a transfer of DOT funds to the agency of the Contract Administration

Department of Transportation

1246.705–70

Office (CAO) is effected, and the funds are converted to the CAO agency's account for payment purposes. When the contracting officer proposes to delegate the contract payment function to another agency (e.g., DCMA), the contracting officer shall discuss the transfer of funds procedures with the cognizant OA payment office. The CAO, the contracting officer, or the designated contract specialist in the contracting office shall review and approve the invoices and vouchers under the assigned contracts. The review and approval of invoices under cost-reimbursement and time-and-materials type contracts cannot be delegated to the Contracting Officer's Representative.

Subpart 1242.15—Contractor Performance Information

1242.1503 Procedures.

(a)(1) Each OA is responsible for assigning responsibility and management accountability for the completeness of past performance submissions as required in FAR 42.1503(a).

PART 1245 [RESERVED]

PART 1246—QUALITY ASSURANCE

Subpart 1246.1—General

Sec.

1246.101 Definitions.

1246.101–70 Additional definitions.

Subpart 1246.7—Warranties

1246.705–70 Limitations—restrictions.

1246.706–70 Warranty terms and conditions—requirements.

AUTHORITY: 5 U.S.C. 301; 41 U.S.C. 1121(c)(3); 41 U.S.C. 1702; and 48 CFR 1.301 through 1.304.

SOURCE: 87 FR 61159, Oct. 7, 2022, unless otherwise noted.

Subpart 1246.1—General

1246.101 Definitions.

1246.101–70 Additional definitions.

As used in this subpart—

At no additional cost to the Government means at no increase in price for firm-fixed-price contracts, at no increase in

target or ceiling price for fixed price incentive contracts (see FAR 46.707), or at no increase in estimated cost or fee for cost-reimbursement contracts.

Defect means any condition or characteristic in any supplies or services furnished by the contractor under the contract that is not in compliance with the requirements of the contract.

Major acquisition means an acquisition or for supplies or services that requires submission of an OMB Exhibit 300 (Capital Asset Plan/Business Case) in accordance with OMB Circular A–11, Preparation, Submission and Execution of the Budget, and for information technology or information technology related acquisitions, compliance with the Department Chief Information Officer (CIO) Policy (CIOP). A major acquisition typically has one or more of the following characteristics—

(1) Life-cycle costs of \$150 million or more;

(2) Is a financial system, e-gov system, or e-business system with a life-cycle cost of \$500,000 or more; or

(3) An acquisition that does not meet the dollar thresholds of paragraph (1) or (2) of this definition but—

(i) Is mission-critical;

(ii) Requires special management attention because of its importance to an OA mission;

(iii) Plays a significant role in the administration of OA programs, processes or other resources; or

(iv) Directly supports the President's Management Agenda.

Performance requirements means the operating capabilities, maintenance, and reliability characteristics of a system that are determined to be necessary for it to fulfill the requirement for which the system is designed.

Subpart 1246.7—Warranties

1246.705–70 Limitations—restrictions.

The following restrictions are applicable to DOT contracts:

(a) The contractor shall not be required to honor the warranty on any property furnished by the Government except for—

(1) Defects in installation; and