30.603-1 Required changes.

(a) *General*. *Offerors shall* state whether or not the award of a contract would require a change to an established cost accounting practice affecting existing contracts and subcontracts (see 52.230-1). The *contracting officer shall* notify the CFAO if the *offeror* states that a change in cost accounting practice would be required.

(b) *CFAO responsibilities*. Prior to making an equitable adjustment under the applicable paragraph (s) that address a *required change* at 52.230-2, Cost Accounting Standards; 52.230-3, Disclosure and Consistency of Cost Accounting Practices; or 52.230-5, Cost Accounting Standards-Educational Institution, the CFAO *shall* determine that-

(1) The cost accounting practice change is required to comply with a CAS, or a modification or interpretation thereof, that subsequently became applicable to one or more contracts or subcontracts; or

(2) The former cost accounting practice was in compliance with applicable CAS and the change is necessary to remain in compliance.

(c) Notice and proposal preparation.

(1) When the award of a contract would require a change to an established cost accounting practice, the provision at 52.230-7, Proposal Disclosure-Cost Accounting Practice Changes, requires the *offeror* to-

(i) Prepare the contract *pricing* proposal in response to the *solicitation* using the changed cost accounting practice for the period of performance for which the practice will be used; and

(ii) Submit a description of the changed cost accounting practice to the *contracting officer* and the CFAO as *pricing* support for the proposal.

(2) When a change is required to remain in compliance (for reasons other than a contract award) or to comply with a new or modified standard, the clause at 52.230-6, Administration of Cost Accounting Standards, requires the contractor to-

(i) Submit a description of the change to the CFAO not less than 60 days (or other mutually agreeable date) before implementation of the change; and

(ii) Submit rationale to support any contractor written statement that the cost impact of the change is immaterial.

(d) Equitable adjustments for new or modified standards.

(1) *Required changes* made to comply with new or modified standards *may* require equitable adjustments, but only to those contracts awarded before the effective date of the new or modified standard (see 52.230-2, 52.230-3, or 52.230-5).

(2) When a contractor elects to implement a *required change* to comply with a new or modified standard prior to the applicability date of the standard, the CFAO *shall* administer the change as a

unilateral change (see 30.603-2). Contractors *shall* not receive an equitable adjustment that will result in increased costs in the aggregate to the Government prior to the applicability date unless the CFAO determines that the *unilateral change* is a *desirable change*.

Parent topic: 30.603 Changes to disclosed or established cost accounting practices.