31.103 Contracts with commercial organizations.

This category includes all contracts and *contract modifications* for *supplies*, services, or experimental, developmental, or research work negotiated with organizations other than educational institutions (see 31.104), *construction* and architect-engineer contracts (see 31.105), State and local governments (see 31.107) and nonprofit organizations (see 31.108) on the basis of cost.

(a) The cost principles and procedures in subpart 31.2 and agency supplements *shall* be used in *pricing* negotiated supply, service, experimental, developmental, and research contracts and *contract modifications* with commercial organizations whenever cost analysis is performed as required by 15.404-1(c).

(b) In addition, the *contracting officer shall* incorporate the cost principles and procedures in subpart 31.2 and agency supplements by reference in contracts with commercial organizations as the basis for-

(1) Determining reimbursable costs under-

(i) Cost-reimbursement contracts and cost-reimbursement subcontracts under these contracts performed by commercial organizations and

(ii) The cost-reimbursement portion of time-and-materials contracts except when material is priced on a basis other than at cost (see 16.601(c)(3));

(2) Negotiating *indirect cost rates* (see subpart 42.7);

(3) Proposing, negotiating, or determining costs under terminated contracts (see 49.103 and 49.113);

(4) Price revision of fixed-price incentive contracts (see 16.204 and 16.403);

(5) Price redetermination of price redetermination contracts (see 16.205 and 16.206); and

(6) *Pricing* changes and other *contract modifications*.

Parent topic: Subpart 31.1 - Applicability