

# **PART 3031 - CONTRACT COST PRINCIPLES AND PROCEDURES**

## Subpart 3031.2 - Contracts with Commercial Organizations

3031.205 Selected costs.

3031.205-32 Precontract costs.

## **Subpart 3031.2 - Contracts with Commercial Organizations**

### **3031.205 Selected costs.**

### **3031.205-32 Precontract costs.**

(a) The decision to incur precontract costs is that of the contractor. DHS employees may not authorize, demand, or require a contractor to incur precontract costs. The contracting officer must advise the prospective contractor that any costs incurred before contract award are incurred at the contractor's sole risk and that if negotiations fail to result in a binding contract, payment of these costs will not be made by the Government. See (HSAR) 48 CFR [3031.205-32\(b\)](#) regarding exception due to reconciliation of costs.

(b) When the contracting officer determines that incurring precontract costs was necessary to meet the proposed contract delivery schedule of a cost-reimbursement contract, the clause at (HSAR) 48 CFR [3052.231-70](#), Precontract Costs, may be inserted in the resultant contract.