PART 2042 - CONTRACT ADMINISTRATION

Authority: 42 U.S.C. 2201; 42 U.S.C. 5841; 41 U.S.C. 418(b).

Source: 64 FR 49336, Sept. 10, 1999, unless otherwise noted.

Subpart 2042.570 - Differing Professional Views (DPV)

2042.570-1 Policy.

2042.570-2 Solicitation provisions and contract clauses.

Subpart 2042.8 - Disallowance of Costs

2042.803 Disallowing costs after incurrence.

Parent topic: SUBCHAPTER G - CONTRACT MANAGEMENT

Subpart 2042.570 - Differing Professional Views (DPV)

2042.570-1 Policy.

The Nuclear Regulatory Commission's (NRC) policy is to support the contractor's expression of professional health and safety-related concerns associated with the contractor's work for the NRC that may differ from a prevailing NRC staff view, disagree with an NRC decision or policy position, or take issue with proposed or established agency practices. An occasion may arise when an NRC contractor, contractor's personnel, or subcontractor personnel believes that a conscientious expression of a competent judgement is required to document these concerns on matters directly associated with its performance of the contract. The procedure described in 2052.242-71, Procedures for Resolving NRC Contractor Differing Professional Views, provides for the expression and resolution of DPVs of health and safety-related concerns associated with the mission of the agency by NRC contractors, contractor personnel, or subcontractor personnel on matters directly associated with its performance of the contract. The contractor shall provide a copy of the NRC DPV procedure to all of its employees performing under this contract and to all subcontractors who shall, in turn, provide a copy of the procedure to its employees. The prime contractor or subcontractor shall submit all DPV's received but need not endorse them.

2042.570-2 Solicitation provisions and contract clauses.

(a) The contracting officer shall insert the clause at 2052.242-70, Resolving NRC Contractor Differing Professional Views, in the body of cost reimbursement solicitations and contracts for professional services, as appropriate. This clause may not be altered by the contracting officer.

(b) The contracting officer shall include the clause at 2052.242-71, Procedures for Resolving NRC Contractor Differing Professional Views, as an attachment to cost reimbursement solicitations and contracts for professional services, as appropriate. This clause may not be altered by the contracting officer.

Subpart 2042.8 - Disallowance of Costs

2042.803 Disallowing costs after incurrence.

(a) Vouchers and invoices submitted to NRC must be submitted to the contracting officer or designee for review and approval for payment. If the examination of a voucher or invoice raises a question regarding the allowability of a cost submitted, the contracting officer or designee shall:

(1) Hold informal discussions with the contractor as appropriate.

(2) If the discussions do not resolve the matter, the contracting officer shall issue a notice advising the contractor of costs disallowed. The notice must advise the contractor that it may:

(i) If in disagreement with the disallowance, submit a written claim to the contracting officer for payment of the disallowed cost and explain why the cost should be reimbursed; or

(ii) If the disagreement(s) cannot be settled, file a claim under the disputes clause which will be processed in accordance with disputes procedures found at FAR subpart 33.2; and

(3) Process the voucher or invoice for payment and advise the NRC Division of Accounting and Finance to deduct the disallowed costs when scheduling the voucher for payment.

(b) When audit reports or other notifications question costs or consider them unallowable, the contracting officer shall resolve all cost issues through discussions with the contractor and/or auditor within six months of receipt of the audit report whenever possible.

(1) One of the following courses of action must be pursued:

(i) Accept and implement audit recommendations as submitted;

(ii) Accept the principle of the audit recommendation but adjust the amount of the questioned costs;

(iii) Reject audit findings and recommendations.

(2) When implementing the chosen course of action, the contracting officer shall:

(i) Hold discussions with the auditor and contractor, as appropriate;

(ii) If the contracting officer agrees with the auditor concerning the questioned costs, attempt to negotiate a mutual settlement of questioned costs;

(iii) Issue a final decision, including any disallowance of questioned costs; inform the contractor of his/her right to appeal the decision under the disputes procedures found at FAR subpart 33.2; and provide a copy of the final decision to the Office of the Inspector General; and

(iv) Initiate immediate recoupment actions for all disallowed costs owed the Government by one or more of the following methods:

(A) Request that the contractor provide a credit adjustment (offset) and an adequate description/explanation of the adjustment against amounts billed the Government on the next or other future invoice(s) submitted under the contract for which the disallowed costs apply;

(B) Deduct the disallowed costs from the next invoice submitted under the contract;

(C) Deduct the disallowed costs on a schedule determined by the contracting officer after discussion with the contractor (if the contracting officer determines that an immediate and complete deduction is inappropriate); and

(D) Advise the contractor that a refund is immediately payable to the Government (in situations where there are insufficient payments owed by the Government to effect recovery from the contract).