750.7106-3 Mistakes.

(a) A contract may be amended or modified to correct or mitigate the effect of a mistake, including in the following situations:

(1) A mistake or ambiguity in the contract that results from the failure to clearly express the agreement as understood by both parties;

(2) A mistake on the part of the contractor which is so obvious that it was or should have been apparent to the contracting officer; and

(3) A mutual mistake as to a material fact.

(b) Amending contracts to correct mistakes with the least possible delay normally will protect the foreign policy interests of the United States by expediting the program and by giving contractors proper assurance that such mistakes will be corrected expeditiously and fairly. An action that can be accomplished by administrative modification or resolved using the procedures in FAR subpart 33.2 should not be resolved using the authority and procedures of this subpart.

Parent topic: Subpart 750.71—Extraordinary Contractual Actions To Protect Foreign Policy Interests of the United States