931.205-32 Pre-contract costs.

(a) To the extent practical, known expenditures of pre-contract costs under DOE contracts should be governed by establishing advance understandings as contemplated by 48 CFR 31.109. Contracts that include authorized precontract costs shall include the “Date of Incurrence of Cost” clause specified at 952.231-70.

(b) The following limitations apply to establishment of advance understandings relative to pre-contract costs:

(1) Pre-contract cost authorizations shall not be used to cover a period in excess of 15 days, unless a longer period is approved by the HCA based upon a written finding that such an allowance is reasonable, and shall not be extended or renewed. A copy of the findings shall be forwarded to the Senior Procurement Executive at the time of approval. If prolonged coverage is necessary, a letter contract shall be issued.

(2) All pre-contract cost authorizations shall be reviewed and approved at a management level above the contracting officer.

(3) Retroactive precontract cost authorization and the predating of contractual agreements shall not be used.

(4) Pre-contract cost authorizations shall not authorize the delivery or furnishing of any goods or services from a contractor until after the contract is executed.

Parent topic: Subpart 931.2—Contracts With Commercial Organizations