352.216-70 Additional Cost Principles for Hospitals (Profit and Non-Profit).

As prescribed in HHSAR 316.307(a)(2), the Contracting Officer shall insert the following clause:

Additional Cost Principles for Hospitals (Profit or Non-Profit) (DEC 2015)

(a) *Bid and proposal (B&P) costs.*

(1) B&P costs are the immediate costs of preparing bids, proposals, and applications for potential Federal and non-Federal contracts, grants, and agreements, including the development of scientific, cost, and other data needed to support the bids, proposals, and applications.

(2) B&P costs of the current accounting period are allowable as indirect costs.

(3) B&P costs of past accounting periods are unallowable in the current period. However, if the organization's established practice is to treat these costs by some other method, they may be accepted if they are found to be reasonable and equitable.

(4) B&P costs do not include independent research and development (IR&D) costs covered by the following paragraph, or pre-award costs covered by paragraph 36 of Attachment B to OMB Circular A-122.

(b) *IR&D costs.*

(1) IR&D is research and development conducted by an organization which is not sponsored by Federal or non-Federal contracts, grants, or other agreements.

(2) IR&D shall be allocated its proportionate share of indirect costs on the same basis as the allocation of indirect costs to sponsored research and development.

(3) The cost of IR&D, including its proportionate share of indirect costs, is unallowable.

(End of clause)

Parent topic: Subpart 352.2—Texts of Provisions and Clauses