



National Aeronautics and
Space Administration
Washington, DC 20546

Procurement Notice

PN 97-14
August 11, 1998

CONTRACTOR PERFORMANCE INFORMATION

PURPOSE: To implement FAR requirement to evaluate contractor performance

BACKGROUND: FAR 42.15 requires that Federal agencies evaluate contract performance for each contract in excess of \$100,000. This PN is amending the NFS to provide specific internal procedures for accomplishing this evaluation.

REGULATION: Part 1842 is amended as set forth in the enclosed replacement pages to the NFS.

REPLACEMENT PAGES: You may use the enclosed pages to replace Structure page 7, Structure page 8, Part 1842, and Part 1853 to the NFS. Add page 53-48.1 to the NFS.

REGULATORY COMPLIANCE: This PN was published as a final rule in the Federal Register (63 FR 42756 - 42757, August 11, 1998).

EFFECTIVE DATE: This PN is effective as dated and shall remain in effect until canceled or superseded.

HEADQUARTERS CONTACT: Mr. Paul Brundage, (202) 358-0481, e-mail: paul.brundage@hq.nasa.gov.

R. Scott Thompson

Director, Contract Management Division

Enclosures

1842.13 Suspension of Work, Stop-Work Orders, and Government Delay of Work

1842.14 Traffic and Transportation Management

1842.15 Contractor Performance Information

1842.70 Additional NASA Contract Clauses

1842.71 Submission of Vouchers

1842.72 NASA Contractor Financial Management Reporting

1842.73 Audit Tracking and Resolution

PART 1843 CONTRACT MODIFICATIONS

1843.2 Change Orders

1843.70 Undefined Contract Actions

1843.71 Shared Savings

PART 1844 SUBCONTRACTING POLICIES AND PROCEDURES

1844.2 Consent to Subcontracts

1844.3 Contractors' Purchasing Systems Reviews

PART 1845 GOVERNMENT PROPERTY

1845.1 General

1845.3 Providing Government Property to Contractors

1845.4 Contractor Use and Rental of Government Property

1845.5 Management of Government Property in the Possession of Contractors

1845.6 Reporting, Redistribution, and Disposal of Contractor Inventory

1845.70 Reserved

1845.71 Forms Preparation

1845.72 Contract Property Management

PART 1846 QUALITY ASSURANCE

1846.3 Contract Clauses

1846.4 Government Contract Quality Assurance

1846.6 Material Inspection and Receiving Reports

1846.7 Warranties

PART 1847 TRANSPORTATION

1847.2 Contracts for Transportation or for Transportation-Related Services

1847.3 Transportation in Supply Contracts

1847.5 Ocean Transportation by U.S.-Flag Vessels

1847.70 Protection of the Florida Manatee

PART 1848 VALUE ENGINEERING

1848.1 Policies and Procedures

1848.2 Contract Clauses

PART 1849 TERMINATION OF CONTRACTS

1849.1 General Principles

1849.5 Contract Termination Clauses

PART 1850 EXTRAORDINARY CONTRACTUAL ACTIONS

1850.2 Delegation of and Limitations on Exercise of Authority

1850.3 Contract Adjustments

1850.4 Residual Powers

PART 1851 USE OF GOVERNMENT SOURCES BY CONTRACTORS

1851.1 Contractor Use of Government Supply Sources

SUBCHAPTER H--CLAUSES AND FORMS

PART 1852 SOLICITATION PROVISIONS AND CONTRACT CLAUSES

1852.1 Instructions for Using Provisions and Clauses

1852.2 Texts of Provisions and Clauses

1852.3 Provision and Clause Matrix

PART 1853 FORMS

1853.1 General

1853.2 Prescription of Forms

1853.3 Illustrations of Forms

SUBCHAPTER I--AGENCY SUPPLEMENTARY REGULATIONS

PART 1870 RESERVED

PART 1871 MIDRANGE PROCUREMENT PROCEDURES

1871.1 General

1871.2 Planning and Requirements Process

1871.4 Request for Offer (RFO)

1871.5 Award

1871.6 "Best Value Selection"

PART 1872 ACQUISITIONS OF INVESTIGATIONS

1872.1 The Investigation Acquisition System

1872.2 Applicability of the Process

1872.3 The Announcement of Opportunity

1872.4 Evaluation of Proposals

1872.5 The Selection Process

1872.6 Payload Formulation

PART 1842
CONTRACT ADMINISTRATION AND AUDIT SERVICES

TABLE OF CONTENTS

SUBPART 1842.1 CONTRACT AUDIT SERVICES

1842.101 Contract audit responsibilities.

1842.102 Assignment of contract audit services.

1842.102-70 Review of administration and audit services.

1842.170 Assignment of NASA personnel at contractor plants.

SUBPART 1842.2 CONTRACT ADMINISTRATION SERVICES

1842.202 Assignment of contract administration.

1842.202-70 Retention of contract administration.

1842.270 Contracting officer technical representative (COTR) delegations.

1842.271 NASA clause.

SUBPART 1842.5 POSTAWARD ORIENTATION

1842.503 Postaward conferences.

SUBPART 1842.7 INDIRECT COST RATES

1842.705 Final indirect cost rates.

1842.705-1 Contracting officer determination procedure.

1842.708 Quick-closeout procedure.

1842.708-70 NASA Quick-closeout procedure.

SUBPART 1842.8 DISALLOWANCE OF COSTS

1842.803 Disallowing costs after incurrence.

SUBPART 1842.12 NOVATION AND CHANGE-OF-NAME AGREEMENTS

1842.1203 Processing agreements.

1842.1203-70 DOD processing of novation and change-of-name agreements on behalf of NASA.

SUBPART 1842.13 SUSPENSION OF WORK, STOP-WORK ORDERS, AND GOVERNMENT DELAY OF WORK

1842.1305 Contract clauses.

SUBPART 1842.14 TRAFFIC AND TRANSPORTATION MANAGEMENT

1842.1405 Discrepancies incident to shipment of supplies.

SUBPART 1842.15 CONTRACTOR PERFORMANCE INFORMATION

1842.1501 General.

1842.1502 Policy.

1842.1503 Procedures.

SUBPART 1842.70 ADDITIONAL NASA CONTRACT CLAUSES

1842.7001 Observance of legal holidays.

1842.7002 Travel outside of the United States.

SUBPART 1842.71 SUBMISSION OF VOUCHERS

1842.7101 Submission of vouchers.

SUBPART 1842.72 NASA CONTRACTOR FINANCIAL MANAGEMENT REPORTING

1842.7201 General.

1842.7202 Contract clause.

SUBPART 1842.73 AUDIT TRACKING AND RESOLUTION

1842.7301 NASA external audit follow-up system.

PART 1842
CONTRACT ADMINISTRATION AND AUDIT SERVICES
Subpart 1842.1-- Contract Audit Services

1842.101 Contract audit responsibilities.

(a)(i) The Defense Contract Audit Agency (DCAA) has been designated as the DOD agency responsible for the performance of audit functions for NASA contracts, except those awarded to educational institutions for which other agencies have audit cognizance under OMB Circular No. A-133, those with Canadian contractors, and those for which NASA will perform audits.

(ii) Cross-servicing arrangements are the responsibility of the Headquarters Office of External Relations (Code ID). Contracting officers should direct questions to the Headquarters Office of Procurement (Code HK).

1842.102 Assignment of contract audit services.

1842.102-70 Review of administration and audit services.

(a) NASA installations shall assess their delegations to DOD semiannually to determine changes in delegation patterns that could (1) result in significant changes in DOD manpower requirements or (2) have other important impacts on DOD contract administration activities. Events such as major program cutbacks or expansions, changes in locations of major programs, and sizable new acquisitions should be considered in the assessment.

(b) A summary, including a negative summary, of the Center's assessment shall be submitted by the procurement officer to the Headquarters Office of Procurement (Code HK) by not later than January 15 and June 15 of the fiscal year. The summary shall include--

(1) A description of the change in work requirements or delegation pattern;

(2) The estimated duration of the impact;

(3) The results of discussions with affected DOD contract administration offices including agreement and disagreements on the predicted impact on DOD in terms of changes in manpower requirements or other costs; and

(4) Any other significant impact on DOD or NASA resources or contract performance risk.

1842.170 Assignment of NASA personnel at contractor plants.

(a)(1) NASA personnel normally shall not be assigned at or near a contractor's facility to perform any contract administration functions listed in FAR 42.302(a). Before such an assignment is made, a written request shall be forwarded to the cognizant program director for approval with the concurrence of the Associate Administrator for Procurement (Code HS). The following supporting information shall be forwarded with the request to make the assignment:

- (i) A statement of the special circumstances that necessitate the assignment.
- (ii) The contract administration services to be performed.
- (iii) A summary of any discussions held with the cognizant contract administration organization.
- (iv) A staffing plan covering three years or such shorter period as may be appropriate.

(2) The provisions of this paragraph do not apply to NASA audit personnel assigned to the field installations, to NASA technical personnel covered by 1842.101 and paragraph (b) of this section, unless they are performing any contract administration functions listed in FAR 42.302(a), or to personnel assigned to contractors' plants on NASA or other Federal installations.

(b) NASA may assign technical personnel (such as quality assurance, reliability, or engineering representatives) to contractors' plants or laboratories to provide direct liaison with NASA and technical assistance and guidance to the contractor and DOD. The duties and responsibilities of these technical representatives shall be clearly defined and shall not conflict with, duplicate, or overlap with functions delegated to DOD personnel. NASA shall advise appropriate DOD and contractor organizations of the duties and responsibilities of NASA technical personnel.

(c) When a NASA resident office, including any assigned technical personnel, and a DOD contract administration office are performing contract administration functions for NASA contracts at the same contractor's facility, the two offices shall execute a written agreement clearly establishing the relationship between the two organizations and the contractor. The agreement should eliminate duplication in the performance of contract administration functions and minimize procedural misunderstandings between the two organizations. Such agreements shall be consistent with existing delegations to the contract administration offices concerned and shall specify the relationship of NASA nonprocurement resident personnel to their DOD and contractor counterparts if such personnel will be involved in any aspect of contract administration.

Subpart 1842.2--Contract Administration Services

1842.202 Assignment of contract administration.

(b) *Withholding normal functions.*

(1) The following functions are normally retained by the contracting office.

(A) Approval of the final voucher (FAR 42.302(a)(7)).

(B) Countersigning NASA Form 456, Notice of Contract Costs Suspended and/or Disapproved (FAR 42.302(a)(8)).

(C) Issuance of decisions under the disputes clause (FAR 42.302(a)(10)).

(D) Contract payment (FAR 42.302(a)(13)).

(E) Execution of supplemental agreements involving spare parts or other items selected through provisioning procedures. However, delegation of the negotiation of supplemental agreements for spare parts and other items and forwarding for approval and signature of the NASA contracting officer is permitted (FAR 42.302(a)(22)).

(F) Execution of supplemental agreements definitizing change orders (see FAR 42.302(b)(1)).

(G) Issuing termination notices and executing supplemental agreements for settlement of termination for default or for convenience of the Government. However, delegation of the negotiation of termination settlements and forwarding for approval and signature of the NASA contracting officer is permitted using NASA Form 1432 (FAR 42.302(a)(23)).

(H) Consent to placement of subcontracts under FAR 42.302(a)(51). (See 1844.202-1(a)).

(d) *Transmittal and documentation.* In addition to the instructions at FAR 42.202(d)(1) through (4), contracting officers shall--

(i) Send delegations to DOD contract administration offices in accordance with the instructions in the DOD Directory of Contract Administration Services Components (DLAH 4105.4).

(ii) At time of contract award, prepare and forward NASA Form 1430, Letter of Contract Administration Delegation, General, to the contract administration office. NASA Form 1430A, Letter of Contract Administration, Special Instructions, will supplement the NASA Form 1430, to modify previously delegated functions and provide additional or particular information considered necessary to ensure clear understanding of all delegated functions.

(iii) Forward NASA Form 1431, Letter of Acceptance of Contract Administration, with each NASA Form 1430 or 1430A. Contracting officers shall use the returned NASA Form 1431 as contract file documentation that the delegation has been accepted, modified or rejected by the contract administration office and as a reference for points of contact for each of the functional areas delegated.

(iv) Use NASA Form 1433, Letter of Audit Delegation, to delegate the audit function and to amend previous delegations. Distribute copies of the contract and NASA Form 1433 as follows:

(A) *Audit office*: One copy of the contract and three NASA Forms 1433. When the Department of Health and Human Services is designated as the audit office, item 12 on NASA Form 1433 shall be marked "Not applicable."

(B) *Contractor*: One NASA Form 1433.

(C) *Cognizant NASA fiscal or financial management office*: One NASA Form 1433.

(v) For contracts with the Canadian Commercial Corporation (CCC), audits are automatically arranged by the Department of Defense Production (Canada) (DDP) in accordance with agreements between NASA and DDP. Audit reports are furnished to DDP. Upon advice from DDP, CCC will certify the invoice and forward it with Standard Form 1034, Public Voucher, to the contracting officer for further processing and transmittal to the fiscal or financial management officer.

(vi) For contracts placed directly with Canadian firms, audits are requested by the contracting officer from the Audit Services Branch, Comptroller of the Treasury, Department of Finance, Ottawa, Ontario, Canada. Invoices are approved by the auditor on a provisional basis pending completion of the contract and final audit. These invoices, accompanied by SF 1034, are forwarded to the contracting officer for further processing and transmittal to the fiscal or financial management officer. Periodic advisory audit reports are furnished directly to the contracting officer.

1842.202-70 Retention of contract administration.

(a) The assignment of contract administration is optional for the following contracts:

(1) Research and development study contracts not involving deliverable hardware or Government furnished property.

(2) Contracts with delivery schedules of 90 days or less.

(3) Purchase orders without Government source inspection requirements.

(4) Contracts requiring only on-site performance.

(5) Contracts requiring work in the vicinity of the awarding center where DOD contract administration services are not reasonably available.

1842.270 Contracting officer technical representative (COTR) delegations.

(a) Contracting officers may appoint a qualified Government employee to act as their technical representatives in managing the technical aspects of a particular contract. If necessary, the contracting officer may appoint an alternate COTR to act during short absences of the COTR. Technical organizations are responsible for ensuring that the individual they recommend to the contracting officer possesses training, qualifications and experience commensurate with the duties and responsibilities to be delegated and the nature of the contract.

(b) NASA Form 1634, Contracting Officer Technical Representative (COTR) Delegation, shall be used to appoint COTRs. A COTR's duties and responsibilities may not be redelegated by the COTR and the COTR may be held personally liable for unauthorized acts. However, this does not prohibit the COTR from receiving assistance for the purpose of monitoring contractor progress and gathering information. When an individual is appointed as a COTR on more than one contract, separate delegations shall be issued for each contract. A separate NASA Form 1634 will be used to appoint an alternate COTR.

(c) A COTR delegation remains in effect throughout the life of the contract unless canceled in writing by the cognizant contracting officer or at any level above that contracting officer. The contracting officer may modify the delegation only by issuance of a new delegation canceling and superseding the existing delegation.

(d) A COTR shall not be authorized to initiate procurement actions or in any way cause a change to the contract or increase the Government's financial obligations. However, delegations may be made to construction contract COTRs to sign emergency on-site change orders with an estimated value not to exceed the value specified in writing by the contracting officer in the NASA Form 1634 but in no event to exceed \$25,000.

(e) Each COTR shall acknowledge receipt and accept the delegation by signing the original delegation letter. The original of the COTR delegation letter shall be filed in the applicable contract file. Copies of the signed COTR delegation letter shall be distributed to the COTR, the contractor, and each cognizant contract administration office. Acknowledgment and distribution for terminations of COTR delegations and COTR delegations which revise authority, duties and responsibilities shall follow the same rules.

(f) Mandatory training for COTRs and their alternates shall include the following core topic areas: contracting authority; procurement integrity; performance-based contracting; contract modifications; surveillance plans; contracting for inherently governmental functions, personal services, and NASA policy on the acquisition of services; the Service Contract Act; the Anti-Deficiency Act; contract financial management; the "Changes" clause; the "Disputes" clause; the "Inspection" clause; Government property and policy procedures; and the "Limitation of Funds" and "Limitation of Cost" clauses. Procurement officers are responsible for assuring that the course(s) utilized by their installation address the mandatory core topics in sufficient detail for the purpose of COTR training.

(g) The contracting officer shall verify that the COTR has received the mandatory training before signing NASA Form 1634. If an urgent need arises for the appointment of a COTR and no trained and otherwise qualified individual is available, then the procurement officer may make a temporary COTR appointment not to exceed six months. Temporary appointments must be so identified and clearly reflect the appointment expiration date.

(h) No technical direction may be issued by a COTR relative to performance-based contract requirements or when serving under a temporary appointment.

1842.271 NASA clause.

Insert the clause at 1852.242-70, Technical Direction, when paragraph 3(m) of the NASA Form 1634 specifically authorizes a COTR to issue technical direction.

Subpart 1842.5--Postaward Orientation

1842.503 Postaward conferences.

(1) A postaward conference shall be held with representatives of the contract administration office when --

(i) A contract is expected to exceed \$10,000,000;

(ii) Contract performance is required at or near a NASA installation or NASA-controlled launch site;

(iii) The delegation will impose an abnormal demand on the resources of the contract administration office receiving the delegation; or

(iv) Complex contract management problems are expected.

(2) Procurement officer approval is required to waive a post-award planning conference for contracts meeting any of the criteria in paragraph (1) of this section.

The request for procurement officer approval to waive a post-award conference shall address action taken and planned to ensure effective communication with the contract administration office during the performance of the contract.

Subpart 1842.7--Indirect Cost Rates

1842.705 Final indirect cost rates.

1842.705-1 Contracting officer determination procedure.

(a) *Applicability and responsibility.*

(i) Since many NASA contractors are under DOD's final overhead rate determination procedure, NASA's policy is to participate jointly with DOD for those companies where NASA has a major financial interest. The NASA participant shall be a representative from that installation having the predominance of NASA work.

(ii) When NASA has been assigned the final indirect cost rate determination authority, settlement of indirect costs shall be conducted by the cognizant NASA contracting officer (normally from the installation providing the preponderance of NASA funding).

1842.708 Quick-Closeout procedure.

(a)(2)(ii) The 15 percent parameter does not apply to NASA contracts. Instead, perform a risk analysis that takes into consideration the contractor systems identified in FAR 42.708(a)(2)(ii), as well as the concerns of the cognizant contract auditor, and any other pertinent information.

1842.708-70 NASA Quick-closeout procedures.

After a decision is made that the use of quick closeout is appropriate, the contracting officer shall:

(a) Obtain a written agreement from the contractor to participate in the quick-closeout process under FAR 42.708 for the selected contract(s).

(b) Require the contractor to submit a final voucher and a summary of all costs by cost element and fiscal year for the contract(s) in question, as well as a copy of the contractor's final indirect cost rate proposal for each fiscal year quick closeout is involved.

(c) Notify the cognizant audit activity in writing, identify the contract(s), and request: (1) the contractor's indirect cost history covering a sufficient number of fiscal years to see the trend of claimed, audit questioned, and disallowed costs; and (2) any other

information that could impact the decision to use quick-closeout procedures. Indirect cost histories should be requested from the contractor only when the cognizant audit activity is unable to provide the information.

(d) Review the contract(s) for indirect cost rate ceilings and any other contract limitations, as well as the rate history information.

(e) Establish final indirect cost rates using one of the following rates:

(1) The contract's ceiling indirect cost rates, if applicable, and if less than paragraphs (e)(2) through (6) of this section.

(2) The contractor's claimed actual rates adjusted based on the contractor's indirect cost history, if less than paragraphs (e)(3) through (6) of this section.

(3) Recommended rates from the cognizant audit agency, the local pricing office, another installation pricing office, or other recognized knowledgeable source.

(4) The contractor's negotiated billing rates, if less than paragraphs (e)(5) or (6) of this section.

(5) The previous year's final rates.

(6) Final rates for another fiscal year closest to the period for which quick-closeout rates are being established.

(f) If an agreement is reached with the contractor, obtain a release of all claims and other applicable closing documents.

(g) For those contracts where the indirect cost rate negotiation function was delegated or falls under the cognizance of another agency, send a copy of the agreement to that office.

Subpart 1842.8--Disallowance of Costs

1842.803 Disallowing costs after incurrence.

(b) Auditor receipt of vouchers.

(1) NASA has designated the contract auditor as the contracting officer's representative for--

(A) Reviewing vouchers received directly from contractors;

(B) Approving vouchers for provisional payment and sending them to the disbursing office;

(C) Reviewing completion/final vouchers and sending them to the designated contracting officer for approval.

(D) Authorizing direct submission of interim vouchers for provisional payment to disbursing offices for contractors with approved billing systems.

(2)(A) When contract costs are questioned, the auditor shall prepare and send to the cognizant contracting officer NASA Form 456, Notice of Contract Costs Suspended and/or Disapproved.

(B) After coordination with other NASA and federal agency contracting officers administering contracts with the same contractor under which a NASA Form 456 or a DCAA Form 1 has been issued for the same items of cost, the NASA contracting officer shall take one of the following actions:

(a) Assign a notice number and sign the NASA Form 456.

(b) Issue a new NASA Form 456 suspending the costs rather than disapproving them pending resolution of the issues.

(c) Return the unsigned NASA Form 456 to the auditor with a detailed explanation of why the suspension or disapproval is not being signed, and process the contractor's claim for payment.

(C) When more than one NASA contract is affected by a notice, the NASA contracting officer with the largest amount of contract dollars affected is responsible for coordination of the NASA Form 456 with the other contracting officers, including those of other federal agencies, listed in the notice.

(D) An original and three copies (which includes two acknowledgment copies, one each for return to the contracting officer and the auditor) of the NASA Form 456 shall be sent to the contractor by certified mail, return receipt requested; one copy shall be attached to the Standard Form 1034 and each copy of the Standard Form 1034A on which the deduction for the suspension/disapproval is made.

(E)(a) If the amount of the deduction is more than the amount of the public voucher, the installment method of deduction shall be applied to the current and subsequent public vouchers until the amount is fully liquidated. The deductions on any voucher may not exceed the voucher amount to avoid processing of a voucher in a credit amount. Public voucher(s) with zero amounts must be forwarded to the fiscal or financial management office for appropriate action.

(b) If deductions are in excess of contractor claims, recovery may be made through a direct refund from the contractor, in the form of a check payable to NASA, or by a set-off deduction from the voucher(s) submitted by the contractor under any other

contract, unless those contracts contain a "no set-off" provision. If a set-off is affected, the voucher(s) from which the deduction is made should be annotated to identify the contract and appropriation affected and the applicable NASA Form 456.

Subpart 1842.12--Novation and Change-of-Name Agreements

1842.1203 Processing agreements.

(b) The installation shall immediately notify the Headquarters Office of Procurement (Code HS) of the request to execute a novation (successor-in-interest) or change-of-name agreement.

(h) The contracting officer shall forward one copy of the agreement to Code HS.

1842.1203-70 DOD processing of novation and change-of-name agreements on behalf of NASA.

(a) Copies of novation and change-of-name agreements executed by DOD on behalf of NASA are maintained by the Headquarters Office of Procurement (Code HS).

(b) Code HS is the Agency point of contact for issues related to proposed novation agreements. With the concurrence of Code HS, an installation may execute a separate agreement with the contractor.

Subpart 1842.13--Suspension of Work, Stop-Work Orders, and Government Delay of Work

1842.1305 Contract clauses.

(b) FAR 52.242-15, Stop-Work Order, shall not be used in solicitations or contracts for research performed by educational or other nonprofit institutions.

Subpart 1842.14--Traffic and Transportation Management

1842.1405 Discrepancies incident to shipment of supplies.

(a) NASA personnel shall also report discrepancies and adjust claims for loss of and damage to Government property in transit in accordance with NHB 6200.1, NASA Transportation and General Traffic Management.

Subpart 1842.15--Contractor Performance Information

1842.1501 General.

Communications with contractors are vital to improved performance and this is NASA's primary objective in evaluating past performance. Other objectives include

providing data for both future source selections and for reports under NASA's Contractor Performance Assessment Program (CPAP). While the evaluations must reflect both shortcomings and achievements during performance, they should also elicit from the contractors their views on impediments to improved performance emanating from the Government or other sources.

1842.1502 Policy.

(a) Within 60 days of every anniversary of the award of a contract having a term exceeding one year, contracting officers shall conduct interim evaluations of performance on contracts subject to FAR subpart 42.15 and this subpart. On such contracts, both an interim evaluation covering the last period of performance and a final evaluation summarizing all performance shall be conducted.

1842.1503 Procedures.

(a) The contracting officer shall determine who (e.g., the technical office or end users of the products or services) evaluates appropriate portions of the contractor's performance. The evaluations are subjective in nature. Nonetheless, the contracting officer, who has responsibility for the evaluations, shall ensure that they are reasonable.

(b) NASA Form 1680, entitled, "Evaluation of Performance," shall be used to document evaluations. This provides for a five-tiered rating (using the definitions for award fee evaluation scoring found in 1816.405-275) covering the following attributes: quality, timeliness, price or control of costs (not required for firm-fixed-price contracts or firm-fixed-price contracts with economic price adjustment), and other considerations. Evaluations used in determining award fee payments satisfy the requirements of this subpart and do not require completion of NASA Form 1680. In addition, hybrid contracts containing both award fee and non-award fee portions do not require completion of NASA Form 1680. Contracting Officers shall ensure that the Government discusses all evaluations with contractors and shall record the date and the participants on the evaluation form. Contracting officers shall sign and date the evaluation after considering any comments received from the contractor within 30 days of the contractor's receipt of the evaluation. If a contractor in its timely comments disagrees with an evaluation and requests a review at a level above the contracting officer, it shall be provided within 30 days. While the FAR forbids use of the evaluations for source selections more than three years after contract completion, they shall nevertheless be retained in the contract file as provided in FAR 4.8, Government Contract Files.

Subpart 1842.70--Additional NASA Contract Clauses

1842.7001 Observance of legal holidays.

(a) The contracting officer shall insert the clause at 1852.242-72, Observance of Legal Holidays, in contracts when work will be performed at a NASA installation.

(b) The clause shall be used with its Alternate I in cost-reimbursement contracts when it is desired that contractor employees not have access to the installation during Government holidays. This alternate may be appropriately modified for fixed-price contracts.

(c) The clause may be used with its Alternate II in cost-reimbursement contracts when it is desired that administrative leave be granted contractor personnel in special circumstances, such as inclement weather or potentially hazardous conditions.

1842.7002 Travel outside of the United States.

The contracting officer shall insert the clause at 1852.242-71, Travel Outside of the United States, in cost-reimbursement solicitations and contracts where a contractor may travel outside of the United States and it is appropriate to require Government approval of the travel.

Subpart 1842.71--Submission of Vouchers

1842.7101 Submission of vouchers.

(a) Vouchers shall be submitted in accordance with the clause at 1852.216-87, Submission of Vouchers for Payment.

(b) The auditor shall retain an unpaid copy of the voucher.

(c) When a voucher submitted in accordance with the clause at 1852.216-87 contains one or more individual direct freight charges of \$100 or more, an additional copy of Standard Form 1034A and Standard Form 1035A shall be submitted and marked for return to the contractor after payment. This copy shall be transmitted quarterly by the contractor with the freight bills to the General Services Administration. When a voucher is identified as the "Completion Voucher," an additional copy shall be submitted for transmittal to the NASA contracting officer.

Subpart 1842.72--NASA Contractor Financial Management Reporting

1842.7201 General.

(a) Contracting officer responsibilities.

(1) Contracting officers must ensure contracts require cost reporting consistent with both policy requirements and project needs. Contracting Officers shall monitor contractor cost reports on a regular basis to ensure cost data reported is accurate and

timely. Adverse trends or discrepancies discovered in cost reports should be pursued through discussions with financial and project team members.

(2) Whenever cost performance threatens contract performance, contracting officers shall require corrective action plans from the contractors.

(b) Reporting requirements.

(1) Use of the NASA Contractor Financial Management Reports, the NASA Form 533 series, is required on cost-type, price redetermination, and fixed-price incentive contracts when the following dollar, period of performance, and scope criteria are met:

| Contract value/scope | Period of Performance | 533M | 533Q |
|-----------------------------|------------------------------|-------------|-------------|
| \$500K to \$999K | 1 year or more | Required | Optional |
| \$1,000,000 and over | Less than 1 year | Required | Optional |
| \$1,000,000 and over | 1 year or more | Required | Required |

(2) When it is probable that a contract will ultimately meet the criteria in paragraph (b)(1) of this section through change orders, supplemental agreements, etc., the reporting requirement must be implemented in the contract based on the estimated final contract value at the time of award.

(3) NF 533Q reporting may be waived by the contracting officer, with the concurrence of the center chief financial officer and cognizant project manager, for support service or task order contracts, when NF 533M reports and other data are sufficient to ensure accurate monthly cost accruals, evaluation of the contractor's cost performance, and forecasting of resource requirements.

(4) Where a specific contractual requirement differs from the standard system set forth in NPG 9501.2, NASA Contractor Financial Management Reporting, but is determined to be in the best interests of the Government and does not eliminate any of the data elements required by the standard NF 533 formats, it may be approved by the contracting officer with the concurrence of the center chief financial officer and the project manager. Such approval shall be documented and retained, with the supporting rationale, in the contract file.

(5) The contractor's internal automated printout reports may be substituted for the 533 reporting formats only if the substitute reports contain all the data elements that would be provided by the corresponding 533's. The contracting officer shall coordinate any proposed substitute with the installation financial management office.

(c) Contract requirements.

(1) Reporting requirements, including a description of reporting categories, shall be detailed in the procurement request, and reports shall be required by inclusion of the clause prescribed in 1842.7202. The contract schedule shall include report addressees and numbers of copies. Reporting categories shall be coordinated with the center financial management office to ensure that data required for agency cost accounting will be provided by the reports. Reporting dates shall be in accordance with NPG 9501.2, except that earlier submission is encouraged whenever feasible. No due date shall be permitted which is later than the date by which the center financial management office needs the data to enter an accurate monthly cost accrual in the accounting system.

(2) The contractor shall be required to submit an initial report in the NF 533Q format, time phased for the expected life of the contract, within 30 days after authorization to proceed has been granted. NF 533M reporting will begin no later than 30 days after incurrence of cost. NF 533Q reporting begins with the initial report.

1842.7202 Contract clause.

The contracting officer shall insert the clause at 1852.242-73, NASA Contractor Financial Management Reporting, in solicitations and contracts when any of the NASA Form 533 series of reports is required from the contractor.

Subpart 1842.73--Audit Tracking and Resolution

1842.7301 NASA external audit follow-up system.

(a) This section implements OMB Circular No. A-50, NASA Policy Directive (NPD) 1200.1, and NASA Procedures and Guidelines (NPG) 1200.1, "Management Accountability and Control, Audit Liaison, and Audit Follow-up", which provide more detailed guidance. Recommendations for external audits (OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Institutions) shall be resolved by formal review and approval procedures analogous to those at 1815.406-171.

(b) The external audit followup system tracks all contract and OMB Circular No. A-133 audits where NASA has resolution and disposition authority. The objective of the tracking system is to ensure that audit recommendations are resolved as expeditiously as possible, but at a maximum, within 6 months of the date of the audit report.

(c)(1) The identification and tracking of contract audit reports under NASA cognizance are accomplished in cooperation with the DCAA.

(2) Identification and tracking of OMB Circular No. A-133 audit reports are accomplished in cooperation with the NASA Office of the Inspector General (OIG) by means of a transmittal memorandum. A transmittal memorandum is sent by the OIG

to the procurement officer of each NASA Center having an award (contract, grant, or other agreement) covered by the audit report. The transmittal memorandum will identify any significant audit findings.

(d)(1) All reportable contract audit reports as defined by Part 15, Section 6, of the DCAA Contract Audit Manual (CAM) shall be reported quarterly to the Headquarters Office of Procurement (Code HC); and

(2) Only OMB Circular No. A-133 audit reports involving the following shall be reported quarterly to Code HC:

(i) A significant management control issue; or

(ii) Questioned costs of \$10,000 or more due to an audit finding (see Subpart E-Auditor, paragraph 510 of OMB Circular No. A-133).

(3) NASA contracting officers will maintain a dialogue with DOD Administrative Contracting Officers (ACO) who have been delegated activities on NASA contracts. A review will be conducted no less frequently than semiannually, and the status and disposition of significant audit findings will be documented in the contract file.

(e)(1) The terms "resolution" and "disposition" are defined in Appendix A of NPG 1200.1.

(2) The resolution and disposition of OMB Circular No. A-133 audits are handled as follows:

(i) Audit findings pertaining to an individual NASA award are the responsibility of the procurement officer administering that award.

(ii) Audit findings having a Governmentwide impact are the responsibility of the cognizant Federal agency responsible for oversight. For organizations subject to OMB Circular No. A-133, there is either a cognizant agency or an oversight agency. The cognizant agency is the Federal agency that provides the predominant amount of direct funding to the recipient organization unless OMB makes a specific cognizant agency for audit assignment. To provide for the continuity of cognizance, the determination of the predominant amount of direct funding will be based on the direct Federal awards expended in the recipient's fiscal years ending in 1995, 2000, 2005, and every fifth year thereafter. When there is no direct funding, the Federal agency with the predominant indirect funding is to assume the oversight responsibilities. In cases where NASA is the cognizant or oversight Federal agency, audit resolution and disposition is the responsibility of the procurement officer for the Center having the largest amount of direct funding, or, if there is no direct funding, the largest amount of indirect funding for the audited period. A copy of the memorandum dispositioning the

findings shall be provided by each Center having resolution responsibility for the particular report to the Headquarters OIG office and Code HC.

PART 1853 FORMS

TABLE OF CONTENTS

SUBPART 1853.1 GENERAL

1853.100 Scope of subpart.

1853.101 Requirements for use of forms.

1853.103 Exceptions.

1853.105 Computer generation.

1853.107 Obtaining forms.

1853.108 Recommendations concerning forms.

SUBPART 1853.2 PRESCRIPTION OF FORMS

1853.200 Scope of subpart.

1853.204 Administrative matters.

1853.204-70 General (NASA Forms 507, 507A, 507B, 507G, 507M, 531, 533M, 533Q, 1098, 1356, 1611, 1612, and Department of Defense Form 1593).

1853.208 Required sources of supplies and services.

1853.208-70 Other Government sources (Standard Form 1080, Air Force Form 858, Department of Energy Form 5400.3, Nuclear Regulatory Commission Form 313).

1853.215 Contracting by negotiation.

1853.215-70 Price negotiation (NASA Form 634 and Department of Defense Form 1861).

1853.216 Types of contracts.

1853.216-70 Assignees under cost-reimbursement contracts (NASA Forms 778, 779, 780, and 781).

1853.217 Special contracting methods (NASA Form 523).

1853.232-70 Contract financing (Standard Forms 272, 272A).

1853.242 Contract administration.

1853.242-70 Delegation (NASA Forms 1430, 1430A, 1431, 1432, 1433, and 1634) and service request (NASA Form 1434).

1853.242-71 Notifications (NASA Form 456).

1853.242-72 Evaluation of Performance (NASA Form 1680).

1853.245-70 Property (NASA Form 1018, Department of Defense Form 1419).

1853.246 Quality assurance (Department of Defense Forms 250 and 250c).

1853.249-70 Termination of contracts (NASA Forms 1412, 1413).

SUBPART 1853.3 ILLUSTRATIONS OF FORMS

1853.300 Scope of subpart.

1853.301 Standard forms.

1853.303 Agency forms.

PART 1853 FORMS

Subpart 1853.1--General

1853.100 Scope of subpart.

This subpart contains information regarding the forms prescribed in this Regulation. Unless specified otherwise, the policies in FAR Part 53 apply to NASA-prescribed forms.

1853.101 Requirements for use of forms.

The requirements for use of the forms in this part are contained in Parts 1801 through 1852 where the subject matter applicable to each form is addressed. The specific location of each form's prescription is identified in subpart 1853.2.

1853.103 Exceptions.

(1) Requests for exceptions to standard or optional forms shall be forwarded through the center forms manager to the Headquarters Office of Procurement (Code HK).

(2) Alteration of any form in this part is prohibited unless prior approval has been obtained from the Headquarters Office of Management Systems and Facilities, Information Resources Management Division (Code JT). Requests for alteration shall be coordinated with the center forms manager before transmittal to Code JT.

(3) Use for the same purpose of any form other than one prescribed by this Regulation requires prior approval of Code HK.

1853.105 Computer generation.

Forms prescribed by this Regulation may be adapted for computer preparation providing there is no change to the name, content, or sequence of the data elements, and the form carries the form number and edition date.

1853.107 Obtaining forms.

(c)(i) NASA centers and offices may obtain forms prescribed in the FAR or in this Regulation from Goddard Space Flight Center, Code 239. Orders should be placed on a NASA Form 2, Request for Blank Forms, Publications and Issuances.

(ii) Contracting officers, at the time of contract award, shall ensure that contractors are notified of the procedures for obtaining NASA forms required for performance under the contract.

1853.108 Recommendations concerning forms.

Code HK is the office responsible for submitting form recommendations.

Subpart 1853.2--Prescription of Forms

1853.200 Scope of subpart.

This subpart summarizes the prescriptions of NASA forms and other forms adopted by NASA for use in acquisition.

1853.204 Administrative matters.

1853.204-70 General (NASA Forms 507, 507A, 507B, 507G, 507M, 531, 533M, 533Q, 1098, 1356, 1611, 1612; and Department of Defense Form 1593).

(a) The following forms are prescribed in 1804.670-3:

- (1) NASA Form 507, Individual Procurement Action Report (New Awards).
- (2) NASA Form 507A, Individual Procurement Action Report (New Awards) Supplement A.
- (3) NASA Form 507B, Individual Procurement Action Report Supplement B.
- (4) NASA Form 507G, Individual Procurement Action Report (Grants/Orders).
- (5) NASA Form 507M, Individual Procurement Action Report (Modifications).
- (b) *NASA Form 531, Name Check Request*. Prescribed in 1852.204-76.
- (c) The following forms are prescribed in 1842.72:
 - (1) NASA Form 533M, Monthly Contractor Financial Management Report.
 - (2) NASA Form 533Q, Quarterly Contractor Financial Management Report.
- (d) *NASA Form 1098, Checklist for Contract Award File Content*. Prescribed in 1804.803-70.
- (e) *NASA Form 1356, C.A.S.E. Report on College and University Projects*. Prescribed in 1804.671.
- (f) *NASA Form 1611, Contract Completion Statement*. Prescribed in 1804.804-2 and 1804.804-5.
- (g) The following forms are prescribed in 1804.804-5:
 - (1) NASA Form 1612, Contract Closeout Checklist.
 - (2) DD Form 1593, Contract Administration Completion Record.

1853.208 Required sources of supplies and services.

1853.208-70 Other Government sources (Standard Form 1080, Air Force Form 858, Department of Energy Form 5400.3, Nuclear Regulatory Commission Form 313).

- (a) *SF 1080, Voucher for Transfers Between Appropriations and/or Funds (Disbursement)*. Prescribed in 1808.002-72(e).
- (b) *Air Force Form 858, Forecast of Requirements (Missile Propellants and Pressurants)*. Prescribed in 1808.002-72(f).

(c) *Department of Energy Form 5400.3, Isotope Order Blank*. Prescribed in 1808.002-70(a).

(d) *Nuclear Regulatory Commission Form 313, Application for Material License*. Prescribed in 1808.002-70(a).

1853.215 Contracting by negotiation.

1853.215-70 Price negotiation (NASA Form 634 and Department of Defense Form 1861).

(a) *NASA Form 634, Structured Approach--Profit/Fee Objective*. Prescribed in 1815.404-470.

(b) *DD Form 1861, Contract Facilities Capital Cost of Money*. Prescribed in 1830.70, and instructions for completion are in 1830.7001-2.

1853.216 Types of contracts.

1853.216-70 Assignees under cost-reimbursement contracts (NASA Forms 778, 779, 780, and 781).

The following forms are prescribed in 1852.216-89:

(a) NASA Form 778, Contractor's Release.

(b) NASA Form 779, Assignee's Release.

(c) NASA Form 780, Contractor's Assignment of Refunds, Rebates, Credits, and Other Amounts.

(d) NASA Form 781, Assignee's Assignment of Refunds, Rebates, Credits, and Other Amounts.

1853.217 Special contracting methods (NASA Form 523).

NASA Form 523, NASA-Defense Purchase Request. Prescribed in 1808.002-72(b) and 1817.7002.

1853.232-70 Contract financing (Standard Forms 272, 272A).

The following forms are prescribed in 1832.412(a)(ii):

(a) SF 272, Federal Cash Transactions Report.

(b) SF 272A, Federal Cash Transactions Report Continuation.

1853.242 Contract administration.

1853.242-70 Delegation (NASA Forms 1430, 1430A, 1431, 1432, 1433, and 1634) and service request (NASA Form 1434).

(a) *NASA Form 1430, Letter of Contract Administration Delegation, General.* Prescribed in 1842.202(d)(ii).

(b) *NASA Form 1430A, Letter of Contract Administration Delegation, Special Instructions.* Prescribed in 1842.202(d)(ii).

(c) *NASA Form 1431, Letter of Acceptance of Contract Administration Delegation.* Prescribed in 1842.202(d)(iii).

(d) *NASA Form 1432, Letter of Contract Administration Delegation, Termination.* Prescribed in 1842.202(b)(1)(G).

(e) *NASA Form 1433, Letter of Audit Delegation.* Prescribed in 1842.202(d)(iv).

(f) *NASA Form 1634, Contracting Officer Technical Representative (COTR) Delegation.* Prescribed in 1842.270(b).

(g) *NASA Form 1434, Letter of Request for Pricing-Audit-Technical Evaluation Services.* Prescribed in 1815.404-2(a)(1)(D).

1853.242-71 Notifications (NASA Form 456).

NASA Form 456, Notice of Contract Costs Suspended and/or Disapproved. Prescribed in 1842.803(b)(2).

1853.242-72 Evaluation of Performance (NASA Form 1680).

NASA Form 1680, Evaluation of Performance. Prescribed in 1842.1503.

1853.245-70 Property (NASA Form 1018, Department of Defense Form 1419).

(a) *NASA Form 1018, NASA Property in the Custody of Contractors.* Prescribed in 1845.505-14. Instructions for form completion are in 1845.7101.

(b) *DD Form 1419, DOD Industrial Plant Equipment Requisition.* Prescribed in 1852.245-70. Instructions for form completion are in 1845.7102.

1853.246 Quality Assurance (Department of Defense Forms 250 and 250c).

The following forms are prescribed in 1846.670. Instructions for form completion are in 1846.670:

(a) DD Form 250, Material Inspection and Receiving Report

(b) DD Form 250c, Material Inspection and Receiving Report- Continuation Sheet.

1853.249-70 Termination of contracts (NASA Forms 1412, 1413).

(a) *NASA Form 1412, Termination Authority*. Prescribed in 1849.101-71.

(b) *NASA Form 1413, Termination Docket Checklist*. Prescribed in 1849.105-70.

Subpart 1853.3--Illustrations of Forms

1853.300 Scope of subpart.

This subpart contains illustrations of NASA forms and other forms used by NASA in acquisitions and not prescribed in the FAR.

1853.301 Standard forms.

This section illustrates standard forms (SFs) specified for use in acquisitions.

1853.303 Agency forms.

This section illustrates NASA and other agency forms specified for use in acquisitions. The other agency forms are arranged numerically by agency following the NASA forms.