

Subchapter 3031.2 Contracts with Commercial Organizations**3031.205 Selected costs.****3031.205-6 Compensation for personal services.**

(g)(6) The Head of the Contracting Activity (HCA) is delegated, without redelegation, authority to waive the cost allowability limitations.

3031.205-32 Precontract costs.

(b) To the extent practical, precontract costs should be addressed by establishing advance understandings as contemplated by FAR 31.109. When the contracting officer determines in writing that it is necessary to incur precontract costs to meet the proposed cost-reimbursable contract's delivery schedule, the determination shall be approved by the Chief of the Contracting Office (COCO), without redelegation, for precontract costs not to exceed \$25 million, and the Head of Contracting Activity (HCA), without redelegation, for precontract costs greater than \$25 million. The determination shall and include the following:

- (1) Identification of the requirement and a brief description of the work for which precontract costs are necessary;
 - (2) A statement that all statutory and regulatory actions required to justify source selection have occurred;
 - (3) Name of the prospective contractor;
 - (4) Total amount of precontract costs involved and a statement that the funds necessary to cover this amount have been provided to the contracting officer;
 - (5) Total estimated time of the effort requiring precontract costs;
 - (6) Discussion of reasons justifying the need for the contractor to proceed prior to contract award; and
 - (7) A signed agreement between the contracting officer and the prospective contractor that incurrence of precontract costs is solely at its own risk and in the event negotiations do not result in a contract, the Government shall be under no obligation to reimburse the contractor for precontract costs.
- (c) Retroactive precontract cost authorization and the predating of contractual agreements shall not be used.
- (d) Precontract cost authorizations shall not authorize the delivery or furnishing of any goods or services from a contractor until after the contract is executed.