

3.10.1-1 Notice of Intent To Disallow Costs (February 2003)

(a) Notwithstanding any other clause of this contract--

(1) The Contracting Officer may at any time issue to the Contractor a written notice of intent to disallow specified costs incurred or planned for incurrence under this contract that have been determined not to be allowable under the contract terms; and

(2) The Contractor may, after receiving a notice under subparagraph (1) above, submit a written response to the Contracting Officer, with justification for allowance of the costs. If the Contractor does respond within 60 days, the Contracting Officer shall, within 60 days of receiving the response, either make a written withdrawal of the notice or issue a written decision.

(b) Failure to issue a notice under this "Notice of Intent to Disallow Costs" clause shall not affect the Government's rights to take exception to incurred costs.

(End of clause)

PRESCRIPTION

Should be used in RFI/RFP's and contracts other than firm fixed price, when cost-reimbursement, or fixed-price incentive contracts are contemplated.