

EPAAR PART 1542—CONTRACT ADMINISTRATION

[PART 1542—CONTRACT ADMINISTRATION](#)

[Subpart 1542.7—Indirect Cost Rates](#)

[1542.703-2 Certificate of indirect costs.](#)

[1542.705 Final indirect cost rates.](#)

[1542.705-70 Solicitation and contract clause.](#)

[Subpart 1542.12—Novation and Change of Name Agreements](#)

[1542.1200 Scope of subpart.](#)

[1542.1202 Responsibility for executing agreements.](#)

[1542.1203 Processing agreements.](#)

[Subpart 1542.15—Contractor Performance Information](#)

[1542.1500 Scope of subpart.](#)

[1542.1502 Policy.](#)

[1542.1503 Procedures.](#)

[1542.1504 Clauses.](#)

PART 1542—CONTRACT ADMINISTRATION

Section Contents

Subpart 1542.7—Indirect Cost Rates

1542.703-2 Certificate of indirect costs.

1542.705 Final indirect cost rates.

1542.705-70 Solicitation and contract clause.

Subpart 1542.12—Novation and Change of Name Agreements

1542.1200 Scope of subpart.

1542.1202 Responsibility for executing agreements.

1542.1203 Processing agreements.

Subpart 1542.15—Contractor Performance Information

1542.1500 Scope of subpart.

1542.1502 Policy.

1542.1503 Procedures.

1542.1504 Clauses.

Authority: Sec. 205(c), 63 Stat. 390, as amended, 40 U.S.C. 486(c).

Source: 49 FR 8865, Mar. 8, 1984, unless otherwise noted.

Subpart 1542.7—Indirect Cost Rates

1542.703-2 Certificate of indirect costs.

The Head of the Contracting Activity may waive the certification requirement set forth in [FAR 42.703-2](#).

[61 FR 57339, Nov. 6, 1996]

1542.705 Final indirect cost rates.

(a) The EPA shall use the Contracting Officer determination procedure for all business units for which it shall be required to negotiate final indirect cost rates.

(b) Contracting officers shall insert the clause at [1552.242-72](#), Financial Administrative Contracting officers (FACO), in cost-reimbursement contracts when the Environmental Protection Agency (EPA) is the cognizant federal agency and a FACO will be assigned.

[49 FR 8865, Mar. 8, 1984, as amended at 65 FR 58924, Oct. 3, 2000]

1542.705-70 Solicitation and contract clause.

The Contracting Officer shall insert the clause in [1552.242-70](#), Indirect Costs, in solicitations and contracts where indirect costs apply, unless contracting with an educational institution where there are approved predetermined final indirect cost rates.

[62 FR 33573, June 20, 1997]

Subpart 1542.12—Novation and Change of Name Agreements

1542.1200 Scope of subpart.

This subpart implements [FAR subpart 42.12](#) and provides policies and procedures for executing and processing novation and change-of-name agreements.

1542.1202 Responsibility for executing agreements.

(a) Any EPA contracting office upon being notified of a successor in interest to, or change of name of, one of its Contractors shall promptly report such information by memorandum to the Director, Policy, Training and Oversight Division (POTD).

(b) To avoid duplication of effort on the part of EPA contracting offices in preparing and executing agreements to recognize a change of name or successor in interest, only one supplemental agreement will be prepared to effect necessary changes for all contracts between EPA and the Contractor involved. The Chief of the Procurement Policy Branch, Policy, Training and Oversight Division (PTOD), will, in each case, designate the Contracting Office responsible for taking all necessary and appropriate action with respect to either recognizing or not recognizing a successor in interest, or recognizing a change of name agreement.

[49 FR 8865, Mar. 8, 1984, as amended at 55 FR 24580, June 18, 1990; 59 FR 18977, Apr. 21, 1994]

1542.1203 Processing agreements.

(a) The responsible contracting office shall:

(1) Obtain from the Contractor a list of all affected contracts, the names and addresses of the contracting offices responsible for these contracts, and the required documentary evidence.

(2) Verify the accuracy of the list of contracts through the Contract Information System.

(3) Draft and execute a supplemental agreement to one of the contracts affected but covering all applicable outstanding and incomplete contracts affected by the transfer of assets or change of name. A supplemental agreement number need not be obtained for contracts other than for the one under which the supplemental agreement is written. The supplemental agreement will contain a list of the contracts affected and, for distribution purposes, the names and addresses of the contracting offices having contracts subject to the supplemental agreement.

(b) Agreements and supporting documents covering successors in interest shall be reviewed for legal sufficiency by legal counsel.

(c) After execution of the supplemental agreement, the designated office shall forward an authenticated copy of the supplemental agreement to the Director, Policy, Training and Oversight Division, and to each affected contract office.

[49 FR 8865, Mar. 8, 1984, as amended at 59 FR 18977, Apr. 21, 1994]

Subpart 1542.15—Contractor Performance Information

Source: 76 FR 39017, July 5, 2011, unless otherwise noted.

1542.1500 Scope of subpart.

This subpart provides EPA policies and establishes responsibilities for recording and maintaining contractor performance information.

1542.1502 Policy.

EPA contracting officers shall prepare an evaluation of contractor performance for all applicable contracts and orders with a total estimated value greater than the simplified acquisition threshold in accordance with FAR [42.1502](#). For acquisitions involving options, the total estimated value of the acquisition shall include the estimated base amount plus the option(s) amount(s). Evaluations shall be completed no later than 120 days after the end of the evaluation period.

1542.1503 Procedures.

(a) *Past Performance Database.* EPA contracting officers shall use the Contractor Performance Assessment Reporting System (CPARS) which has connectivity with the Past Performance Information Retrieval System (PPIRS).

(b) *Frequency and Types of Report.* CPARS includes four types of reports: Initial, Intermediate, Final and Out-of-Cycle.

(1) An initial report is required for new contracts/orders meeting the thresholds in FAR 42.15 with a period of performance greater than 365 days. The initial CPAR must reflect evaluation of at least the first 180 days of performance and may include up to the first 365 days of performance.

(2) Intermediate reports are due every 12 months throughout the entire period of the contract after the initial report and up to the final report. While formal reports are only required every 12 months, contracting officers should discuss past performance with contractors on an ongoing basis.

(3) A final report shall be prepared upon contract completion. Contracts/orders with less than 365 days performance only require a final report. For contracts longer than 365 days, the final report is not cumulative and covers only the period of performance following the last intermediate report. Final past performance reports must be completed prior to contract closeout.

(4) An out-of-cycle report may be prepared when there is a significant change of performance that alters the assessment in one or more evaluation areas. The contractor may request an Out-of-cycle report be prepared; however, the decision of whether or not to do so is at the discretion of the contracting officer. An out-of-cycle report does not alter the annual intermediate reporting requirement.

(c) *Preparing the Evaluation.* The contracting officer's representative shall initiate all reviews and forward to the contracting officer for approval. The content of the evaluations shall be based on objective data supportable by program and contract management records. Remarks should be tailored to the contract type, size, content, and complexity. Contracting officers should provide their own input on the evaluation as applicable and obtain input from the program office, administrative contracting office, end users of the product or service, and any other technical or business advisor, as appropriate.

(d) *Small Business Subcontracting Plan.* Evaluations shall include an assessment of contractor performance against and efforts to achieve the goals identified in the small business subcontracting plan when the contract includes the clause at FAR [52.219-9](#), Small Business Subcontracting Plan.

(e) *Novation Agreements/Name Changes.* In cases of novations involving successors-in-interest, a final evaluation of the predecessor contractor's performance must be accomplished. The predecessor contractor's final past performance report shall cover the last 12 months (or less) of contract or order performance. In cases of change-of-name agreements, the system shall be changed to reflect the new contractor's name.

(f) *File Documentation.* Copies of the evaluation, contractor response, and review comments (if any) shall be retained as part of the evaluation, and hard copies shall be contained in contract files.

1542.1504 Clauses.

EPA contracting officers shall insert the contract clause at [1552.242-71](#) in all solicitations, contracts, and orders requiring past performance reports in accordance with FAR Subpart [42.1502](#). For acquisitions involving options, the total estimated value of the acquisition shall include the estimated base amount plus the option(s) amount(s).