

# **PART 1231 - CONTRACT COST PRINCIPLES AND PROCEDURES**

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### [SUBPART 1231.2--CONTRACTS WITH COMMERCIAL ORGANIZATIONS](#)

#### [1231.205 Selected costs.](#)

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### **SUBPART 1231.2--CONTRACTS WITH COMMERCIAL ORGANIZATIONS**

#### **1231.205 Selected costs.**

#### **1231.205-32 Precontract costs.**

(a) The decision to incur precontract costs is that of the contractor. No DOT employee can authorize, demand, or require a contractor to incur precontract costs. The contracting officer may advise the prospective contractor that any costs incurred before contract award are at the contractor's sole risk and that if negotiations fail to result in a binding contract, payment of these costs may not be made by the Government.

(b) When the contracting officer determines that incurring precontract costs was necessary to meet the proposed contract delivery schedule of a cost-reimbursement contract, the clause at (TAR) 48 CFR [1252.231-70](#), Date of Incurrence of Costs, may be inserted in the resultant contract.