

235.7003 Reporting requirements.

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(b) * * *

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235.7006 [Amended]

96. Section 235.7006, *Exhibit—Research and Development Streamlined Contracting Format*, Part I-The Schedule, Section H, *Special Contract Requirements* is amended by revising paragraph designation (H.8) to read (H.5).

PART 237—SERVICE CONTRACTING

97. Section 237.102-70 is added to read as follows:

237.102-70 Prohibition on contracting for firefighting or security-guard functions.

(a) Under 10 U.S.C. 2465, the DoD is prohibited for entering into contracts for the performance of firefighting or security-guard functions at any military installation or facility unless—

(1) The contract is to be carried out at a location outside the United States (to include any U.S. commonwealth, territory, or possession) at which members of the armed forces would have to be used for the performance of firefighting or security-guard functions at the expense of unit readiness;

(2) The contract will be carried out on a Government-owned but privately operated installation; or

(3) The contract (or renewal of a contract) is for the performance of a function under contract on September 24, 1983.

(b) Under Section 2907 of Public Law 103-160, this prohibition does not apply to services at installations being closed (see subpart 237.74).

237.104 [Amended]

98. Section 237.104 is amended by revising in paragraph (b)(ii) introductory text the word "service" to read "services;" by revising in paragraph (b)(ii)(B) the word "service" to read "services;" and by revising the last sentence in paragraph (b)(ii)(B) to read "Selections made using the procedures in this section are exempt by statute from FAR part 6 competition requirements (see 206.001(b))."

99. Section 237.109 is added to read as follows:

237.109 Services of quasi-military armed forces.

See 237.102-70b for prohibition on contracting for firefighting or security-guard functions.

237.171, 237.171-1, and 237.171-2 [Removed]

100. Sections 237.171, 237.171-1, and 237.171-2 are removed.

237.270, 237.270-1, 237.270-2, 237.270-3 and 237.270-4 [Removed]

101. Sections 237.270, 237.270-1, 237.270-2, 237.270-3 and 237.270-4 are removed.

237.7204 [Amended]

102. Section 237.7204 is amended by revising under the heading "GENERAL PROVISIONS" entry No. 6 to read "FAR 52.215-2, Audit and Records—Negotiation" in lieu of "FAR 52.215-1, Examination of Records by Comptroller General."

PART 239—ACQUISITION OF INFORMATION RESOURCES

103. Section 239.7303 is amended by revising paragraph (b) to read as follows:

239.7303 Review and approval of leasing costs.

* * * * *

(b) The contracting officer shall conduct reviews of leasing costs as warranted, meeting the criteria of FAR 31.205-2(d), to determine the continued need for leasing. In performing the review, the contracting officer shall request the contractor to update its supporting documentation.

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PART 242—CONTRACT ADMINISTRATION**242.705-1 [Amended]**

104. Section 242.705-1 is amended by removing paragraphs (b)(3) and (b)(4).

242.705-2 [Amended]

Section 242.705-2 is amended by revising paragraph designations "(b)(2)(iii)" and "(b)(2)(v)" to read "(b)(2)(ii)" and "(b)(2)(iv)" respectively.

242.770 [Removed and Reserved]

105. Section 242.770 is removed and reserved.

242.770-1, 242.770-2, 242.770-3, 242.770-4, 242.770-5, and 242.770-6 [Removed]

106. Sections 242.770-1, 242.770-2, 242.770-3, 242.770-4, 242.770-5, and 242.770-6 are removed.

242.771-3 [Amended]

107. Section 242.771-3 is amended by revising in paragraph (b)(2) the phrase

"(OUSD(A))" to read "(OUSD(A&T))"; and by revising in paragraph (c) the phrase "(OUSD(A)DDR&E)" to read "(OUSD(A&T)DDR&E)."

108. Section 242.7003-1 is revised to read as follows:

242.7003-1 Description.

The annual cost monitoring plan is a schedule for reviewing contractor activities that have the greatest potential for generating erroneous charges to the Government.

109. Section 242.7206 is amended by revising the introductory text to read as follows:

242.7206 Contract clause.

Use the clause at 252.242-7004, Material Management and Accounting System, in all solicitations and contracts exceeding the simplified acquisition threshold in FAR part 13 that are not for the acquisition of commercial items and—

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PART 246—QUALITY ASSURANCE**246.202-3 [Amended]**

110. Section 246.202-3 is redesignated as 246.202-4; and paragraphs (i) and (ii) of newly designated 246.202-4 are redesignated as paragraphs (1) and (2) respectively.

246.204 [Removed]

111. Section 246.204 is removed.

246.704 [Amended]

112. Section 246.704 is amended by removing in paragraph (2) the words "supplies or services" and inserting the word "items"; and by revising in paragraph (4) the parenthetical phrase "(see 246.202-3)" to read "(see 246.202-4)."

113. Section 246.770-1 is amended by revising paragraph (f)(2)(i) to read as follows:

246.770-1 Definitions.

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(f) * * *

(2) * * *

(i) Commercial items;

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PART 247—TRANSPORTATION

114. Section 247.572-1 is amended by revising paragraph (a) to read as follows:

247.572-1 Ocean transportation incidental to a contract for supplies, services, or construction.

(a) This subsection applies when ocean transportation is not the purpose of the contract. However, effective May 1, 1996, this subsection does not apply to subcontracts for the acquisition of