

# Subpart 942.7 - Indirect Cost Rates

**Parent topic:** PART 942 - CONTRACT ADMINISTRATION AND AUDIT SERVICES

## **942.704 Billing rates.**

(b) When the contracting officer or auditor responsible for establishing billing rates, in accordance with 48 CFR 42.704, has not established such rates or such rates are not current for the performance periods (contractor FY) under contract, the DOE contracting officer responsible for administration of the contract shall establish an appropriate rate(s) for billing purposes. If the contractor holds more than one DOE contract covering that period of performance, the DOE office with the largest unliquidated obligations as of the beginning of that performance period shall take the lead in establishing the required billing rate for use on DOE contracts. Once appropriate billing rates are established by the responsible contracting officer designated by 48 CFR 42.704, such rates shall be adopted by the contracting officer and all billings and payments shall be retroactively revised to reflect the agreed upon rate(s).

## **942.705 Final indirect cost rates.**

### **942.705-1 Contracting officer determination procedure.**

(a)(3) The Department of Energy shall use the contracting officer determination procedure for all business units for which it shall be required to negotiate final indirect cost rates. A list of such business units is maintained by the Office of Procurement and Assistance Policy, within the Headquarters procurement organization.

(b)

(1) Pursuant to 48 CFR 52.216-7, Allowable Cost and Payment, contractors shall be requested to submit their final indirect cost rate proposals reflecting actual cost experience during the covered period to the cognizant contracting officer responsible for negotiating their final rates.

The DOE negotiating official shall request all needed audit service in accordance with internal procedures.

### **942.705-3 Educational institutions.**

The negotiated rates established for the institutions cited in OMB Circular No. A-21 are distributed to the Cognizant DOE Office (CDO) assigned lead office responsibility for all DOE indirect cost matters relating to a particular contractor by the Office of Procurement and Assistance Policy, within the Headquarters procurement organization.

## **942.705-4 State and local governments.**

A list of cognizant agencies for State/local government organizations is periodically published in the Federal Register by the Office of Management and Budget (OMB). The responsible agencies are notified of such assignments. The current negotiated rates for State/local government activities is distributed to each CDO by the Office of Procurement and Assistance Policy, within the Headquarters procurement organization.

## **942.705-5 Nonprofit organizations other than educational and state and local governments.**

OMB Circular A-122 establishes the rules for assigning cognizant agencies for the negotiation and approval of indirect cost rates. The Federal agency with the largest dollar value of awards (contracts plus federal financial assistance dollars) will be designated as the cognizant agency. There is no published list of assigned agencies. The Office of Procurement and Assistance Policy, within the Headquarters procurement organization, distributes to each CDO the rates established by the cognizant agency.