

into consideration factors such as those listed at 247.572-1(d)(3)(i)(C).

(ii) The contracting officer must forward the report to—

(A) The Commander, MSC, through the Contracts and Business Management Directorate, MSC; or

(B) The Commander, MTMC, through the Principal Assistant Responsible for Contracting, MTMC.

(iii) If in agreement with the contracting officer, the Commander, MSC, or the Commander, MTMC, will forward the report to the Secretary of the Navy or the Secretary of the Army, respectively, for a determination as to whether the freight charges are excessive or otherwise unreasonable.

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

30. Section 252.247-7000 is revised to read as follows:

252.247-7000 Hardship Conditions.

As prescribed in 247.270-7(a), use the following clause:

Hardship Conditions (XXX 2000)

(a) The Contractor shall promptly notify the Contracting Officer of unusual ship, dock, or cargo conditions associated with loading or unloading a particular cargo, that will work a hardship on the Contractor if loaded or unloaded at the basic commodity rates. The Contractor shall provide the notification in advance of work, if feasible, but not later than the time of sailing.

(b) Unusual conditions include, but are not limited to, inaccessibility of place of stowage to the ship's cargo gear, side port operations, and small quantities of cargo in any one hatch.

(c) The Contracting Officer shall investigate the conditions promptly after receiving the notice. If the Contracting Officer finds that the conditions are unusual and do materially affect the cost of loading or unloading, the Contracting Officer will authorize payment at the applicable man-hour rates set forth in the schedule of rates of this contract. The Contractor shall submit hardship claims to the Contracting Officer within ten working days of the vessel sailing time.

(End of clause)

252.247-7003 [Removed and Reserved]

31. Section 252.247-7003 is removed and reserved.

252.247-7004 [Amended]

32. Section 252.247-7004 is amended in the introductory text by revising the reference "247.270-7(e)" to read "247.270-7(d)".

252.247-7005 [Amended]

33. Section 252.247-7005 is amended in the introductory text by revising the reference "247.270-7(f)" to read "247.270-7(e)".

252.247-7006 [Amended]

34. Section 252.247-7006 is amended in the introductory text by revising the reference "247.270-7(g)" to read "247.270-7(f)".

252.247-7007 [Amended]

35. Section 252.247-7007 is amended in the introductory text by revising the reference "247.270-7(h)" to read "247.270-7(g)".

36. Section 252.247-7020 is revised to read as follows:

252.247-7020 Additional Services.

As prescribed in 247.271-4(o), use the following clause:

Additional Services (XXX 2000)

The Contractor shall provide additional services not included in the Schedule, but required for satisfactory completion of the services ordered under this contract, at a rate comparable to the rate for like services as contained in tenders on file with the Military Traffic Management Command in effect at time of order.

(End of clause)

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DEPARTMENT OF DEFENSE

48 CFR Parts 242 and 253

[DFARS Case 99-D026]

Defense Federal Acquisition Regulation Supplement; Production Surveillance and Reporting

AGENCY: Department of Defense (DoD).

ACTION: Proposed rule with request for comments.

SUMMARY: The Acting Director of Defense Procurement is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to revise the criteria for determining the degree of production surveillance needed for DoD contracts and to delete obsolete forms. The rule requires contract administration offices to conduct a risk assessment of each contractor to determine the degree of production surveillance needed.

DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before March 13, 2000, to be considered in the formation of the final rule.

ADDRESSES: Interested parties should submit written comments on the proposed rule to: Defense Acquisition Regulations Council, Attn: Mr. Rick Laysen, PDUSD(AT&L)DP(DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telefax (703) 602-0350.

E-mail comments submitted via the Internet should be addressed to: dfars@acq.osd.mil

Please cite DFARS Case 99-D026 in all correspondence related to this proposed rule. E-mail correspondence should cite DFARS Case 99-D026 in the subject line.

FOR FURTHER INFORMATION CONTACT:

Mr. Rick Laysen, (703) 602-0293.

SUPPLEMENTARY INFORMATION:

A. Background

This rule proposes the following changes to the DFARS:

1. Elimination of the requirement at 242.1104 for contract administration offices to perform pre-delivery on-site production surveillance for certain categories of contracts. The rule instead requires contract administration offices to conduct a risk assessment of each contractor to determine the degree of production surveillance needed for contracts awarded to that contractor.

2. Deletion of an obsolete reference to cost/schedule control system requirements at 242.1106(a).

3. Deletion of DD Form 375, Production Progress Report; DD Form 375c, Production Progress Report (Continuation); DD Form 375-2, Delay in Delivery; and the prescription for their use at 242.1106(c). Production progress reporting presently is accomplished through use of an automated computer system (ALERTS).

This rule was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

B. Regulatory Flexibility Act

The proposed rule is not expected to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, because the proposed changes primarily affect the allocation of Government resources to production surveillance functions. Therefore, DoD has not performed an initial regulatory flexibility analysis. DoD invites comments from small businesses and other interested parties. DoD also will consider comments from small entities concerning the affected DFARS subparts in accordance with 5 U.S.C. 610. Such comments should be submitted separately and should cite FARS Case 99-D026.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the rule does not impose any information collection requirements that require the approval

of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*

List of Subjects in 48 CFR Parts 242 and 253

Government procurement.

Michele P. Peterson,

Executive Editor, Defense Acquisition Regulations Council.

Therefore, DoD proposes to amend 48 CFR Parts 242 and 253 as follows:

The authority citation for 48 CFR, Parts 242 and 253 continues to read as follows:

Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.

PART 242—CONTRACT ADMINISTRATION AND AUDIT SERVICES

2. Section 242.1104 is revised to read as follows:

242.1104 Surveillance requirements.

(a) The cognizant contract administration office (CAO) must—

(i) Conduct a risk assessment of each contractor to determine the degree of production surveillance needed for contracts awarded to that contractor;

(ii) Develop a contract production surveillance plan based on the risk level determined during the risk assessment. The risk assessment must consider information provided by the contractor and the contracting office; and

(iii) Monitor contract progress and identify potential contract delinquencies in accordance with the contract surveillance plan.

3. Section 242.1106 is revised to read as follows:

242.1106 Reporting requirements.

(a) See DoD 5000.2–R, Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs.

(b)(i) Within four working days after receipt of the contractor's report, the CAO must provide the report and any

required comments to the contracting officer and, unless otherwise specified in the contract, the inventory control manager.

(ii) If the contractor's report indicates that the contract is on schedule and the CAO agrees, the CAO does not need to add further comments. In all other cases, the CAO must add comments and recommend a course of action.

PART 253—FORMS

4. The note at the end of Part 253 is amended by removing the following entries:

“253.303–375 Production Progress Report.

253.303–375c Production Progress Report (Continuation).

253.303–375–2 Delay in Delivery.”

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