

52.242-1 Notice of Intent to Disallow Costs.

As prescribed in [42.802](#) , insert the following clause in *solicitations* and contracts when a cost-reimbursement contract, a fixed-price incentive contract, or a contract providing for price redetermination is contemplated:

Notice of Intent to Disallow Costs (Apr 1984)

(a) Notwithstanding any other clause of this contract-

(1) The *Contracting Officer* may at any time issue to the Contractor a written notice of intent to disallow specified costs incurred or planned for incurrence under this contract that have been determined not to be allowable under the contract terms; and

(2) The Contractor *may*, after receiving a notice under paragraph (a)(1) of this clause, submit a written response to the *Contracting Officer*, with justification for allowance of the costs. If the Contractor does respond within 60 days, the *Contracting Officer shall*, within 60 days of receiving the response, either make a written withdrawal of the notice or issue a written decision.

(b) Failure to issue a notice under this Notice of Intent to Disallow Costs clause *shall* not affect the Government's rights to take exception to incurred costs.

(End of clause)

Parent topic: [52.242](#) [Reserved]