

# 52.216-15 Predetermined Indirect Cost Rates.

As prescribed in 16.307(g), insert the following clause:

Predetermined *Indirect Cost Rates* (Apr 1998)

(a) Notwithstanding the Allowable Cost and Payment clause of this contract, the allowable *indirect costs* under this contract *shall* be obtained by applying predetermined *indirect cost rates* to bases agreed upon by the parties, as specified below.

(b)

(1) The Contractor *shall* submit an adequate *final indirect cost rate* proposal to the *Contracting Officer* (or *cognizant Federal agency* official) and auditor within the 6-month period following the expiration of each of its fiscal years. Reasonable extensions, for exceptional circumstances only, *may* be requested *in writing* by the Contractor and granted *in writing* by the *Contracting Officer*. The Contractor *shall* support its proposal with adequate supporting data.

(2) The proposed rates *shall* be based on the Contractor's actual cost experience for that period. The appropriate Government representative and the Contractor *shall* establish the *final indirect cost rates* as promptly as practical after receipt of the Contractor's proposal.

(c) Allowability of costs and acceptability of cost allocation methods *shall* be determined in accordance with FAR subpart 31.3 in effect on the date of this contract.

(d) Predetermined rate agreements in effect on the date of this contract *shall* be incorporated into the contract Schedule. The *Contracting Officer* (or *cognizant Federal agency* official) and Contractor *shall* negotiate rates for subsequent periods and execute a written *indirect cost rate* agreement setting forth the results. The agreement *shall* specify (1) the agreed-upon predetermined *indirect cost rates*, (2) the bases to which the rates apply, (3) the period for which the rates apply, and (4) the specific items treated as *direct costs* or any changes in the items previously agreed to be *direct costs*. The *indirect cost rate* agreement *shall* not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this contract. The agreement is incorporated into this contract upon execution.

(e) Pending establishment of predetermined *indirect cost rates* for any fiscal year (or other period agreed to by the parties), the Contractor *shall* be reimbursed either at the rates fixed for the previous fiscal year (or other period) or at billing rates acceptable to the *Contracting Officer* (or *cognizant Federal agency* official), subject to appropriate adjustment when the final rates for that period are established.

(f) Any failure by the parties to agree on any predetermined *indirect cost rates* under this clause *shall* not be considered a dispute within the meaning of the Disputes clause. If for any fiscal year (or other period specified in the Schedule) the parties fail to agree to predetermined *indirect cost rates*, the allowable *indirect costs* *shall* be obtained by applying *final indirect cost rates* established in accordance with the Allowable Cost and Payment clause.

(g) Allowable *indirect costs* for the period from the beginning of performance until the end of the

Contractor's fiscal year (or other period specified in the Schedule) *shall* be obtained using the predetermined *indirect cost rates* and the bases shown in the Schedule.

(End of clause)

**Parent topic:** [52.216 \[Reserved\]](#)