



# **PART 243 - Contract Modifications**

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*(Revised July 11, 2006)*

## **PGI 243.1—GENERAL**

### **PGI 243.170 Identification of foreign military sale (FMS) requirements.**

When adding FMS requirements using a contract modification, the contracting officer shall—

- (1) Clearly indicate FMS Requirement on the front of the modification; and
- (2) Refer to each FMS case identifier code by line/subline item number within the modification, e.g., FMS Case Identifier GY-D-DCA.

### **PGI 243.171 Obligation or deobligation of funds.**

The contracting officer shall include sufficient information in each contract modification to permit the paying office to readily identify the changes for each contract line and subline item.

- (1) Include the information under the heading Summary for the Payment Office in—
  - (i) Section G, Contract Administration Data (Uniform Contract Format); or
  - (ii) The contract schedule (Simplified Contract Format).
- (2) The information normally should contain—
  - (i) The amount of funds obligated by prior contract actions, to include—
    - (A) The total cost and fee if a cost-type contract;
    - (B) The target fee at time of contract award if a cost-plus-incentive-fee contract;

(C) The base fee if a cost-plus-award-fee contract; or

(D) The target price and target profit if a fixed-price incentive contract;

(ii) The amount of funds obligated or deobligated by the instant modification, categorized by the types of contracts specified in paragraph (2)(i) of this section; and

(iii) The total cumulative amount of obligated or deobligated funds, categorized by the types of contracts specified in paragraph (2)(i) of this section.

## **PGI 243.2—CHANGE ORDERS**

### **PGI 243.204 Administration.**

(1) Whenever practicable, the contracting officer should provide advance notice of a proposed change order to the administrative contracting officer (ACO).

(i) The ACO shall review the proposed change order to ensure compatibility with the status of performance.

(ii) If the contractor has progressed beyond the effective point specified in the proposed change order, the ACO shall determine the earliest practical point at which the change order could be made effective and shall advise the contracting officer.

(2) If a change order has been issued and the effective date has been determined to be impracticable, the contracting officer shall—

(i) Issue another change order to correct, revise, or supersede the first change order; then

(ii) Definitize by supplemental agreement citing both change orders.

### **PGI 243.204-71 Certification of requests for equitable adjustment.**

(b) For example, a request for equitable adjustment that involves both an increase of \$100,000 and a decrease of \$105,000 has an absolute value of \$205,000 ( $\$100,000 + \$105,000$ , regardless of whether the amounts are plus or minus), which exceeds the simplified acquisition threshold.