44.305-3 Withholding or withdrawing approval.

(a) The ACO *shall* withhold or withdraw approval of a contractor's purchasing system when there are major weaknesses or when the contractor is unable to provide sufficient information upon which to make an affirmative determination. The ACO *may* withdraw approval at any time on the basis of a determination that there has been a deterioration of the contractor's purchasing system or to protect the Government's interest. Approval *shall* be withheld or withdrawn when there is a recurring noncompliance with requirements, including but not limited to-

(1) *Certified cost or pricing data* (see 15.403);

(2) Implementation of cost accounting standards (see 48 CFR chapter 99);

(3) Advance notification as required by the clauses prescribed in 44.204; or

(4) Small business subcontracting (see subpart 19.7).

(b) When approval of the contractor's purchasing system is withheld or withdrawn, the ACO *shall* within 10 days after completing the in-plant review (1) inform the contractor *in writing*, (2) specify the deficiencies that *must* be corrected to qualify the system for approval, and (3) request the contractor to furnish within 15 days a plan for accomplishing the necessary actions. If the plan is accepted, the ACO *shall* make a follow-up review as soon as the contractor notifies the ACO that the deficiencies have been corrected.

Parent topic: 44.305 Granting, withholding, or withdrawing approval.