

3452.232-70 Limitation of cost or funds.

The following clause shall be inserted in all contracts that include a Limitation of cost or Limitation of funds clause in accordance with 3432.706-2:

Limitation of Cost or Funds (MAR 2011)

(a) Under the circumstances in FAR 32.704(a)(1), the contractor shall submit the following information in writing to the contracting officer:

- (1) Name and address of the contractor.
 - (2) Contract number and expiration date.
 - (3) Contract items and amounts that will exceed the estimated cost of the contract or the limit of the funds allotted.
 - (4) The elements of cost that changed from the original estimate (for example: labor, material, travel, overhead), furnished in the following order:
 - (i) Original estimate.
 - (ii) Costs incurred to date.
 - (iii) Estimated cost to completion.
 - (iv) Revised estimate.
 - (v) Amount of adjustment.
 - (5) The factors responsible for the increase.
 - (6) The latest date by which funds must be available to the contractor to avoid delays in performance, work stoppage, or other impairments.
- (b) A fixed fee provided in a contract may not be changed if a cost overrun is funded. Changes in a fixed fee may be made only to reflect changes in the scope of work that justify an increase or decrease in the fee.

(End of clause)

Parent topic: [Subpart 3452.2—Text of Provisions and Clauses](#)