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POSTED

February 1, 2001

Re: ; File No.

Dear

Thank you for your letter of January 26, 2001. Thank you for bringing to my attention FAR 52.245-2.

It appears from my review of the FAR cited that such FAR applies only in cases where the Government reimburses the contractor as a direct item of cost under the contract. Based on the contract which you forwarded to me under cover of your letter of September 20, 2000, it appears that will not be reimbursed for its purchases as a direct item of cost under the contract as required by the FAR.

Upon receipt of your most recent letter, I searched the contract which you provided to me for any references to the FAR which you provided. I found only one reference in all of the files which you provided to me.

In my experience with other Government contracts, I learned that there is usually a reference in the specifications or the invitation to bid which states which FARs are incorporated. There also should be a statement in the contract that such contract is a fixed priced contract.

I invite you again to discuss this issue with the contracting officer. Perhaps it might be beneficial for the contracting officer to contact me so we may explore the exemption and the applicable provisions together.

I look forward to hearing from you.

Very truly yours,

OKLAHOMA TAX COMMISSION

Marjorie Welch

Marjorie L. Welch
First Deputy General Counsel

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