

NONAPPROPRIATED FUND STANDARD CLAUSES

I. DEFINITIONS

As used throughout this contract, the following terms and abbreviations have the meanings set forth below:

- a. **Contract.** An agreement that creates a legal obligation. The elements of a contract are a mutual agreement; between competent parties; for a legal purpose; involving the exchange of legal consideration; and that creates a mutuality of obligation to perform between the parties. The term contract, as used herein, includes without limitation, formal bilateral contracts, purchase orders, consignment sales agreements, amendments and modifications thereto, as well as other agreements entered into by an authorized Contracting Officer acting within his or her authority.
- b. **Contracting Officer.** An individual delegated the authority to legally bind the NAFI by entering into, modifying, administering, and terminating contracts.
- c. **Contractor.** Any legal entity that is awarded a contract. The Contractor is the party responsible for and agrees to furnish supplies and/or services at specified prices/rates and/or to pay the NAFI mutually agreed to commissions and/or fees in conjunction with providing services to NAFI customers under this contract. Contractor may include but is not limited to the following terms "vendor," "seller," "supplier," "manufacturer," "distributor," "concessionaire" and/or "licensee."
- d. **Contracting Officer's Representative (COR).** An individual authorized in writing by a Contracting Officer to monitor Contractor performance and/or help administer a contract but does not have authority to legally bind the NAFI into any contractual or legal obligations. Definition applies to Contracting Officer's Technical Representative (COTR) and Alternate COR (ACOR).
- e. **Day.** A day means, unless otherwise provided, a 24 hour period of time denoted as midnight to midnight of a calendar day, unless the last day of a specified number of days within which the contractor must file a claim or notice with the Contracting Officer falls on Saturday, Sunday or a federal holiday, in which case the last day shall be the next business day denoted as Monday through Friday.
- f. **Nonappropriated Fund Instrumentality (NAFI).** A DoD organizational and fiscal entity supported in whole or in part by Nonappropriated Funds. A NAFI, as an instrumentality of the U.S. Government, enjoys the same immunities and privileges as the U.S. Government in the absence of specific Federal statute. It is not incorporated under the law of any State but has the legal status of an instrumentality of the United States. References to United States, the Government, and other related references will generally be implied to mean the NAFI throughout this contract.

2. LEGAL STATUS

The Nonappropriated Fund Instrumentality (NAFI), which is party to this contract, is an integral part of the Department of Defense and is an instrumentality of the United States Government. No appropriated funds of the United States shall become due or be paid the Contractor by reason of this contract.

3. CLAIMS, PROTESTS & APPEALS

- a. This contract is not subject to the Contract Disputes Act of 1978 (41 U.S.C. 7101-7109), and therefore, not subject to the jurisdiction of the Government Accountability Office (GAO), except when issued by an Appropriated Fund buying office. Disputes arising under or relating to this contract shall be resolved under this clause IAW DoDI 4105.67 and DAFMAN 64-119. When the contract is issued by an Appropriated Fund buying office, disputes shall be resolved by the Appropriated Fund buying office dispute procedures.
- b. Protests and/or protest appeals shall be filed with the Contracting Officer that issued the contract, or other designated authority, in strict accordance with the procedures and timelines in DAFMAN 64-119.
- c. "Claims," as used in this clause, means the inability of a Contractor and the Contracting Officer to reach a mutual agreement related to contractual issues in controversy resulting in the filing of a written demand or assertion seeking payment of money, adjustment or interpretation of contract, or other relief, and issuance of a Contracting Officer's final decision. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under this clause. The submission may be converted to a claim under this clause, by complying with the submission requirements of this clause. If it is disputed either as to liability or amount or is not acted upon in a reasonable time.
 - (1) A claim by the Contractor shall be made in writing and submitted to the Contracting Officer for a written decision. A claim by the NAFI against the Contractor shall be subject to a written decision by the Contracting Officer.
 - (2) For Contractor claims exceeding \$100,000, the Contractor shall submit with the claim a certification that contains the following statement: "Subject to the False Claims Act, 31 USC 3729, I certify the claim is made in good faith; that the supporting data is accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the NAFI is liable; and that I am duly authorized to certify on behalf of the Contractor."
 - (3) For contract claims of less than \$100,000, the Contracting Officer must, if requested in writing by the Contractor, render a decision within 60 days of the request. For Contractor-certified claims over \$100,000, the Contracting Officer must, within 60 days, decide the claim or notify the Contractor of the date by which the decision will be made.
- d. The Contracting Officer's decision shall be final unless the contractor appeals as provided in paragraph (d) of this clause.

- (1) The Contracting Officer's final decision on claims may be appealed by submitting a written appeal to Armed Services Board of Contract Appeals with a copy to the Contracting Officer, within 90 days of receipt of the Contracting Officer's final decision. Decisions of the Armed Services Board of Contract Appeals are final, but certain claims may be subject to the jurisdiction of the U.S. Court of Federal Claims.
- (2) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the Contracting Officer.

4. REPRESENTATIONS

- a. This written contract, including identified attachments, enclosures and documents incorporated by reference, is the entire agreement between the parties. The NAFI will not be bound by any oral or written representation not included or incorporated in the written contract or a written modification thereto. The NAFI will not be bound by any terms on Contractor forms or letters unless such terms are specifically agreed to and incorporated in the contract and signed by the Contracting Officer. Except as otherwise specifically provided in this contract, all additions, changes or deletions to this contract must be prepared in writing as a modification and signed either unilaterally by the Contracting Officer or bilaterally by both parties in accordance with applicable regulations.
- b. The Contractor shall not represent itself to be an agent or representative of the NAFI or any other agency or instrumentality of the United States.

5. ADVERTISEMENTS

The Contractor shall not represent in any manner, expressly or by implication, that items or services purchased or sold under this contract are approved or endorsed by any element of the U.S. Government, including the NAFI. All Contractor advertisements that refer to the NAFI or a NAFI activity will contain a statement that the advertisement was neither paid for nor sponsored, in whole or in part, by the U.S. Government or the NAFI.

6. EXAMINATION OF RECORDS

- a. The Contractor agrees that the Contracting Officer or a duly authorized representative(s) shall have the right to examine and audit the books and records of the Contractor directly pertaining to the contract during the period of the contract and until expiration of three (3) years after the final payment under the contract.
- b. The Contractor shall include this clause in all subcontracts.

7. HOLD AND SAVE HARMLESS

The Contractor agrees to indemnify and hold harmless the NAFI and any other agency or instrumentality of the United States, and their officers, agents, and employees, from any loss,

expense, damage, injury, claim, suit or judgment (including administrative actions taken against the NAFI by other federal, state or local agencies) arising from the Contractor's (employees, agents or subcontractors) acts or omissions or the items/services provided pursuant to the contract (including any patent, copyright, or trademark infringement claimed by a third party in connection with the items/services provided by the contractor). Nothing contained herein, however, shall relieve or be construed as relieving the NAFI or any other agency or instrumentality of the United States from any liability resulting from its negligence.

8. INSURANCE

- a. The Contractor shall, at its own expense, provide and maintain during the entire performance period of this contract at least the insurance coverage as stated in this contract. In no event shall the coverage be less than the minimum requirements established by applicable state and local regulations and laws for the risk associated with the services to be provided by the contract. The Contractor shall be fully responsible to the NAFI for errors and omissions of its associates and subcontractors under this contract.
- b. The Contractor shall furnish to the Contracting Officer a current certificate of insurance prior to the commencement of performance under the contract. The "INSURED" block of the Certificate of Insurance must list both the Contractor's name (or Contractor's d.b.a. name) / and the contract number. The Certificates of Insurance shall evidence that all lines of insurance coverage required by the contract are in effect, and that not less than thirty (30) days prior written notice shall be provided to the Contracting Officer in the event of modification, cancellation, or non-renewal of any portion of the insurance coverage(s). All certificates of insurance must list the NAFI as the certificate holder, name the NAFI and the United States as additional insureds, and carry an endorsement waiving the Contractor's rights to subrogation against the NAFI and the United States.

9. PROCUREMENT INTEGRITY

By submission of an offer or performance of this contract, the offeror or Contractor certifies with respect to this NAFI contract action:

- a. That no discussion, offer, or promise of future employment or business opportunity has nor will be made to NAFI civilian or military personnel who personally and substantially participated in the contract action.
 - (1) That no offer, promise, or gift of any gratuity, entertainment, money, or other thing of value has nor will be made to any NAFI civilian or military personnel or any other employee of the NAFI or member of their family or household.
 - (2) That no information proprietary to other offerors or other contracting information (offeror list, prices offered, technical evaluations, rankings, etc.) is sought or obtained until it is available to the public under NAFI procedures.

- (3) That no person or selling agency has been employed or retained to secure this contract for a commission, percentage, brokerage, or contingent fee except bona fide employees or bona fide established commercial selling agencies retained by the Contractor for the purpose of securing business.
- b. The Contractor certifies that no gratuities (entertainment, gifts, money, kickbacks, or other things of value) were nor will be solicited or accepted by the Contractor or Contractor representative, nor from any Subcontractor or Subcontractor representative, for the purpose of obtaining or rewarding favorable treatment in connection with this contract or any subcontract under it.
- c. The Contractor will report in writing to the Contracting Officer any possible violation of this clause when there are reasonable grounds to believe a violation may have occurred. The Contractor will cooperate fully with any federal agency investigation of a possible violation of this clause.
- d. For breach of any of these certifications, the NAFI may terminate this contract for default, and/or deduct from amounts due under this or other contracts or charge the Contractor for the total value of any contingent fee, gratuity, kickback or other loss to the NAFI arising out of the breach.

10. ASSIGNMENT OF CLAIMS

The Contractor cannot assign any right or delegate any obligations under this contract without the prior written permission of the Contracting Officer.

11. TERMINATION FOR CONVENIENCE

The Contracting Officer, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the NAFI. If this contract is for supplies and is so terminated, the Contractor shall be compensated in accordance with FAR, Sub Parts 49.1 and 49.2 in effect on this contract's date. To the extent that this contract is for services and is so terminated, the NAFI shall be liable only for payment in accordance with the payment clauses of this contract for services rendered prior to the effective date of termination, providing there are no Contractor claims covering nonrecurring costs for capital investment. If there are any such Contractor claims, they shall be settled in accordance with FAR, Sub Parts 49.1 and 49.2.

12. CANCELLATION BY MUTUAL AGREEMENT

Should the situation warrant, the parties upon mutual agreement and no costs, may cancel this contract without further recourse to the other and mutual release of any further obligations.

13. TERMINATION FOR CAUSE

- a. The NAFI may, subject to paragraphs c. and d. below, by written notice of cause to the Contractor, terminate this contract in whole or in part if the Contractor fails to-

- (1) Deliver the supplies or perform the service within the time specified within this contract or any extension;
 - (2) Make progress, so as to endanger performance of this contract (however, see paragraph b. below); or
 - (3) Perform any of the other clauses of this contract (however see paragraph b. below).
- b. The NAFI's right to terminate this contract under paragraph a.2., and a.3. above, may be exercised if the Contractor does not cure such failure within 10 days (or more if authorized in writing by the Contracting Officer) after receipt of notice from the Contracting Officer specifying the failure.
- c. If the NAFI terminates this contract in whole or in part, it may acquire, under the terms and in the manner the Contracting Officer considers appropriate, supplies or services similar to those terminated, and the Contractor will remain liable to the NAFI for any excess costs for those supplies or services. However, the Contractor must continue the work not terminated.
- d. Defaults by subcontractors at any tier for any reason do not constitute causes beyond the control and without the fault or negligence of the Contractor. The Contractor shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include:
- (1) Acts of God or of the public enemy
 - (2) Act of the NAFI in either its sovereign or contractual capacity
 - (3) Fires
 - (4) Floods
 - (5) Epidemics
 - (6) Quarantine restrictions
 - (7) Strikes
 - (8) Freight embargoes
 - (9) Unusually severe weather
- e. If this contract is terminated for cause, the NAFI may require the Contractor to transfer title and deliver to the NAFI as directed by the Contracting Officer, any
- (1) completed supplies, and
 - (2) partially completed supplies and materials, parts, tool dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as manufacturing materials in the clause) that the Contractor has specifically produced or acquired for the terminated portion of this contract. Upon direction of the Contracting Officer, the Contractor shall also protect and preserve property in its possession in which the NAFI has an interest.

- f. The NAFI shall pay the contract price for completed supplies delivered and accepted. The Contractor and Contracting Officer shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property. Failure to agree will be a dispute under the Claims Clause. The NAFI may withhold from these amounts any sum the Contracting Officer determines to be necessary to protect the NAFI against loss because of outstanding liens or claims of former lien holders.
- g. If, after termination, it is determined that the cause by the Contractor was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for convenience of the NAFI.
- h. The rights and remedies of the NAFI in this clause are in addition to any other rights and remedies provided by law or under this contract.
- i. This contract is automatically terminated for the convenience of the NAFI in the event the NAFI is dissolved.

14. CHANGES

- a. The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:
 - (1) If the requirement is for supplies and/or services: Drawings, designs, or specifications; method of shipment or packing; description of services to be performed; time of performance (i.e., hours of the day, days of the week, etc.); place of delivery or place of performance of services.
 - (2) If the requirement is for concession services (including public private ventures): Specifications (including drawings and designs); method or manner of performance of work; NAFI-furnished facilities, equipment, materials, services, or site; and/or directing acceleration in the performance of work.
 - (3) If the requirement is for transportation services: Specifications; work or services; place of origin; place of delivery; tonnage to be shipped; and/or amount of NAFI-furnished property.
- b. If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, the Contracting Officer will make an equitable adjustment in the contract price, the delivery schedule, or both, and modify the contract.
- c. The Contractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order; however, if the Contracting Officer decides that the

facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.

- d. If the Contractor's proposal includes the cost of property made obsolete or excess by the change, the Contracting Officer shall have the right to prescribe the manner of the disposition of the property.
- e. If the requirement is for architect-engineer or other professional services, no services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written authorization of the Contracting Officer.
- f. If the requirement is for concession services (including public private ventures), the Contractor shall notify the Contracting Officer in writing within seven (7) days of the occurrence of any event that the Contractor considers a change to the contract that has not been authorized in writing signed by the Contracting Officer. The Contractor will be deemed to have waived any right to an adjustment if timely notice is not provided to the Contracting Officer as required herein. For purposes of this clause, "event" shall include, but not be limited to, an order or direction by a NAFI or other NAFI official, a contested contract interpretation, interference with or interruption of the contract work, or any other event that increases the cost or time to perform the contract as compared to the cost or time that would be required if the Contractor performed the contract in accordance with its terms.
- g. Failure to agree to any adjustment shall be a "claim" under the "Claims" clause of this Contract; however, nothing in this clause shall excuse the Contractor from proceeding with the Contract as changed.

15. SOCIAL RESPONSIBILITY AND LABOR STANDARDS NONRESALE

By performance of this contract, the Contractor and any subcontractors shall comply with the Social Responsibility requirements addressed herein:

- a. Combating Trafficking in Persons (CTIP). Applicable to all contracts, regardless of location performed.
 - (1) Definitions. The meanings of the terms coercion, commercial sex act, debt bondage, forced labor, involuntary servitude, severe forms of trafficking in persons, and sex trafficking are as is defined in the Trafficking Victims Protection Act of 2000, Public Law 106-386, October 28, 2000 < <http://www.state.gov/documents/organization/10492.pdf> >.
 - (2) Policy. DoD NAFIs have adopted the U.S. Government's zero tolerance policy regarding trafficking in persons. During the contract period of performance, Contractor and Contractor employees shall not: (a) Engage in severe forms of trafficking; (b) Procure commercial sex; or (c) Use forced labor

- (3) Contractor Requirements. Contractor shall: (a) Notify its employees of: Zero tolerance policy described in this clause; and actions that will be taken against employees for violations of this policy. (Such actions may include, but are not limited to, removal from the Contract, reduction in benefits, or termination of employment); and (b) Take appropriate action against employees or subcontractors that violate policy in paragraph a.(2) of this clause, up to and including termination.
- (4) Notification. Contractor shall inform the Contracting Officer immediately of: (a) Any information it receives from any source (including host country law enforcement) alleging a Contractor employee, subcontractor, or subcontractor employee has engaged in conduct that violates this policy; and (b) Any actions taken against Contractor employees, subcontractors, or subcontractor employees pursuant to this clause.
- (5) Remedies. In addition to other remedies available to the NAFL, Contractor's failure to comply with the requirements of this clause may result in (a) Requiring the Contractor to remove a Contractor employee or employees from performance under the contract; (b) Requiring the Contractor to terminate a subcontract; (c) Suspension of contract or fee payments; (d) Termination of the contract for default or cause, in accordance with the termination clause of this contract; and/or (e) Suspension or debarment.
- (6) Mitigating Factors. The Contracting Officer may consider whether Contractor had a Trafficking in Persons awareness program at the time of any violation as a mitigating factor when determining remedies.
- (7) Additional information about Trafficking in Persons and examples of awareness programs can be found on the U.S. Department of State, Office to Monitor and Combat Trafficking in Persons (OMCTP) website < <http://www.state.gov/j/tip/index.htm> >.

b. Labor; Work Hours, Compensation and Benefits; Discipline; Freedom of Association; Discrimination; and Workspaces. Applicable to all contracts, regardless of location performed. Contractor Requirements:

- (1) Labor. Contractor shall not employ any person under the age of 14 years, unless local and national laws stipulate a higher age for work or mandatory schooling, in which case the higher age will apply. Contractor shall not use force or other compulsory labor in performance of this contract, nor require employees to lodge "deposits" or identity papers upon commencing employment with the Contractor or subcontractor.
- (2) Working Hours, Compensation and Benefits. Contractor shall comply with applicable local and national laws on maximum daily/weekly working hours. Contractor shall ensure that wages paid for a standard workweek are consistent with local and national laws.
- (3) Safe and Healthy Workplace. Contractors shall provide employees with a safe and healthy workplace in compliance with all local and national laws.

- (4) Discipline. Contractor shall not engage in or support the use of corporal punishment, mental or physical coercion, verbal abuse, or withholding passports or travel documents.
- (5) Freedom of Association & Right to Collective Bargaining. Contractor shall respect the right of all employees to form and join trade unions of their choice, consistent with prevailing local and national laws and to bargain collectively without any activity that impedes or suppresses freedom of association. Contractors shall ensure that representatives of such employees are not subject to discrimination and that such representatives have access to their members in the workplace.
- (6) Discrimination. Contractors shall comply consistently with local and national laws with regard to discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national origin, religion, disability, sex, maternity status, union membership, or political affiliation.

c. U.S. Labor Statutes.

- (1) Applicable to all contracts, performed within the United States. Where a statute specifies where within the U.S. it applies, the definition in the statute supersedes definitions in this clause.
- (2) Definitions
 - (a) “United States” in general means the 50 States, the District of Columbia, Outlying Areas, and Outer Continental Shelf lands as defined in the Outer Continental Shelf Lands Act (43 U.S.C. 1331, et seq.), but does not include any other place subject to U.S. jurisdiction or any U.S. base or possession in a foreign country (29 CFR 4.112).
 - (b) “Outlying Areas” means: (1) Commonwealths of Puerto Rico and the Northern Mariana Islands; (2) Territories: American Samoa, Guam, and U.S. Virgin Islands; and (3) Minor outlying islands (Baker Island, Howland Island, Jarvis Island, Johnston Atoll, Kingman Reef, Midway Islands, Navassa Island, Palmyra Atoll and Wake Atoll).

d. The Contractor shall:

- (1) Comply with all applicable statutes to include, but not limited to the Fair Labor standards Act (FLSA), Service Contract Labor Standards Statute and Construction Wage Rate Requirements.
- (2) Provide subcontractor names and performance addressees within 24 hours, if requested by the Contracting Officer.
- (3) Have an effective program for monitoring compliance with applicable statutes and as applicable ensure U.S. Department of Labor (DoL) Wage and Hour Division posters in workers’ language are posted at U.S. work sites.

- (4) Ensure compliance with all applicable hours, wages, labor relations (including collective bargaining), workmen's compensation, working conditions and other matters pertaining to labor standards of the country, or political matters pertaining to labor standards of the country, or political subdivision thereof, where contract is performed.
- e. To ensure full compliance with requirements of this clause, the NAFI (or third party designated by the NAFI) has the right to conduct announced or unannounced inspections of any site utilized by the Contractor to perform this Contract.
- f. Prohibition on Illicit Substance. The Contractor, its employee(s) or representative(s) working under this contract agree(s) not to possess or use any illicit substance(s) while performing on the site(s) of this contract whether on military installation(s) or Federal property(s). Any in compliant or finding of violation of this paragraph, render the Contractor subject to suspension of contract payments, termination of the contract or default, and suspension or debarment.
- g. Subcontracts. Contractor shall include this clause in all subcontracts.

16. INSPECTION AND ACCEPTANCE

Inspection and acceptance will be at destination, unless otherwise provided in this contract. Notwithstanding the requirements for any NAFI inspection and test contained in specifications applicable to this contract, except where specialized inspections or tests are specified for performance solely by the NAFI, the Contractor, shall perform or have performed the inspections and tests required to substantiate that the supplies provided under the contract conform to the drawings, specifications, and contract requirements listed herein, including if applicable the technical requirements for the manufacturer's part numbers specified herein. The Contractor shall only tender for acceptance only those items that conform to the requirements of this contract. The NAFI reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The NAFI may require repair or replacement of nonconforming supplies or performance of nonconforming services at no increase in contract price. Acceptance of the supplies or services or a written notice of rejections must be accomplished on or before the first working day following delivery of the supplies or services, unless otherwise specified in this contract.

17. COMMERCIAL TERMS AND CONDITONS

- a. Commercial terms and conditions are not inherently enforceable under NAF contract(s). The Contractor shall not unilaterally obligate or bind the NAFI to pay any future services, subscriptions, fees, penalties, interest, legal costs or require the NAFI indemnify the Contractor or any person or entity for damages, costs, fees, or any other loss or liability. Contractor shall not unilaterally revoke, terminate or suspend any rights granted to the NAFI. The Contractor agrees any updates, changes or addendums to the contract shall be bilaterally agreed upon by the Contractor and the Contracting Officer, via written modification.

- b. The Contractor agrees supplies or services furnished under this contract shall be covered by the most favorable commercial warranties the Contractor gives to any customer for such supplies or services. The rights and remedies provided herein are in addition to and do not limit any rights afforded to the NAFI by any other clause of this contract. Contractor shall provide printed terms and conditions of such warranty and comply with the Magnuson-Moss Warranty Act (15 U.S. Code § 2302). Warranty shall commence upon acceptance of the items and is in addition to other warranties of additional scope given by the Contractor.

18. TAXES

- a. Except as may be otherwise provided in this contract, the contract price includes all taxes, duties, or other public charges in effect and applicable to this contract on the contract date, except any tax, duty or other public charge which by law, regulation or NAFI agreement is not applicable to expenditures made by the NAFI or on its behalf, or any tax, duty, or other public charge from which the Contractor, or any subcontractor hereunder, is exempt by law, regulation or otherwise. If any such tax, duty, or other public charge has been included in the contract price, through error or otherwise, the contract price shall be correspondingly reduced.
- b. If for any reason, after the contract date of execution, the Contractor or subcontractor is relieved in whole or in part from the payment or the burden of any tax, duty or other public charge included in the contract price, the contract price shall be correspondingly reduced; or if the Contractor or a subcontractor is required to pay in whole or in part any tax, duty, or other public charge which was not included in the contract price and which was not applicable at the contract date of execution, the contract price shall be correspondingly increased.
- c. No adjustment of less than \$250 shall be made in the contract price pursuant to this clause unless otherwise waived at the unilateral discretion of the Contracting Officer.
- d. NAFIs located in foreign countries will not pay foreign taxes nor collect for any foreign country or political subdivision any tax unless the United States has consented to levy collection by treaty, convention, or executive agreement.

19. INVOICES

- a. An invoice is a written request for payment under the contract for supplies delivered or for services rendered. In order to be proper, an invoice should include (and in order to support the payment of interest penalties, must include) the following:
 - (1) Invoice date;
 - (2) Name of Contractor;

- (3) Contract number (including order number, if any), contract line item number, contract description of supplies or services, quantity, contract unit of measure and unit price, and extended total;
 - (4) Shipment number and date of shipment (Bill of Lading number and weight of shipment will be shown for shipments on NAFI Bills of Lading);
 - (5) Name and address to which payment is to be sent (which must be the same as that in the contract or on a proper notice of assignment);
 - (6) Name (where practicable), title, phone number and mailing address of person to be notified in event of a defective invoice; and
 - (7) Any other information or documentation required by other clauses of the contract (such as evidence of shipment). Invoices shall be prepared and submitted in duplicate (one copy shall be marked "Original") unless otherwise specified.
- b. For purposes of determining if interest begins to accrue under the Prompt Payment Act (Public Law 97-177):
- (1) A proper invoice will be deemed to have been received when it is received by the office designated in the contract for receipt of invoices and acceptance of the supplies delivered or services rendered has occurred.
 - (2) Payment shall be considered made on the date on which a check for such payment is dated.
 - (3) Payment terms (e.g., "Net 20") offered by the contractor will not be deemed required payment dates.
 - (4) The following periods of time will not be included:
 - (a) After receipt of improper invoice and prior to notice of any defect or impropriety, but not to exceed three days for meat and meat food products, five days for perishable agricultural commodities, and 15 days in all other cases, and
 - (b) Between the date of a notice of any defect or impropriety and the date a proper invoice is received. When the notice is in writing, it shall be considered made on the date shown on the notice.

20. LAW GOVERNING CONTRACTS

This contract shall be construed and interpreted in accordance with the Federal laws of the United States of America. NAF procurement is governed by Department of Defense Instruction (DODI) 4105.67, NAF Procurement Policy and Procedure, available at <http://www.dtic.mil/whs/directives/> (or any successor website).

21. SUSTAINABILITY

Go Green. The NAFI encourages contractors/vendors to embrace, establish and promote environmentally sustainable “Green Initiatives.” We look to the Contractor to accomplish this by:

- a. Where possible utilize environmentally friendly products
- b. Where possible promote energy-efficiency and water conservation
- c. Where possible eliminate/reduce the production or generation of hazardous waste and the need for special material processing (including special handling, storage, treatment and disposal)

22. PROOF OF SHIPMENT

Applicable to shipments outside the United States through the Surface Deployment and Distribution Command and Parcel Post shipments to overseas destinations.

- a. Notwithstanding any clause of this contract to the contrary, payment will be made for items not yet received, upon receipt of an invoice accompanied by an appropriate proof of shipment. If shipment is made by insured parcel post, the Contractor must furnish a copy of the Insured Mail Receipt issued by the US Postal Service. Otherwise, a stamped copy of a Certificate of Mailing issued by the US Postal Service must be furnished. If shipment is made by a common carrier (rail, air or motor freight), the Contractor must furnish a signed copy of the shipping document on which items are receipted for by the common carrier. A signed receipt by a NAFI representative at the delivery point, Consolidation Containerization Point or Port of Embarkation is also acceptable evidence of proof of shipment.
- b. Forwarding a proof of shipment and an invoice for payment by the Contractor shall be construed as a certification by the Contractor that the items shipped conform to the specifications.
- c. Notwithstanding any provisions of this clause or any payment made pursuant to the terms of this clause prior to receipt of the items contracted for, the NAFI retains the right to inspect upon receipt and the right to reject nonconforming items. The liability of the Contractor with respect to items for which payments have been made will, after inspection by the NAFI or after the expiration of a reasonable time following delivery to the NAFI within which inspection may be made, whichever occurs first, be limited to exceptions taken at the time of inspection, and latent defects, fraud, or such gross mistakes as amount to fraud.

23. VARIATION IN QUANTITY

No variation in quantity of any item called for by this contract will be accepted unless

authorized by the Contracting Officer.

24. PARTIAL DELIVERIES

Partial deliveries are not permitted unless authorized by the terms of the contract or approved by the Contracting Officer.

25. PAYMENTS

Partial payments will be made when deliveries are authorized or as approved by the Contracting Officer. Payments and penalties for late payments are subject to the requirements established by the Prompt Payment Act, as amended, and as implemented for NAFIs. If the NAFI makes payment but such payment fails to include a prompt payment penalty due to the Contractor within 10 days from when the contract payment is made, penalty amounts will not be paid unless the Contractor makes a written request within forty days after the date of payment.

26. DISCOUNTS FOR PROMPT PAYMENT

- a. Discounts for prompt payment will not be considered in the evaluation of offers. However, any offered discount will form a part of the award and will be taken if payment is made within the discount period indicated in the offer by the offeror. As an alternative to offering a prompt payment discount in conjunction with the offer, offerors awarded contracts may include prompt payment discounts on individual invoices.
- b. In connection with any discount offered for prompt payment, time shall be computed from the date of the invoice. If the Contractor has not placed a date on the invoice, the due date shall be calculated from the date the designated billing office receives a proper invoice, provided the agency annotates such invoice with the date of receipt at the time of receipt. For the purpose of computing the discount earned, payment shall be considered to have been made on the date that appears on the payment check or, for an electronic funds transfer, the specified payment date. When the discount date falls on a Saturday, Sunday, or legal holiday when Federal NAFI offices are closed and NAFI business is not expected to be conducted, payment may be made on the following business day.

27. NOTIFICATION OF DEBARMENT/SUSPENSION STATUS

The Contractor shall provide immediate notice to the Contracting Officer in the event of being suspended, debarred or declared ineligible by any other Federal Department or agency, or upon receipt of a notice of proposed debarment from another DoD Agency, during the performance of this contract.

28. NON WAIVER OF DEFAULTS

Any failure by the NAFI at any time to enforce or require strict performance of any terms or conditions shall not constitute waiver thereof, and shall not affect or impair such terms or

conditions in any way or the NAFI's right at any time to avail itself of such remedies as it may have for any breach or breaches of such terms or conditions.

29. TRAVEL CLAUSE

Contractors and/or their duly appointed representative will make their own travel arrangements, purchase their own tickets, and submit requests for reimbursement to the issuing office found in Block 12 of the award. Travel costs will be paid by the contracting NAFI, up to the maximum amount authorized in the federal travel regulations. The Contractor shall submit original receipts of airline tickets, lodging, car rental and other expenses exceeding \$75.00. Contractor personnel must acquire airline travel by the most economical methods, to include obtaining coach fares, buy advance purchase tickets (when possible), and plan minimal travel time necessary to accomplish the task. The Contractor is liable for costs associated with unused or changed airline tickets, where non-use is not caused by the NAFI. Documents are required to support payment of travel costs. The Contracting Officer and or their duly appointed representative will approve, in advance, any changes in the itinerary. Contractors must obtain approval before submitting other than lowest airfare travel reimbursement requests from the invoicing office. Local travel for which mileage is claimed; to include travel to and from the airport when air travel is involved must be indicated on the itinerary on form 1351-2 or other approved form.

30. INCREASING THE MINIMUM WAGE FOR FEDERAL CONTRACTORS

- a. This Contract is subject to Executive Order 14026, the regulations issued by the Secretary of Labor in 29 CFR part 23 pursuant to the Executive Order, and specifically to all the provisions set forth in Appendix A to 29 CFR part 23. The Contractor shall pay to workers, while performing in the United States, and performing on, or in connection with, this contract, the applicable minimum wage per the Executive Order. Accordingly, Appendix A is hereby incorporated by reference and has the same force and effect as if set forth in full in this contract. The full text of the final rule, to include the regulations and clause "Increasing the Minimum Wage for Federal Contractors" at 29 CFR part 23, is available at: <https://www.ecfr.gov/current/title-29/part-23/appendix-Appendix%20A%20to%20Part%2023>.
- b. The Contractor is responsible for subcontractor compliance with the requirements of this clause and may be held liable for unpaid wages due subcontractor workers. The Contractor shall include this clause, including this paragraph, in all subcontracts, regardless of dollar value, that are subject to Service Contract Labor Standards statute (formerly known as the Service Contract Act) or the Wage Rate Requirements (Construction) statute (formerly known as the Davis Bacon Act), and are to be performed in whole or in part in the United States.

31. ESTABLISHING PAID SICK LEAVE FOR FEDERAL CONTRACTORS

- a. This contract is subject to Executive Order (EO) 13706 and to the regulations issued by the Secretary of Labor pursuant thereto at 29 CFR part 13 (Establishing Paid Sick Leave for Federal Contractors). 29 CFR part 13, Appendix A, is hereby incorporated by reference,

having the same force and effect as if set forth in full in this contract. Refer to <https://www.gpo.gov/fdsys/pkg/FR-2016-09-30/pdf/2016-22964.pdf>

- b. The Contractor shall establish a sick leave policy in full compliance with the applicable provisions of EO 13706 and 29 CFR part 13.
- c. This clause applies to all subcontracts where EO 13706 and 29 CFR part 13 apply to the prime contract. Accordingly, the Contractor is responsible for subcontractor compliance with EO 13706, 29 CFR part 13, and the requirements of this clause. The Contractor shall include this clause, including this paragraph, in all subcontracts where applicable.
- d. The Contractor may be subject to penalties for noncompliance as described in 29 CFR §13.44.

32. REPRESENTATION REGARDING CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.

a. Prohibition.

- (1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. Nothing in the prohibition shall be construed to-
 - (a) Prohibit the head of an executive agency from procuring with an entity to provide a service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or
 - (b) Cover telecommunications equipment that cannot route or redirect user data traffic or cannot permit visibility into any user data or packets that such equipment transmits or otherwise handles.
- (2) Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020, from entering into a contract or extending or renewing a contract with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. This prohibition applies to the use of covered telecommunications equipment or services, regardless of whether that use is in performance of work under a Federal contract. Nothing in the prohibition shall be construed to-

- (a) Prohibit the head of an executive agency from procuring with an entity to provide a service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or
 - (b) Cover telecommunications equipment that cannot route or redirect user data traffic or cannot permit visibility into any user data or packets that such equipment transmits or otherwise handles.
- b. Procedures. The Offeror shall review the list of excluded parties in the System for Award Management (SAM) (<https://www.sam.gov>) for entities excluded from receiving federal awards for “covered telecommunications equipment or services”.
- c. Representation. The Offeror represents that-
 - (1) It ☐ will, ☐ will not provide covered telecommunications equipment or services to the NAFI in the performance of any contract, subcontract or other contractual instrument resulting from this solicitation. The Offeror shall provide the additional disclosure information required at paragraph (d)(1) of this section if the Offeror responds “will” in paragraph (c) (1) of this section; and
 - (2) After conducting a reasonable inquiry, for purposes of this representation, the Offeror represents that It ☐ does, ☐ does not use covered telecommunications equipment or services, or use any equipment, system, or service that uses covered telecommunications equipment or services. The Offeror shall provide the additional disclosure information required at paragraph (d) (2) of this section if the Offeror responds “does” in paragraph (c) (2) of this section.
- d. Disclosures.
 - (1) Disclosure for the representation in paragraph (c) (1) of this provision. If the Offeror has responded “will” in the representation in paragraph (c) (1) of this provision, the Offeror shall provide the following information as part of the offer:
 - (a) For covered equipment-
 - (i) The entity that produced the covered telecommunications equipment (include entity name, unique entity identifier, CAGE code, and whether the entity was the original equipment manufacturer (OEM) or a distributor, if known);
 - (ii) A description of all covered telecommunications equipment offered (include brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); and

(iii) Explanation of the proposed use of covered telecommunications equipment and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (a) (1) of this provision.

(b) For covered services-

- (i) If the service is related to item maintenance: A description of all covered telecommunications services offered (include on the item being maintained: Brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); or
- (ii) If not associated with maintenance, the Product Service Code (PSC) of the service being provided; and explanation of the proposed use of covered telecommunications services and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (a) (1) of this provision.

(2) Disclosure for the representation in paragraph (c) (2) of this provision. If the Offeror has responded “does” in the representation in paragraph (c) (2) of this provision, the Offeror shall provide the following information as part of the offer:

(a) For covered equipment-

- (i) The entity that produced the covered telecommunications equipment (include entity name, unique entity identifier, CAGE code, and whether the entity was the OEM or a distributor, if known);
- (ii) A description of all covered telecommunications equipment offered (include brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); and
- (iii) Explanation of the proposed use of covered telecommunications equipment and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (a) (2) of this provision.

(b) For covered services-

- (i) If the service is related to item maintenance: A description of all covered telecommunications services offered (include on the item being maintained: Brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); or
- (ii) If not associated with maintenance, the PSC of the service being provided; and explanation of the proposed use of covered telecommunications services and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (a) (2) of this provision.

33. COVERED TELECOMMUNICATIONS EQUIPMENT OR SERVICES- REPRESENTATION

a. *Definitions.* As used in this provision-

Covered telecommunications equipment or services means-

- (1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);
- (2) For the purpose of public safety, security of NAFI facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
- (3) Telecommunications or video surveillance services provided by such entities or using such equipment; or
- (4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country

Reasonable inquiry means an inquiry designed to uncover any information in the entity's possession about the identity of the producer or provider of covered telecommunications equipment or services used by the entity that excludes the need to include an internal or third-party audit.

b. *Procedures.* The Offeror shall review the list of excluded parties in the System for Award Management (SAM) (<https://www.sam.gov>) for entities excluded from receiving federal awards for "covered telecommunications equipment or services".

c. *Representation.*

- (1) The Offeror represents that it ☐ does, ☐ does not provide covered telecommunications equipment or services as a part of its offered products or services to the Government in the performance of any contract, subcontract, or other contractual instrument.
- (2) After conducting a reasonable inquiry for purposes of this representation, the offeror represents that it ☐ does, ☐ does not use covered telecommunications equipment or services, or any equipment, system, or service that uses covered telecommunications equipment or services.

34. CERTIFICATION REGARDING KNOWLEDGE OF CHILD LABOR FOR LISTED END PRODUCTS

a. *Definition.* Forced or indentured child labor means all work or service-

(1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or

(2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

b. Listed end products. The following end product(s) being acquired under this solicitation is (are) included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, identified by their country of origin. There is a reasonable basis to believe that listed end products from the listed countries of origin may have been mined, produced, or manufactured by forced or indentured child labor.

Listed End Product	Listed Countries of Origin

c. *Certification.* The Government will not make award to an offeror unless the offeror, by checking the appropriate block, certifies to either paragraph (c)(1) or paragraph (c)(2) of this provision.

(1) ☐ The offeror will not supply any end product listed in paragraph (b) of this provision that was mined, produced, or manufactured in a corresponding country as listed for that end product.

(2) ☐ The offeror may supply an end product listed in paragraph (b) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The offeror certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture such end product. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.

35. PROHIBITION ON PROCUREMENT OF CERTAIN ITEMS CONTAINING PERFLUOROOCTANE SULFONATE OR PERFLUOROOCTANOIC ACID (PFOS OR PFOA)

a. *Prohibition* - Section 333 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Pub. L. 116-283) prohibits DoD from procuring any covered items containing PFOS or PFOA effective April 1, 2023 and defines “covered items.”

b. For the purpose of this deviation covered items means-

- (1) Nonstick cookware or cooking utensils for use in galleys or dining facilities.
- (2) Upholstered furniture, carpets, and rugs that have been treated with stain-resistant coatings.

c. *Representation* - The Offeror represents that it will not provide covered items as part of its offered products to the NAFI in the performance of any contract, subcontract or other contractual instrument.

LIST OF CLAUSES INCORPORATED BY REFERENCE

The provisions of the following clauses are hereby incorporated into this order or contract by reference with the same force and effect as though herein set forth in full. Clauses made inapplicable by the reference or by the kind of order, contract (e.g., orders or contract for services instead of supplies) or dollar amount are self-deleting. The complete text of any clause incorporated in this order or contract by reference may be obtained from the Contracting Officer.

<u>CLAUSE NO.</u>	<u>CLAUSE TITLE</u>
NFC 203-7001	Prohibition on Persons Convicted of Fraud or Other Defense - Contract Felonies (JAN 2023)
NFC 204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (DEC 2023)
NFC 204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (NOV 2021)
NFC-204-27	Prohibition on a ByteDance Covered Application (JUN 2023)
NFC 204-7000	Disclosure of Information (OCT 2016)
NFC 204-7009	Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information (JAN 2023) -NOT APPLICABLE
NFC 204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting (JAN 2023) -NOT APPLICABLE
NFC 222-19	Child Labor-Cooperation with Authorities and Remedies (FEB 2024)
NFC 222-20	Contracts for Materials, Supplies, Articles and Equipment (JUN 2020)
NFC 222-35	Equal Opportunity for Veterans (JUN 2020)
NFC 222-41	Service Contract Labor Standards (AUG 2018)
NFC 223-3	Hazardous Material Identification & Material Safety Data (FEB 2021)
NFC 225-11	Buy American - Construction Materials under Trade Agreements (NOV 2023)
NFC 225-7002	Qualifying Country Sources as Subcontractors (MAR 2022)
NFC 225-7036	Buy American - Free Trade Agreements - Balance of Payments Program - Basic (FEB 2024)
NFC 227-7013	Rights in Technical Data - Non-commercial Items (MAR 2023)
NFC 227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (MAR 2023)
NFC 227-7015	Technical Data - Commercial Items (MAR 2023)
NFC 228-3	Workers' Compensation Insurance (Defense Base Act) (JUL 2014)
NFC 239-7010	Cloud Computing Services (JAN 2023)
NFC 242-15	Stop Work Order (AUG 1989)
NFC 243-1	Changes - Fixed-Price (AUG 1987)
NFC 246-16	Responsibility for Supplies (APR 1984)

Certified/accepted: _____

Date: _____

SPECIAL CLAUSES FOR CONSTRUCTION

NFC-36-204 - DISCLOSURE OF THE MAGNITUDE OF CONSTRUCTION PROJECTS (NOV 2020)

Advance notices and solicitations shall state the magnitude of the requirement in terms of physical characteristics and estimated price range. In no event shall the statement of magnitude disclose the NAFI's estimate. Therefore, the estimated price should be described in terms of one of the following price ranges:

- (a) Less than \$25,000.
- (b) Between \$25,000 and \$100,000.
- (c) Between \$100,000 and \$250,000.
- (d) Between \$250,000 and \$500,000.
- (e) Between \$500,000 and \$1,000,000.
- (f) Between \$1,000,000 and \$5,000,000
- (g) Between \$5,000,000 and \$10,000,000.
- (h) More than \$10,000,000.

(End of clause)

NFC-203-14 - DISPLAY OF HOTLINE POSTER(S) (JUN 2020)

(a) *Definition.*

“United States,” as used in this clause, means the 50 States, the District of Columbia, and outlying areas.

(b) *Display of fraud hotline poster(s).* Except as provided in paragraph (c)

(1) During contract performance in the United States, the Contractor shall prominently display in common work areas within business segments performing work under this contract and at contract work sites.

(i) Any agency fraud hotline poster or Department of Homeland Security (DHS) fraud hotline poster identified in paragraph (b)(3) of this clause; and

(ii) Any DHS fraud hotline poster subsequently identified by the Contracting Officer.

(2) Additionally, if the Contractor maintains a company website as a method of providing information to employees, the Contractor shall display an electronic version of the poster(s) at the website.

(3) Any required posters may be obtained as follows:

Poster(s)	Obtain from
Defense Hotline Posters	http://www.dodhotline.dodig.mil/Hotline/posters.cfm

(c) If the Contractor has implemented a business ethics and conduct awareness program, including a reporting mechanism, such as a hotline poster, then the Contractor need not display any agency fraud hotline posters as required in paragraph (b) of this clause, other than any required DHS posters.

(d) *Subcontracts*. The Contractor shall include the substance of this clause, including this paragraph (d), in all subcontracts that exceed \$5.5 million, except when the subcontract

(1) Is for the acquisition of a commercial item; or

(2) Is performed entirely outside the United States.

(End of clause)

NFC-211-12 - LIQUIDATED DAMAGES – CONSTRUCTION (SEPT 2000)

(a) If the Contractor fails to complete the work within the time specified in the contract, the Contractor shall pay liquidated damages to the NAFI in the amount of **\$2,163.51 on first day and \$1,667.06 for each day thereafter** for each calendar day of delay until the work is completed or accepted.

(b) If the NAFI terminates the Contractor's right to proceed, liquidated damages will continue to accrue until the work is completed. These liquidated damages are in addition to excess costs of repurchase under the Termination clause.

(End of clause)

NFC-222-36 - EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES (JUN 2020)

(a) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-741.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by the Contractor to employ and advance in employment qualified individuals with disabilities.

(c) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order in excess of the threshold specified in Federal Acquisition Regulation (FAR) [22.1408\(a\)](#) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary, so that such provisions will be binding upon each subcontractor or vendor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs of the U.S. Department of Labor, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

(End of clause)

NFC-225-9 – BUY AMERICAN–CONSTRUCTION MATERIALS (MAY 2014)

(a) *Definitions.* As used in this clause-- “Commercially available off-the-shelf (COTS) item”

(1) Means any item of supply (including construction material) that is

(i) A commercial item;

(ii) Sold in substantial quantities in the commercial marketplace; and

(iii) Offered to the NAFI, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and

(2) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products.

“Component” means an article, material, or supply incorporated directly into a construction material.

“Construction material” means an article, material, or supply brought to the construction site by the Contractor or a subcontractor for incorporation into the building or work. The term also includes an item brought to the site preassembled from articles, materials, or supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, that are discrete systems incorporated into a public building or work and that are produced as complete systems, are evaluated as a single and distinct construction material regardless of when or how the individual parts or components of

those systems are delivered to the construction site. Materials purchased directly by the NAFI are supplies, not construction material.

“Cost of components” means

- (1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the construction material (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
- (2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph
- (1) of this definition, plus allocable overhead costs, but excluding profit.
Cost of components does not include any costs associated with the manufacture of the construction material.

“Domestic construction material” means

- (1) An unmanufactured construction material mined or produced in the United States;
- (2) A construction material manufactured in the United States, if
 - (i) The cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components.
Components of foreign origin of the same class or kind for which non availability determinations have been made are treated as domestic; or
 - (ii) The construction material is a COTS item.

“Foreign construction material” means a construction material other than a domestic construction material.

“United States” means the 50 States, the District of Columbia, and outlying areas.

(b) Domestic preference.

- (1) This clause implements the 41 U.S.C. chapter 83, Buy American, by providing a preference for domestic construction material. In accordance with 41 U.S.C. 1907, the component test of the Buy American statute is waived for construction material that is a COTS item. The Contractor shall use only domestic construction material in performing this contract, except as provided in paragraphs (b)(2) and (b)(3) of this clause.

This requirement does not apply to information technology that is a commercial item or to the construction materials or components listed by the NAFI as follows:

NONE [Contracting Officer to list applicable excepted materials or indicate "none"]

(2) The Contracting Officer may add other foreign construction material to the list in paragraph (b)(2) of this clause if the NAFI determines that

- (i) The cost of domestic construction material would be unreasonable. The cost of a particular domestic construction material subject to the requirements of the Buy American statute is unreasonable when the cost of such material exceeds the cost of foreign material by more than 6 percent;
- (ii) The application of the restriction of the Buy American statute to a particular construction material would be impracticable or inconsistent with the public interest; or
- (iii) The construction material is not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality.

(c) Request for determination of inapplicability of the Buy American statute.

(1)

- (i) Any Contractor request to use foreign construction material in accordance with paragraph (b)(3) of this clause shall include adequate information for NAFI evaluation of the request, including
 - (A) A description of the foreign and domestic construction materials;
 - (B) Unit of measure;
 - (C) Quantity;
 - (D) Price;
 - (E) Time of delivery or availability;
 - (F) Location of the construction project;
 - (G) Name and address of the proposed supplier; and
 - (H) A detailed justification of the reason for use of foreign construction materials cited in accordance with paragraph (b)(3) of this clause.
- (ii) A request based on unreasonable cost shall include a reasonable

survey of the market and a completed price comparison table in the format in paragraph (d) of this clause.

- (iii) The price of construction material shall include all delivery costs to the construction site and any applicable duty (whether or not a duty-free certificate may be issued).
- (iv) Any Contractor request for a determination submitted after contract award shall explain why the Contractor could not reasonably foresee the need for such determination and could not have requested the determination before contract award. If the Contractor does not submit a satisfactory explanation, the Contracting Officer need not make a determination.

(2) If the NAFI determines after contract award that an exception to the Buy American statute applies and the Contracting Officer and the Contractor negotiate adequate consideration, the Contracting Officer will modify the contract to allow use of the foreign construction material. However, when the basis for the exception is the unreasonable price of a domestic construction material, adequate consideration is not less than the differential established in paragraph (b)(3)(i) of this clause.

(3) Unless the NAFI determines that an exception to the Buy American statute applies, use of foreign construction material is noncompliant with the Buy American statute.

(d) *Data.* To permit evaluation of requests under paragraph (c) of this clause based on unreasonable cost, the Contractor shall include the following information and any applicable supporting data based on the survey of suppliers:

Foreign and Domestic Construction Materials Price Comparison

Construction material description	Unit of measure	Quantity	Price (dollars) *
<i>Item 1</i>			
Foreign construction material			
Domestic construction material			
<i>Item 2</i>			
Foreign construction material			
Domestic construction material			

[List name, address, telephone number, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary.]

[Include other applicable supporting information.]

*[*Include all delivery costs to the construction site and any applicable duty (whether or not a duty-free entry certificate is issued).]*

(End of Clause)

NFC-236-22 - DESIGN WITH FUNDING LIMITATIONS (APR 1984)

- (a) The Contractor shall accomplish the design services required under this contract so as to permit the award of a contract, using standard Federal Acquisition Regulation procedures for the construction of the facilities designed at a price that does not exceed the estimated construction contract price as set forth in paragraph (c) below. When bids or proposals for the construction contract are received that exceed the estimated price, the contractor shall perform such redesign and other services as are necessary to permit contract award within the funding limitation. These additional services shall be performed at no increase in the price of this contract. However, the Contractor shall not be required to perform such additional services at no cost to the NAFI if the unfavorable bids or proposals are the result of conditions beyond its reasonable control.
- (b) The Contractor will promptly advise the Contracting Officer if it finds that the project being designed will exceed or is likely to exceed the funding limitations and it is unable to design a usable facility within these limitations. Upon receipt of such information, the Contracting Officer will review the Contractor's revised estimate of construction cost. The NAFI may, if it determines that the estimated construction contract price set forth in this contract is so low that award of a construction contract not in excess of such estimate is improbable, authorize a change in scope or materials as required to reduce the estimated construction cost to an amount within the estimated construction contract price set forth in paragraph (c) below, or the NAFI may adjust such estimated construction contract price. When bids or proposals are not solicited or are unreasonably delayed, the NAFI shall prepare an estimate of constructing the design submitted and such estimate shall be used in lieu of bids or proposals to determine compliance with the funding limitation.
- (c) The estimated construction contract price for the project described in this contract is \$XXX

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(End of Clause)

NFC-236-23 – RESPONSIBILITY OF THE ARCHITECT-ENGINEER CONTRACTOR (APR 1984)

The Contractor shall be responsible for the professional quality, technical accuracy, and the coordination of all designs, drawings, specifications, and other services furnished by the Contractor under this contract. The Contractor shall, without additional compensation, correct or revise any errors or deficiencies in its designs, drawings, specifications, and other services.

- (a) Neither the NAFI's review, approval or acceptance of, nor payment for, the services required under this contract shall be construed to operate as a waiver of any rights under this contract or of any cause of action arising out of the performance of this contract, and

the Contractor shall be and remain liable to the NAFI in accordance with applicable law for all damages to the NAFI caused by the Contractor's negligent performance of any of the services furnished under this contract.

- (b) The rights and remedies of the NAFI provided for under this contract are in addition to any other rights and remedies provided by law.
- (c) If the Contractor is comprised of more than one legal entity, each such entity shall be jointly and severally liable hereunder.

(End of Clause)

NFC-236-24 - WORK OVERSIGHT IN ARCHITECT-ENGINEER CONTRACT (APR 1984)

The extent and character of the work to be done by the Contractor shall be subject to the general oversight, supervision, direction, control, and approval of the Contracting Officer.

(End of Clause)

NFC-236-25 – REQUIREMENTS FOR REGISTRATION OF DESIGNERS (JUN 2003)

Architects or engineers registered to practice in the particular professional field involved in a State, the District of Columbia, or an outlying area of the United States shall prepare or review and approve the design of architectural, structural, mechanical, electrical, civil, or other engineering features of the work.

(End of Clause)

NFC-236-7009 - OPTION FOR SUPERVISION AND INSPECTION SERVICES (DEC 1991)

(a) The NAFI may

- (1) At its option, direct the Contractor to perform any part or all of the supervision and inspection services for the construction contract as provided under Appendix A of this contract; and
- (2) Exercise its option, by written order, at any time prior to six months after satisfactory completion and acceptance of the work under this contract.

(b) Upon receipt of the Contracting Officer's written order, the Contractor shall proceed with the supervision and inspection services.

(End of clause)

NFC-252-2 - CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Full text is available online at:

<https://www.afnafpo.afsv.net/pages/Construction-Support/Construction-Support.aspx> (NAF Contracting).

(End of clause)

NFC-252-4 - ALTERATIONS IN CONTRACT (APR 1984)

Portions of this contract are altered as follows:

(End of Clause)

NFC-252-6 - AUTHORIZED DEVIATION IN CLAUSES (NOV 2020)

- (a) The use in this solicitation or contract of any NAFI clause with an authorized deviation is indicated by the addition of “(DEVIATION)” after the date of the clause.
- (b) The use in this solicitation or contract of any NAFI clause with an authorized deviation is indicated by the addition of “(DEVIATION)” after the name of the regulation.

(End of Clause)

CLAUSES INCORPORATED BY REFERENCE

NFC-202-1	Definitions
NFC-203-2	Certificate of Independent Price Determination
NFC-203-3	Gratuities
NFC-203-5	Covenant Against Contingent Fees
NFC-203-7	Anti-Kickback Procedures
NFC-203-8	Cancellation, Recession, and Recovery of Funds for Illegal or Improper Activity
NFC-203-10	Price or Fee Adjustment for Illegal or Improper Activity
NFC-203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
NFC-203-12	Limitation on Payments to Influence Certain Federal Transactions
NFC-203-13	Contractor Code of Business Ethics and Conduct
NFC-203-16	Preventing Personal Conflicts of Interest.
NFC-203-17	Contractor Employee Whistleblower Rights and Requirement to Inform appraisals
NFC-204-3	Taxpayer Identification
NFC-204-4	Printed or Copied Double-Sided on Postconsumer Fiber Content Paper
NFC-204-5	Women-Owned Business (Other Than Small Business)
NFC-204-9	Personal Identity Verification of Contractor Personnel
NFC-204-12	Data Universal Numbering System Number Maintenance
NFC-204-19	Incorporation by Reference of Representations and Certifications
NFC-209-2	Prohibition on Contracting with Inverted Domestic Corporations – Representation.
NFC-209-5	Certification Regarding Responsibility Matters
NFC-209-6	Protecting the NAFI's Interest When Subcontracting with Contractor's Debarred, Suspended, or Proposed for Debarment
NFC-209-9	Updates of Publicly Available Information Regarding Responsibility Matters
NFC-210-1	Market Research
NFC-211-10	Commencement, Prosecution, and Completion of Work
NFC-211-13	Time Extensions
NFC-215-2	Audit and Records—Negotiations
NFC-215-6	Place of Performance
NFC-215-8	Order of Precedence—Uniform Contract Format
NFC-222-1	Notice to the NAFI of Labor Disputes
NFC-222-4	Contract Work Hours and Safety Standards-Overtime Compensation
NFC-222-5	Employment Eligibility Verification.
NFC-222-6	Construction Wage Rate Requirements.
NFC-222-7	Withholding of Funds.
NFC-222-8	Payrolls and Basic Records
NFC-222-9	Apprentices and Trainees.
NFC-222-10	Compliance with Copeland Act Requirements.
NFC-222-11	Subcontracts (Labor Standards)
NFC-222-12	Contract Termination- Debarment.

NFC-222-13	Compliance with Construction Wage Rate Requirements and Related Regulations
NFC-222-14	Disputes Concerning Labor Standards.
NFC-222-18	Certification Regarding Knowledge of Child Labor for Listed End Products
NFC-222-22	Previous Contracts and Compliance Reports
NFC-222-25	Affirmative Action Compliance
NFC-222-27	Affirmative Action Compliance Requirements for Construction.
NFC-222-37	Employment Reports on Veterans.
NFC-222-38	Compliance with Veterans' Employment Reporting Requirements
NFC-222-40	Notification of Employee Rights Under the National Labor Relations Act.
NFC-222-48	Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment Certification
NFC-222-52	Exemption from Application of the Service Contract Labor Standards to Contracts for Services-Certification.
NFC-223-1	Biobased Product Certification
NFC-223-2	Affirmative Procurement of Biobased Products Under Service and Construction Contracts.
NFC-223-3	Hazardous Material Identification and Material Safety Data.
NFC-223-4	Recovered Material Certification
NFC-223-6	Drug-Free Workplace.
NFC-223-9	Estimate of Percentage of Recovered Material Content for EPA – Designated Items.
NFC-223-10	Waste Reduction Program.
NFC-223-15	Energy Efficiency in Energy-Consuming Products.
NFC-223-17	Affirmative Procurement of EPA-designated Items in Service and Construction Contracts.
NFC-223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving
NFC-224-1	Privacy Act Notification.
NFC-224-2	Privacy Act.
NFC-225-2	Buy American Act Certificate
NFC-225-4	Buy American Act--Free Trade Agreements--Israeli Trade Act Certificate
NFC-225-6	Trade Agreements Certificate
NFC-225-13	Restrictions on Certain Foreign Purchases
NFC-225-20	Prohibition on Conducting Restricted Business Operations in Sudan-Certification
NFC-225-25	Prohibition on Contracting with Entities Engaging in Certain Activities or Transactions Relating to Iran--Representation and Certifications
NFC-226-2	Historically Black College or University and Minority Institution Representation
NFC-227-1	Authorization and Consent.
NFC-227-2	Notice and Assistance Regarding Patent and Copyright Infringement.
NFC-227-4	Patent Indemnity- Construction Contracts.
NFC-227-6	Royalty Information
NFC-227-15	Representation of Limited Rights Data and Restricted Computer Software
NFC-228-2	Additional Bond Security.
NFC-228-5	Insurance-Work on a NAFI Installation.

NFC-228-11	Pledges of Assets
NFC-228-12	Prospective Subcontractor Requests for Bonds.
NFC-228-14	Irrevocable Letter of Credit.
NFC-228-15	Performance and Payment Bonds- Construction.
NFC-229-3	Federal, State, and Local Taxes.
NFC-232-5	Payments under Fixed-Price Construction Contracts.
NFC-232-17	Interest.
NFC-232-27	Prompt Payment for Construction Contracts.
NFC-232-34	Payment by Electronic Funds Transfer – Other than System for Award Management
NFC-232-39	Unenforceability of Unauthorized Obligations.
NFC-233-3	Protest after Award.
NFC-233-4	Applicable Law for Breach of Contract Claim
NFC-236-2	Differing Site Conditions
NFC-236-3	Site Investigation and Conditions Affecting the Work.
NFC-236-5	Material and Workmanship.
NFC-236-6	Superintendence by the Contractor
NFC-236-7	Permits and Responsibilities.
NFC-236-8	Other Contracts.
NFC-236-9	Protection of Existing Vegetation, Structures, Equipment, Utilities, and Improvements.
NFC-236-10	Operations and Storage Areas.
NFC-236-11	Use & Possession Prior to Completion.
NFC-236-12	Cleaning Up.
NFC-236-13	Accident Prevention.
NFC-236-14	Availability and Use of Utility Services.
NFC-236-15	Schedules for Construction Contracts.
NFC-236-17	Layout of Work.
NFC-236-21	Specifications and Drawings for Construction.
NFC-236-26	Preconstruction Conference.
NFC-236-7009	Option for Supervision and Inspection Services
NFC-242-13	Bankruptcy
NFC-242-14	Suspension of Work
NFC-243-4	Changes
NFC-244-6	Subcontracts for Commercial Items
NFC-245-1	NAFI Property
NFC-246-12	Inspection of Construction
NFC-246-21	Warranty of Construction
NFC-248-1	Value Engineering--Construction
NFC-249-1	Termination for Convenience of the NAFI (Fixed-Price) (Short Form)
NFC-249-10	Default (Fixed-Price Construction)

Certified/accepted: _____

Date: _____