GENERAL PROVISIONS

1. 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. 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

   a. The contract is not subject to the Contract Disputes Act of 1978 (41 U.S.C. 7101-7109). All disputes arising under or relating to this contract shall be resolved under this clause.

   b. "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 $150,000, the Contractor shall submit with the claim a certification that contains the following statement: “Subject to the False Claim 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 $150,000 or less, 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 $150,000, the Contracting Officer must, within 60 days, decide the claim or notify the Contractor of the date by which the decision will be made.

c. The Contracting Officer’s decision shall be final unless the contractor appeals as provided in paragraph (d) of this clause.

d. 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 and are not subject to further appeal.

e. 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 U.S. Government 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 provisions 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 provisions 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.

Modified: December 19, 2018
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 Disputes 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 government 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 Government 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 either the “Claims” or “Disputes Resolution” 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.


(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 NAFI, 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.

(a) Labor. Contractor shall not employ any person under the age of 14 years, unless local and national laws stipulates 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.

(b) 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.
(c) Safe and Healthy Workplace. Contractors shall provide employees with a safe and healthy workplace in compliance with all local and national laws.

(d) 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.

(e) 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.

(f) 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, gender, sexual orientation, maternity status, union membership, or political affiliation.


(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. 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 reperformance 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 third working day following delivery of the supplies or services, unless otherwise specified in this contract.

17. COMMERCIAL WARRANTY - fixed-price contract - 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 governmental 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. With respect to foreign taxes, NAFIs located in foreign countries will not pay to 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 Government 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
Any other information or documentation required by other provisions 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:
   i. 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
   ii. 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 Government offices are closed and Government 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. Establishing a Minimum Wage for Contractors
   
   a. This Contract is subject to Executive Order 13658, the regulations issued by the Secretary of Labor in 29 CFR part 10 pursuant to the Executive Order, and specifically to all the provisions set forth in Appendix A to 29 CFR part 10. 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

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.

LIST OF FAR CLAUSES INCORPORATED BY REFERENCE

The provisions of the following clauses set forth in the Federal Acquisition Regulation (FAR) or DoD FAR Supplement are hereby incorporated into this order or contract by reference with the same force and effect as though herein set forth in full. As used in the following clauses, the term “Government” is deleted and the abbreviation “NAFI” is substituted in lieu thereof. The date of each clause shall be the current date set forth in FAR or DoD FAR Supplement on the issuance date of this order or contract. 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.

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*Denotes DFARS