



## GENERAL PROVISIONS

(For use with Nonappropriated Fund Orders and Contracts)

**1. DEFINITIONS (1975 MAY) - As used throughout this contract, the following terms and abbreviation have the meanings set forth below:**

- a. The term "contract" means this agreement or order and any modification hereto.
- b. The abbreviation "NAFI" means Nonappropriated fund Instrumentality of the United States Government.
- c. The term "Contracting Officer" means the person executing or responsible for administering this contract on behalf of the NAFI which is a party hereto, or his or her successor or successors.
- d. The term "Contractor" means the party responsible for providing supplies and or services at a certain price or rate to the NAFI under this contract.

**2. DISPUTES (1979 DEC)**

a. Except as otherwise provided in this contract, any dispute or claim concerning this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall state his decision in writing and mail or otherwise furnish a copy of it to the Contractor. Within 90 days from the date of receipt of such copy, the Contractor may appeal by mailing or otherwise furnishing to the Contracting Officer a written appeal addressed to the Armed Services Board of Contract Appeals, and the decision of the Board shall be final and conclusive. The contractor shall be afforded an opportunity to be heard and to offer evidence in support of any appeal under this clause. Pending final decision on such a dispute, however, the Contractor shall proceed diligently with the performance of the contract and in accordance with the decision of the Contracting Officer unless directed to do otherwise by the Contracting Officer.

b. This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph a above, provided that nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

**3. LAW GOVERNING CONTRACTS (1970 JUL) - In any dispute arising out of this contract, the decision of which requires consideration of law questions, the rights and obligations of the parties shall be interpreted and determined in accordance with the substantive laws of the United States of America.**

**4. LEGAL STATUS (1973 JUL) - The NAFI is an integral part of the Department of Defense and is an instrumentality of the United States Government. Therefore, NAFI contracts are United States Government contracts; however, they do not obligate appropriated funds of the United States.**

**5. EXAMINATION OF RECORDS (1979 DEC)**

a. This clause is applicable if the amount of this contract exceeds \$10,000 and the contract was entered into by means of negotiation. The Contractor agrees that the Contracting Officer or his duly authorized representative shall have the right to examine and audit the books and records of the Contractor directly pertaining to the contract during the term of the contract and until the expiration of three years after the final payment under the contract.

b. The Contractor agrees to include the clause in "a" above in all subcontracts hereunder which exceed \$10,000.

**6. ASSIGNMENT (1987 SEP) - No assignment by the Contractor, assigning its rights or delegating its obligations under this contract, will be effective and binding on the NAFI until the written terms of the assignment have been approved in writing by the Contracting Officer.**

**7. GRATUITIES (1984 JUL)**

a. The NAFI may, by written notice to the Contractor, terminate the right of the Contractor to proceed under this contract if it is found after notice and hearing, by the Secretary of the Air Force or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the contractor, or any agent or representative of the contractor, to any officer or employee of the Government or the NAFI with a view toward securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such contract.

b. In the event this contract is terminated as provided in paragraph a hereof, the NAFI shall be entitled (i) to pursue the same remedies against the contractor as it could pursue in the event of a breach of contract by the contractor, and (ii) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary of the Air Force or his or her duly authorized representative) which shall be not less than three nor more than ten times the cost incurred by the Contractor in providing any such gratuities to any such officer or employee.

c. The rights and remedies of the NAFI provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

**8. TERMINATION FOR CONVENIENCE (1984 FEB) - 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 Subparagraphs 49.1 and 49.2 in effect on the date of this contract. 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 Subparts 49.1 and 49.2.**