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## **242.7204 Contract clause.**

Use the clause at [252.242-7004](#) , Material Management and Accounting System, in all solicitations and contracts exceeding the simplified acquisition threshold that are not for the acquisition of commercial products or commercial services and—

(a) Are not awarded to small businesses, educational institutions, or nonprofit organizations; and

(b) Are either—

(1) Cost-reimbursement contracts; or

(2) Fixed-price contracts with progress payments made on the basis of costs incurred by the contractor as work progresses under the contract.

**Parent topic:** [Subpart 242.72 - CONTRACTOR MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM](#)