2442.1107 Contract clause.

(a) For purposes of clause 2452.242-71, the term "contract" shall also include task orders and purchase orders.

(b) The Contracting Officer shall insert a clause substantially the same as the clause at 2452.242-71, Contract Management System, in solicitations and contracts when all of the following conditions apply:

(1) A contract exceeds $1,000,000, including all options; and

(2) The contract is a completion type that requires the delivery of an overall end deliverable or solution (*e.g.,* evaluation, study, model).

(c) To the extent the clause will not normally be included in commercial contracts meeting the requirements stated in paragraphs (a) and (b) of this section, and in instances where the clause is to be incorporated, pursuant to FAR 12.301(f), a waiver to the standard commercial requirements, to include the clause, is not required.

(d) The Contracting Officer shall use the basic clause for cost type, labor-hour, and time and materials contracts for the services described in paragraph (b) of this section. The clause shall be used with its alternate for fixed-price type contracts for the services described in paragraph (b). The Contracting Officer may elect to incorporate the clause into contracts below the established threshold.

(e) The clause is not applicable to contracts that only expend a level of effort without a completion deliverable/product due, *e.g.,* temporary services.

(f) This clause is not applicable to Information Technology service contracts being managed through Earned Value Management techniques that require reporting of Earned Value Management.

Parent topic: Subpart 2442.11 - Production Surveillance and Reporting