36.501 Performance of work by the contractor.

(a) To assure adequate interest in and supervision of all work involved in larger projects, the contractor *shall* be required to perform a significant part of the contract work with its own forces. The contract *shall* express this requirement in terms of a percentage that reflects the minimum amount of work the contractor *must* perform with its own forces. This percentage is (1) as high as the *contracting officer* considers appropriate for the project, consistent with customary or necessary specialty subcontracting and the complexity and magnitude of the work, and (2) ordinarily not less than 12 percent unless a greater percentage is required by law or agency regulation. Specialties such as plumbing, heating, and electrical work are usually subcontracted, and *should* not normally be considered in establishing the amount of work required to be performed by the contractor.

(b) The *contracting officer shall* insert the clause at 52.236-1, Performance of Work by the Contractor, in *solicitations* and contracts, except those awarded pursuant to subparts 19.5, 19.8, 19.13, 19.14, or 19.15 when a fixed-price *construction* contract is contemplated and the contract amount is expected to exceed $2 million. The *contracting officer may* insert the clause in *solicitations* and contracts when a fixed-price *construction* contract is contemplated and the contract amount is expected to be $2 million or less.

Parent topic: Subpart 36.5 - Contract Clauses