42.709-7 Contract clause.

Use the clause at 52.242-3, Penalties for *Unallowable Costs*, in all *solicitations* and contracts over $1 million except fixed-price contracts without cost incentives or any firm-fixed-price contract for the purchase of *commercial products* or *commercial services*. Generally, covered contracts are those which contain one of the clauses at 52.216-7, 52.216-16, or 52.216-17, or a similar clause from an *executive agency*'s supplement to the FAR.

Parent topic: 42.709 Penalties for Unallowable Costs.