52.203-5 Covenant Against Contingent Fees.

As prescribed in 3.404 , insert the following clause:

Covenant Against *Contingent Fees* (*May* 2014)

(a) The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a *contingent fee*, except a *bona fide employee* or agency. For breach or violation of this *warranty*, the Government *shall* have the right to annul this contract without liability or, to deduct from the contract price or consideration, or otherwise recover, the full amount of the *contingent fee*.

(b) "Bona fide agency," as used in this clause, means an established commercial or selling agency, maintained by a contractor for the purpose of securing business, that neither exerts nor proposes to exert *improper influence* to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through *improper influence*.

Bona fide employee, as used in this clause, means a person, employed by a contractor and subject to the contractor’s supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert *improper influence* to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through *improper influence*.

Contingent fee, as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

Improper influence, as used in this clause, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

(End of clause)

Parent topic: 52.203 [Reserved]