

## 42.709-6 Contract clause.

Use the clause at [52.242-3](#) , Penalties for Unallowable Costs, in all solicitations and contracts over \$750,000 except fixed-price contracts without cost incentives or any firm-fixed-price contract for the purchase of commercial items. 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.](#)