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FAS INSTRUCTIONAL LETTER 2009-03

Supplement No. 1

FROM: HOUSTON W. TAYLOR 
ACTING ASSISTANT COMMISSIONER
OFFICE OF ACQUISITION MANAGEMENT (QV)

SUBJECT: Application of the American Recovery and Reinvestment Act of 2009 (Recovery Act) to the Federal Supply Schedules Program and other FAS Acquisition Vehicles

1. **Purpose.** This supplement clarifies the applicability of FAR clause 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders--Commercial Items (Alternate II) and FAR clause 52.215-2, Audit and Records--Negotiation (Alternate I) as it relates to the Recovery Act and FAS acquisition vehicles against which task/delivery orders are being placed. This supplement also makes a revision on the applicability of the base version of FAR clause 52.212-5 for Federal Supply Schedule (FSS) contracts.
2. **Background.** FAR clause 52.212-5, Contract Terms and Conditions Required to Implement Statutes and Executive Orders (Alternate II) is required in all FSS contracts or IDIQs issued under FAR Part 12 for those contractors who have indicated that they will accept orders funded by the Recovery Act. FAR clause 52.215-2, Audit and Records--Negotiation (Alternate I) is required in all Government-wide Acquisition Contracts (GWAC), Multi-Agency Contracts (MAC), and IDIQ contracts issued under FAR Part 15. In part, these clauses expand the scope of examination of records to include subcontractor's records. As clarified in the final FAR rule and in accordance with FAR 12.301 (4)(b)(2) and FAR 15.209 (b)(2)(ii)(b), Alternate II and Alternate I respectively only apply to task and/or delivery orders placed against contracts with funds appropriated or otherwise made available by the Recovery Act. In other words, even though the Alternates are included in a contractor's contract (assuming the contractor indicated their participation in the Recovery Act), it does not apply to other orders that may be issued against the contract that are not funded by the Recovery Act.

In addition, the original IL stated that the base version of FAR clause 52.212-5, Contract Terms and Conditions Required to Implement Statutes and Executive Orders does not apply to FSS contracts. This has been revised. For those contractors who choose not to accept orders funded by the Recovery Act, the base version of FAR clause 52.212-5 applies.

Please see "Instructions" below.

3. **Effective Date.** Date of signature.

4. Termination Date. This supplement expires one year from the effective date unless cancelled, extended, or incorporated into a handbook.
5. Applicability. This supplement applies to all GSA/FAS acquisition activities awarding and administering FSS, GWAC, MAC, or other IDIQ contracts.
6. Reference to Regulations. No new references to regulations.
7. Instructions/Procedures.

- A. Refresh all Federal Supply Schedule and IDIQ solicitations and modify all Schedule and IDIQ contracts issued under FAR Part 12 to incorporate the following note:

“Alternate II only applies to Schedule orders funded in whole or in part by the American Recovery and Reinvestment Act of 2009 (ARRA).” (See Appendix A for full clause text and note)

- i. Applicability

FAR clause 52.212-5, Contract Terms and Conditions Required to Implement Statutes and Executive Orders (Alternate II) applies to FSS contracts for those contractors who have indicated that they will accept orders funded by the Recovery Act.

- ii. Solicitation Refresh

During the next scheduled solicitation refresh, insert FAR clause 52.212-5, Contract Terms and Conditions Required to Implement Statutes and Executive Orders (Alternate II) with additional applicability note into all Schedule solicitations. The Solicitation Writing System (SWS) will mark this clause as required as applicable.

1. In-House Offers -- Schedule offers that indicate participation in the Recovery Act received prior to the solicitation refresh shall issue a solicitation amendment to incorporate the clause note into the awarded contract. When deciding to accept the amendment, each offeror shall have the opportunity to withdraw its' offer.

- iii. Contract Modification

FSS contracts for those contractors who have indicated that they will accept orders funded by the Recovery Act shall be modified to include FAR clause 52.212-5, Contract Terms and Conditions Required to Implement Statutes and Executive Orders (Alternate II) with additional applicability note. This shall be accomplished through the usual mass modification that is issued from SWS following a solicitation refresh. There is no need for a separate mass modification that addresses only this clause. The effective date for existing Schedule contracts will be the date that the modification is executed.

- B. All GWAC, MAC, and IDIQ solicitations and all existing contracts issued under FAR Part 15 shall incorporate the following note:

“Alternate I only applies to orders funded in whole or in part by the American Recovery and Reinvestment Act of 2009 (ARRA).” (See Appendix B for full clause text and note)

i. Applicability

FAR clause 52.215-2, Audit and Records--Negotiation (Alternate I) applies to all GWAC, MAC, and IDIQ contracts and orders where Recovery Act funds are being used or are anticipated to be used.

ii. Contract/Order Modification

Existing GWAC, MAC, and IDIQ contracts shall be modified to include FAR clause 52.215-2, Audit and Records--Negotiation (Alternate I) with additional applicability note for future orders, if Recovery Act funds will be used. In addition, existing task orders that already include clause 52.215-2 shall be modified to include the additional applicability note.

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APPENDIX A

52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS—COMMERCIAL ITEMS (ALTERNATE II – DEC 2010)

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses, which are incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

(1) [52.222-50](#), Combating Trafficking in Persons (Feb 2009) ([22 U.S.C. 7104\(g\)](#)).

[* _____ *] Alternate I (Aug 2007) of [52.222-50 \(22 U.S.C. 7104\(g\)\)](#).

(2) [52.233-3](#), Protest After Award (AUG 1996) ([31 U.S.C. 3553](#)).

(3) [52.233-4](#), Applicable Law for Breach of Contract Claim (Oct 2004) (Pub. L. 108-77, 108-78)

(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items: [*Contracting Officer check as appropriate.*]

* _____ * (1) [52.203-6](#), Restrictions on Subcontractor Sales to the Government (Sep 2006), with Alternate I (Oct 1995) ([41 U.S.C. 253g](#) and [10 U.S.C. 2402](#)).

* _____ * (2) [52.203-13](#), Contractor Code of Business Ethics and Conduct (Apr 2010) (Pub. L. 110-252, Title VI, Chapter 1 ([41 U.S.C. 251 note](#))).

* _____ * (3) [52.203-15](#), Whistleblower Protections under the American Recovery and Reinvestment Act of 2009 (Jun 2010) (Section 1553 of Pub. L. 111-5). (Applies to contracts funded by the American Recovery and Reinvestment Act of 2009.)

* _____ * (4) [52.204-10](#), Reporting Executive Compensation And First-Tier Subcontract Awards (Jul 2010) (Pub. L. 109-282).([31 U.S.C. 6101 note](#)).

* _____ * (5) [52.204-11](#), American Recovery and Reinvestment Act – Reporting Requirements (Jul 2010) (Pub. L. 111-5).

* _____ * (6) [52.209-6](#), Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Dec 2010) ([31 U.S.C. 6101 note](#)). (Applies to contracts over \$30,000). (Not applicable to subcontracts for the acquisition of commercially available off-the-shelf items).

* _____ * (7) [52.219-3](#), Notice of Total HUBZone Set-Aside or Sole-Source Award (Jan 2011) ([15 U.S.C. 657a](#)).

* _____ * (8) [52.219-4](#), Notice of Price Evaluation Preference for HUBZone Small Business Concerns (Jan 2011) (if the offeror elects to waive the preference, it shall so indicate in its offer) ([15 U.S.C. 657a](#)).

* _____ * (9) [Reserved]

* _____ * (10) (i) [52.219-6](#), Notice of Total Small Business Set-Aside (Jun 2003) ([15 U.S.C. 644](#)).

* _____ * (ii) Alternate I (Oct 1995) of [52.219-6](#).

* _____ * (iii) Alternate II (Mar 2004) of [52.219-6](#).

* _____ * (11) (i) [52.219-7](#), Notice of Partial Small Business Set-Aside (Jun 2003) ([15 U.S.C. 644](#)).

- * _____ * (ii) Alternate I (Oct 1995) of [52.219-7](#).
- * _____ * (iii) Alternate II (Mar 2004) of [52.219-7](#).
- * _____ * (12) [52.219-8](#), Utilization of Small Business Concerns (Jan 2011) ([15 U.S.C. 637\(d\)\(2\)](#)) and (3)).
- * _____ * (13) (i) [52.219-9](#), Small Business Subcontracting Plan (Jan 2011) ([15 U.S.C. 637\(d\)\(4\)](#)).
- * _____ * (ii) Alternate I (Oct 2001) of [52.219-9](#).
- * _____ * (iii) Alternate II (Oct 2001) of [52.219-9](#).
- * _____ * (iv) Alternate III (Jul 2010) of [52.219-9](#).
- * _____ * (14) [52.219-14](#), Limitations on Subcontracting (Dec 1996) ([15 U.S.C. 637\(a\)\(14\)](#)).
- * _____ * (15) [52.219-16](#), Liquidated Damages – Subcontracting Plan (Jan 1999) ([15 U.S.C. 637\(d\)\(4\)\(F\)\(i\)](#)).
- * _____ * (16) (i) [52.219-23](#), Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (Oct 2008) ([10 U.S.C. 2323](#)) (if the offeror elects to waive the adjustment, it shall so indicate in its offer).
- * _____ * (ii) Alternate I (June 2003) of [52.219-23](#).
- * _____ * (17) [52.219-25](#), Small Disadvantaged Business Participation Program – Disadvantaged Status and Reporting (Apr 2008) (Pub. L. 103-355, section 7102, and [10 U.S.C. 2323](#)).
- * _____ * (18) [52.219-26](#), Small Disadvantaged Business Participation Program – Incentive Subcontracting (Oct 2000) (Pub. L. 103-355, section 7102, and [10 U.S.C. 2323](#)).
- * _____ * (19) [52.219-27](#), Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside (May 2004) ([15 U.S.C. 657 f](#)).
- * _____ * (20) [52.219-28](#), Post Award Small Business Program Rerepresentation (Apr 2007) ([15 U.S.C. 632\(a\)\(2\)](#)).
- * _____ * (21) [52.222-3](#), Convict Labor (Jun 2003) (E.O. 11755).
- * _____ * (22) [52.222-19](#), Child Labor – Cooperation with Authorities and Remedies (Jul 2010) (E.O. 13126).
- * _____ * (23) [52.222-21](#), Prohibition of Segregated Facilities (Feb 1999).
- * _____ * (24) [52.222-26](#), Equal Opportunity (Mar 2007) (E.O. 11246).
- * _____ * (25) [52.222-35](#), Equal Opportunity for Veterans (Sep 2010) ([38 U.S.C. 4212](#)).
- * _____ * (26) [52.222-36](#), Affirmative Action for Workers with Disabilities (Oct 2010) ([29 U.S.C. 793](#)).
- * _____ * (27) [52.222-37](#), Employment Reports on Veterans (Sep 2010) ([38 U.S.C. 4212](#)).
- * _____ * (28) [52.222-40](#), Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (E.O. 13496).
- * _____ * (29) [52.222-54](#), Employment Eligibility Verification (Jan 2009). (Executive Order 12989). (Not applicable to the acquisition of commercially available off-the-shelf items or certain other types of commercial items as prescribed in [22.1803](#).)
- * _____ * (30) (i) [52.223-9](#), Estimate of Percentage of Recovered Material Content for EPA-Designated Items (May 2008) ([42 U.S.C. 6962\(c\)\(3\)\(A\)\(ii\)](#)). (Not applicable to the acquisition of commercially available off-the-shelf

items.)

- * _____ * (ii) Alternate I (May 2008) of [52.223-9](#) ([42 U.S.C. 6962\(i\)\(2\)\(C\)](#)). (Not applicable to the acquisition of commercially available off-the-shelf items.)
- * _____ * (31) [52.223-15](#), Energy Efficiency in Energy-Consuming Products (Dec 2007) ([42 U.S.C. 8259b](#)).
- * _____ * (32) (i) [52.223-16](#), IEEE 1680 Standard for the Environmental Assessment of Personal Computer Products (Dec 2007) (E.O. 13423).
- * _____ * (ii) Alternate I (Dec 2007) of [52.223-16](#).
- * _____ * (33) [52.223-18](#), Contractor Policy to Ban Text Messaging while Driving (Sep 2010) (E.O. 13513).
- * _____ * (34) [52.225-1](#), Buy American Act – Supplies (Feb 2009) ([41 U.S.C. 10a-10d](#)).
- * _____ * (35) (i) [52.225-3](#), Buy American Act – Free Trade Agreements – Israeli Trade Act (Jun 2009) ([41 U.S.C. 10a-10d](#), [19 U.S.C. 3301](#) note, [19 U.S.C. 2112](#) note, [19 U.S.C. 3805](#) note, Pub. L. 108-77, 108-78, 108-286, 108-302, 109-53, 109-169, 109-283, and 110-138).
- * _____ * (ii) Alternate I (Jan 2004) of [52.225-3](#).
- * _____ * (iii) Alternate II (Jan 2004) of [52.225-3](#).
- * _____ * (36) [52.225-5](#), Trade Agreements (Aug 2009) ([19 U.S.C. 2501](#), *et seq.*, [19 U.S.C. 3301](#) note).
- * _____ * (37) [52.225-13](#), Restrictions on Certain Foreign Purchases (Jun 2008) (E.O.'s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).
- * _____ * (38) [52.226-4](#), Notice of Disaster or Emergency Area Set-Aside (Nov 2007) ([42 U.S.C. 5150](#)).
- * _____ * (39) [52.226-5](#), Restrictions on Subcontracting Outside Disaster or Emergency Area (Nov 2007) ([42 U.S.C. 5150](#)).
- * _____ * (40) [52.232-29](#), Terms for Financing of Purchases of Commercial Items (Feb 2002) ([41 U.S.C. 255\(f\)](#), [10 U.S.C. 2307\(f\)](#)).
- * _____ * (41) [52.232-30](#), Installment Payments for Commercial Items (Oct 1995) ([41 U.S.C. 255\(f\)](#), [10 U.S.C. 2307\(f\)](#)).
- * _____ * (42) [52.232-33](#), Payment by Electronic Funds Transfer – Central Contractor Registration (Oct 2003) ([31 U.S.C. 3332](#)).
- * _____ * (43) [52.232-34](#), Payment by Electronic Funds Transfer – Other than Central Contractor Registration (May 1999) ([31 U.S.C. 3332](#)).
- * _____ * (44) [52.232-36](#), Payment by Third Party (Feb 2010) ([31 U.S.C. 3332](#)).
- * _____ * (45) [52.239-1](#), Privacy or Security Safeguards (Aug 1996) ([5 U.S.C. 552a](#)).
- * _____ * (46) (i) [52.247-64](#), Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) ([46 U.S.C. Appx. 1241\(b\)](#) and [10 U.S.C. 2631](#)).
- * _____ * (ii) Alternate I (Apr 2003) of [52.247-64](#).

(c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items: [*Contracting Officer check as appropriate.*]

- * _____ * (1) [52.222-41](#), Service Contract Act of 1965 (Nov 2007) ([41 U.S.C. 351](#), *et seq.*).
- * _____ * (2) [52.222-42](#), Statement of Equivalent Rates for Federal Hires (May 1989) ([29 U.S.C. 206](#) and [41 U.S.C. 351](#), *et seq.*).
- * _____ * (3) [52.222-43](#), Fair Labor Standards Act and Service Contract Act – Price Adjustment (Multiple Year and Option Contracts) (Sep 2009) ([29 U.S.C. 206](#) and [41 U.S.C. 351](#), *et seq.*).
- * _____ * (4) [52.222-44](#), Fair Labor Standards Act and Service Contract Act – Price Adjustment (Sep 2009) ([29 U.S.C. 206](#) and [41 U.S.C. 351](#), *et seq.*).
- * _____ * (5) [52.222-51](#), Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment – Requirements (Nov 2007) ([41 U.S.C. 351](#), *et seq.*).
- * _____ * (6) [52.222-53](#), Exemption from Application of the Service Contract Act to Contracts for Certain Services – Requirements (Feb 2009) ([41 U.S.C. 351](#), *et seq.*).
- * _____ * (7) [52.226-6](#), Promoting Excess Food Donation to Nonprofit Organizations (Mar 2009) (Pub. L. 110-247).
- * _____ * (8) [52.237-11](#), Accepting and Dispensing of \$1 Coin (Sep 2008) ([31 U.S.C. 5112\(p\)\(1\)](#)).

- (d) *Comptroller General Examination of Record.* The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at [52.215-2](#), Audit and Records – Negotiation.
- (1) The Comptroller General of the United States, an appropriate Inspector General appointed under section 3 or 8G of the Inspector General Act of 1978 ([5 U.S.C. App.](#)), or an authorized representative of either of the foregoing officials shall have access to and right to –
 - (i) Examine any of the Contractor’s or any subcontractors’ records that pertain to, and involve transactions relating to, this contract; and
 - (ii) Interview any officer or employee regarding such transactions.
 - (2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.
 - (3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.
- (e) (1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), and (c), of this clause, the Contractor is not required to flow down any FAR clause in a subcontract for commercial items, other than –
- (i) *Paragraph (d) of this clause.* This paragraph flows down to all subcontracts, except the authority of the Inspector General under paragraph (d)(1)(ii) does not flow down; and
 - (ii) *Those clauses listed in this paragraph (e)(1).* Unless otherwise indicated below, the extent of the flow down shall be as required by the clause –
 - (A) [52.203-13](#), Contractor Code of Business Ethics and Conduct (Apr 2010) (Pub. L. 110-252, Title VI, Chapter 1 ([41 U.S.C. 251 note](#))).

- (B) [52.203-15](#), Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (Jun 2010) (Section 1553 of Pub. L. 111-5).
 - (C) [52.219-8](#), Utilization of Small Business Concerns (Jan 2011) ([15 U.S.C. 637\(d\)\(2\) and \(3\)](#)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$650,000 (\$1.5 million for construction of any public facility), the subcontractor must include [52.219-8](#) in lower tier subcontracts that offer subcontracting opportunities.
 - (D) [52.222-26](#), Equal Opportunity (Mar 2007) (E.O. 11246).
 - (E) [52.222-35](#), Equal Opportunity for Veterans (Sep 2010) ([38 U.S.C. 4212](#)).
 - (F) [52.222-36](#), Affirmative Action for Workers with Disabilities (Oct 2010) ([29 U.S.C. 793](#)).
 - (G) [52.222-40](#), Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (E.O. 13496). Flow down required in accordance BR with paragraph (f) of FAR clause [52.222-40](#).
 - (H) [52.222-41](#), Service Contract Act of 1965 (Nov 2007) ([41 U.S.C. 351](#), et seq.).
 - (I) [52.222-50](#), Combating Trafficking in Persons (Feb 2009) ([22 U.S.C. 7104\(g\)](#)).
 - (J) [52.222-51](#), Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements (Nov 2007) ([41 U.S.C. 351](#), et seq.).
 - (K) [52.222-53](#), Exemption from Application of the Service Contract Act to Contracts for Certain Services-Requirements (Feb 2009) ([41 U.S.C. 351](#), et seq.).
 - (L) [52.222-54](#), Employment Eligibility Verification (Jan 2009).
 - (M) [52.226-6](#), Promoting Excess Food Donation to Nonprofit Organizations. (Mar 2009) (Pub. L. 110-247). Flow down required in accordance with paragraph (e) of FAR clause 52.226-6.
 - (N) [52.247-64](#), Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) ([46 U.S.C. Appx. 1241 \(b\)](#) and [10 U.S.C. 2631](#)). Flow down required in accordance with paragraph (d) of FAR clause [52.247-64](#).
- (2) While not required, the contractor may include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

Note: Alternate II only applies to Schedule orders funded in whole or in part by the American Recovery and Reinvestment Act of 2009 (ARRA).

APPENDIX B

52.215-2 **AUDIT AND RECORDS – NEGOTIATION (OCT 2010) (ALTERNATE I – MAR 2009)**

- (a) As used in this clause, records includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.
- (b) *Examination of costs.* If this is a cost-reimbursement, incentive, time-and-materials, labor-hour, or price redeterminable contract, or any combination of these, the Contractor shall maintain and the Contracting Officer, or an authorized representative of the Contracting Officer, shall have the right to examine and audit all records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this contract. This right of examination shall include inspection at all reasonable times of the Contractor's plants, or parts of them, engaged in performing the contract.
- (c) *Certified cost or pricing data.* If the Contractor has been required to submit certified cost or pricing data in connection with any pricing action relating to this contract, the Contracting Officer, or an authorized representative of the Contracting Officer, in order to evaluate the accuracy, completeness, and currency of the certified cost or pricing data, shall have the right to examine and audit all of the Contractor's records, including computations and projections, related to —
 - (1) The proposal for the contract, subcontract, or modification;
 - (2) The discussions conducted on the proposal(s), including those related to negotiating;
 - (3) Pricing of the contract, subcontract, or modification; or
 - (4) Performance of the contract, subcontract or modification.
- (d) *Comptroller General or Inspector General.*
 - (1) The Comptroller General of the United States, an appropriate Inspector General appointed under section 3 or 8G of the Inspector General Act of 1978 (5 U.S.C. App.), or an authorized representative of either of the foregoing officials, shall have access to and the right to —
 - (i) Examine any of the Contractor's or any subcontractor's records that pertain to and involve transactions relating to this contract or a subcontract hereunder; and
 - (ii) Interview any officer or employee regarding such transactions.
- (e) *Reports.* If the Contractor is required to furnish cost, funding, or performance reports, the Contracting Officer or an authorized representative of the Contracting Officer shall have the right to examine and audit the supporting records and materials, for the purpose of evaluating —
 - (1) The effectiveness of the Contractor's policies and procedures to produce data compatible with the objectives of these reports; and
 - (2) The data reported.
- (f) *Availability.* The Contractor shall make available at its office at all reasonable times the records, materials, and other evidence described in paragraphs (a), (b), (c), (d), and (e) of this clause, for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in Subpart 4.7, Contractor Records Retention, of the Federal Acquisition Regulation (FAR), or for any longer period required by statute or by other clauses of this contract. In addition —
 - (1) If this contract is completely or partially terminated, the Contractor shall make available the records relating to the work

terminated until 3 years after any resulting final termination settlement; and

- (2) The Contractor shall make available records relating to appeals under the Disputes clause or to litigation or the settlement of claims arising under or relating to this contract until such appeals, litigation, or claims are finally resolved.
- (g) (1) Except as provided in paragraph (g)(2) of this clause, the Contractor shall insert a clause containing all the terms of this clause, including this paragraph (g), in all subcontracts under this contract. The clause may be altered only as necessary to identify properly the contracting parties and the Contracting Officer under the Government prime contract.
- (2) The authority of the Inspector General under paragraph (d)(1)(ii) of this clause does not flow down to subcontracts.

Note: Alternate I only applies to Schedule orders funded in whole or in part by the American Recovery and Reinvestment Act of 2009 (ARRA).