

Concessionaire Contract

This Contract is hereby made and entered into on this (date is signed by the NAFI) day of _____, 20__, by and between the USARMY 411 CSB (USA) contracting office, on behalf of Mustang Community Center, hereinafter called the nonappropriated fund instrumentality (NAFI), and _____ hereinafter called the Concessionaire. The NAFI is a Nonappropriated Fund Instrumentality of the Department of the Air Force, and as such, no appropriated funds of the United States of America shall become due or be paid to the Concessionaire by reason of this Contract. In consideration of the agreements set forth and the payments to be made as stipulated, it is mutually agreed between the parties hereto:

1. Concessionaire will provide the barber shop service to authorized patrons at Mustang Community Center (located at Bldg. 1313, Osan Air Base) for the period, beginning Date is signed by the NAFI and ending three (3) years from the effective date.

2. Concessionaire will pay the NAFI the greater of a or b:

a. A sum equal to ___ percent (___) of gross sales.

b. Predetermined monthly fee in the amount of (N/A)

c. Payment of fees due the NAFI must be made:

(Check One) (___) daily, (___) weekly, (X) monthly, or (___) at the end of the sales period and submission of the Concessionaire Settlement Report.

3. The Concessionaire must:

a. Provide products or services of a quality satisfactory to the NAFI manager or their duly authorized representative.

b. Before beginning performance under this agreement will submit a listing of items, with corresponding selling prices, to the Contracting Officer for approval or disapproval action. The final approved listing is considered part of this agreement. Place the price list in a conspicuous spot for patrons to see.

c. At Concessionaire's expense, obtain all permits, give all necessary notices; pay all license fees; and comply with all municipal, prefectural, and national laws, rules, ordinances, and regulations, and any publication published by the military relating to public health or applicable to the business carried on under this agreement and assume complete and sole liability for all national, state, and local taxes applicable to the property, income, and transactions of the concession.

d. Comply with all applicable laws pertaining to wages, worker's compensation, equal opportunity, Service Contract Labor Standards Act, and so forth, as implemented by Air Force directives and required by law.

- e. Comply with all memoranda, bulletins, and letters of instruction issued by or in behalf of the NAFI manager or their duly authorized representative.
 - f. Keep the concession area clean, orderly, attractive, secure, and in a safe and sanitary condition to the satisfaction of the NAFI manager.
 - g. Employ only persons who meet the health standards prescribed by law or regulations, which pertain to the jobs for which they are hired.
 - h. Furnish a sufficient number of trained employees for the efficient performance of this Concessionaire contract as follows: Concession personnel must meet the health and security standards prescribed by applicable regulations, and must obtain installation passes and permits and security clearances as applicable. Concession personnel must give prompt and courteous treatment to authorized customers. Concession personnel must be neatly dressed and meticulous in their personal grooming at all times. Concession personnel must wear clean uniforms or, when uniforms are not required, wear clothing is clean and in good condition at all times. Concession personnel must wear nameplates when the course of their duties.
 - i. Remove from employment in the concession, on the request of the NAFI manager, any servant, agent, or employee of the Concessionaire if, in the opinion of the NAFI manager or their duly authorized representative, the conduct of such person, while in and about the premises covered by this contract interferes with proper services or discipline.
 - j. Obtain insurance for all non-Government property and merchandise used by the Concessionaire in the operation of the concession against theft, fire, storm, flood, and damage, or destruction through any other force of nature; or in lieu thereof, to relieve the NAFI from any liability arising from such theft, loss, damage, or destruction. The Concessionaire must have liability insurance commensurate with the risks involved, and furnish proof of such to the Contracting Officer.
 - k. Not leave cash on the premises during non-operational hours.
 - l. Be responsible for paying all operating expenses not expressly undertaken by the NAFI.
 - m. Maintain a Cash Collection Record, showing all income received, in accordance with instructions from the NAFI. Any failure by the Concessionaire, its servants, employees, or agents, to enter all monies received on control sheets will be cause for immediate cancellation of this contract.
4. Concessionaire will not:

- a. Represent or permit itself to be represented to the public as an agent or employee of the NAFI by the use of the name of the NAFI on letters, bills, signs, or by any other means. The Concessionaire, its servants, agents, and employees, are in no sense agents of the United States, the NAFI, the commander of the installation within which the concession exists, or of any other entity having to do with the operations of the NAFI.
- b. Sell or remove any property that is owned by the NAFI or any other part of the Federal Government and is used in the operation of the concession.
- c. Engage in or permit gambling or possession or use of any gambling device on the concession premises or elsewhere on the installation.
- d. Sell, deal in, or otherwise possess or transfer, on the concession premises, powdered alcohol or narcotics.
- e. Loan money to or borrow money from customers or others, which includes Federal Government (including NAFI) employees and military personnel.
- f. Sell merchandise or services for anything other than US currency, unless authorized in writing by the Contracting Officer.
- g. Sell merchandise or services on credit.
- h. Give or offer to any officer or employee of the NAFI, or any other part of the Federal Government, any gift, privilege, special benefit, discount, or anything else of material or personal nature whereby the individual or employee would receive preferential treatment.

5. General

- a. Air Force Auditor General personnel, Public Accountant Contract Audit personnel or any person designated by the installation commander, will have the right to inspect or audit the accounts and methods of internal control established by Concessionaire, and to make such inspection or audits as may be considered necessary to ensure strict compliance by Concessionaire with all provisions of this contract and with applicable Air Force regulations.
- b. This contract, unless sooner terminated as herein provided, may be extended for additional periods, each of which may not exceed (90) days (3) months by mutual agreement of the parties in writing, subject to approval in the same manner as this instrument.
- c. This contract is automatically terminated in the event the NAFI is dissolved.
- d. Any monies due and payable to the NAFI from the Concessionaire on the date of this contract must be paid in full or will remain due and payable until final settlement.

6. Contractual Contents.

- a. Contract Terms and Conditions..... Pages 1 – 4
- b. NAF Standard Clauses.....Pages 5 – 27
- c. Special Provisions ----- Pages 28 - 31
- d. Description/Specifications Work Statement ----- Pages 32 - 43

FOR THE NAFI:

FOR THE CONTRACTOR:

Type or Print Name

Type or Print Name

Signature of Contracting Officer

Signature of Contractor

Phone Date

Phone Date

NONAPPROPRIATED FUND STANDARD CLAUSES

I. DEFINITIONS

As used throughout this contract, the following terms and abbreviations have the meanings set forth below:

- a. **Contract.** An agreement that creates a legal obligation. The elements of a contract are a mutual agreement; between competent parties; for a legal purpose; involving the exchange of legal consideration; and that creates a mutuality of obligation to perform between the parties. The term contract, as used herein, includes without limitation, formal bilateral contracts, purchase orders, consignment sales agreements, amendments and modifications thereto, as well as other agreements entered into by an authorized Contracting Officer acting within his or her authority.
- b. **Contracting Officer.** An individual delegated the authority to legally bind the NAFI by entering into, modifying, administering, and terminating contracts.
- c. **Contractor.** Any legal entity that is awarded a contract. The Contractor is the party responsible for and agrees to furnish supplies and/or services at specified prices/rates and/or to pay the NAFI mutually agreed to commissions and/or fees in conjunction with providing services to NAFI customers under this contract. Contractor may include, but is not limited to the following terms "vendor," "seller," "supplier," "manufacturer," "distributor," "concessionaire" and/or "licensee."
- d. **Contracting Officer's Representative (COR).** An individual authorized in writing by a Contracting Officer to monitor Contractor performance and/or help administer a contract, but does not have authority to legally bind the NAFI into any contractual or legal obligations. Definition applies to Contracting Officer's Technical Representative (COTR) and Alternate COR (ACOR).
- e. **Day.** A day means, unless otherwise provided, a 24 hour period of time denoted as midnight to midnight of a calendar day, unless the last day of a specified number of days within which the contractor must file a claim or notice with the Contracting Officer falls on Saturday, Sunday or a federal holiday, in which case the last day shall be the next business day denoted as Monday through Friday.
- f. **Nonappropriated Fund Instrumentality (NAFI).** A DoD organizational and fiscal entity supported in whole or in part by Nonappropriated Funds. A NAFI, as an instrumentality of the U.S. Government, enjoys the same immunities and privileges as the U.S. Government in the absence of specific Federal statute. It is not incorporated under the law of any State, but has the legal status of an instrumentality of the United States. References to United States, the Government, and other related references will generally be implied to mean the NAFI throughout this contract.

2. LEGAL STATUS

The Nonappropriated Fund Instrumentality (NAFI), which is party to this contract, is an integral part of the Department of Defense and is an instrumentality of the United States Government. No appropriated funds of the United States shall become due or be paid the Contractor by reason of this contract.

3. CLAIMS, PROTESTS & APPEALS

- a. This contract is not subject to the Contract Disputes Act of 1978 (41 U.S.C. 7101-7109), and therefore, not subject to the jurisdiction of the Government Accountability Office (GAO). All disputes arising under or relating to this contract shall be resolved under this clause IAW DoDI 4105.67 and DAFMAN 64-119.
- b. Protests and/or protest appeals shall be filed with the Contracting Officer that issued the contract, or other designated authority, in strict accordance with the procedures and timelines in DAFMAN 64-119.
- c. "Claims," as used in this clause, means the inability of a Contractor and the Contracting Officer to reach a mutual agreement related to contractual issues in controversy resulting in the filing of a written demand or assertion seeking payment of money, adjustment or interpretation of contract, or other relief, and issuance of a Contracting Officer's final decision. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under this clause. The submission may be converted to a claim under this clause, by complying with the submission requirements of this clause. If it is disputed either as to liability or amount or is not acted upon in a reasonable time.
 - (1) A claim by the Contractor shall be made in writing and submitted to the Contracting Officer for a written decision. A claim by the NAFI against the Contractor shall be subject to a written decision by the Contracting Officer.
 - (2) For Contractor claims exceeding \$100,000, the Contractor shall submit with the claim a certification that contains the following statement: "Subject to the False Claims Act, 31 USC 3729, I certify the claim is made in good faith; that the supporting data is accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the NAFI is liable; and that I am duly authorized to certify on behalf of the Contractor."
 - (3) For contract claims of less than \$100,000, the Contracting Officer must, if requested in writing by the Contractor, render a decision within 60 days of the request. For Contractor-certified claims over \$100,000, the Contracting Officer must, within 60 days, decide the claim or notify the Contractor of the date by which the decision will be made.
- d. The Contracting Officer's decision shall be final unless the contractor appeals as provided in paragraph (d) of this clause.

- e. The Contracting Officer's final decision on claims may be appealed by submitting a written appeal to Armed Services Board of Contract Appeals with a copy to the Contracting Officer, within 90 days of receipt of the Contracting Officer's final decision. Decisions of the Armed Services Board of Contract Appeals are final and are not subject to further appeal.
- f. The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the Contracting Officer.

4. REPRESENTATIONS

- a. This written contract, including identified attachments, enclosures and documents incorporated by reference, is the entire agreement between the parties. The NAFI will not be bound by any oral or written representation not included or incorporated in the written contract or a written modification thereto. The NAFI will not be bound by any terms on Contractor forms or letters unless such terms are specifically agreed to and incorporated in the contract and signed by the Contracting Officer. Except as otherwise specifically provided in this contract, all additions, changes or deletions to this contract must be prepared in writing as a modification and signed either unilaterally by the Contracting Officer or bilaterally by both parties in accordance with applicable regulations.
- b. The Contractor shall not represent itself to be an agent or representative of the NAFI or any other agency or instrumentality of the United States.

5. ADVERTISEMENTS

The Contractor shall not represent in any manner, expressly or by implication, that items or services purchased or sold under this contract are approved or endorsed by any element of the U.S. Government, including the NAFI. All Contractor advertisements that refer to the NAFI or a NAFI activity will contain a statement that the advertisement was neither paid for nor sponsored, in whole or in part, by the U.S. Government or the NAFI.

6. EXAMINATION OF RECORDS

- a. The Contractor agrees that the Contracting Officer or a duly authorized representative(s) shall have the right to examine and audit the books and records of the Contractor directly pertaining to the contract during the period of the contract and until expiration of three (3) years after the final payment under the contract.
- b. The Contractor shall include this clause in all subcontracts.

7. HOLD AND SAVE HARMLESS

The Contractor agrees to indemnify and hold harmless the NAFI and any other agency or instrumentality of the United States, and their officers, agents, and employees, from any loss, expense, damage, injury, claim, suit or judgment (including administrative actions taken against the NAFI by other federal, state or local agencies) arising from the Contractor's (employees, agents or subcontractors) acts or omissions or the items/services provided pursuant to the contract (including any patent, copyright, or trademark infringement claimed by a third party in connection with the items/services provided by the contractor). Nothing contained herein, however, shall relieve or be construed as relieving the NAFI or any other agency or instrumentality of the United States from any liability resulting from its negligence.

8. INSURANCE

- a. The Contractor shall, at its own expense, provide and maintain during the entire performance period of this contract at least the insurance coverage as stated in this contract. In no event shall the coverage be less than the minimum requirements established by applicable state and local regulations and laws for the risk associated with the services to be provided by the contract. The Contractor shall be fully responsible to the NAFI for errors and omissions of its associates and subcontractors under this contract.
- b. The Contractor shall furnish to the Contracting Officer a current certificate of insurance prior to the commencement of performance under the contract. The "INSURED" block of the Certificate of Insurance must list both the Contractor's name (or Contractor's d.b.a. name) / and the contract number. The Certificates of Insurance shall evidence that all lines of insurance coverage required by the contract are in effect, and that not less than thirty (30) days prior written notice shall be provided to the Contracting Officer in the event of modification, cancellation, or non-renewal of any portion of the insurance coverage(s). All certificates of insurance must list the NAFI as the certificate holder, name the NAFI and the United States as additional insureds, and carry an endorsement waiving the Contractor's rights to subrogation against the NAFI and the United States.

9. PROCUREMENT INTEGRITY

By submission of an offer or performance of this contract, the offeror or Contractor certifies with respect to this NAFI contract action:

- a. That no discussion, offer, or promise of future employment or business opportunity has nor will be made to NAFI civilian or military personnel who personally and substantially participated in the contract action.
 - (1) That no offer, promise, or gift of any gratuity, entertainment, money, or other thing of value has nor will be made to any NAFI civilian or military personnel or any other employee of the NAFI or member of their family or household.
 - (2) That no information proprietary to other offerors or other contracting information (offeror list, prices offered, technical evaluations, rankings, etc.) is sought or obtained until it is available to the public under NAFI procedures.

- (3) That no person or selling agency has been employed or retained to secure this contract for a commission, percentage, brokerage, or contingent fee except bona fide employees or bona fide established commercial selling agencies retained by the Contractor for the purpose of securing business.
- b. The Contractor certifies that no gratuities (entertainment, gifts, money, kickbacks, or other things of value) were nor will be solicited or accepted by the Contractor or Contractor representative, nor from any Subcontractor or Subcontractor representative, for the purpose of obtaining or rewarding favorable treatment in connection with this contract or any subcontract under it.
- c. The Contractor will report in writing to the Contracting Officer any possible violation of this clause when there are reasonable grounds to believe a violation may have occurred. The Contractor will cooperate fully with any federal agency investigation of a possible violation of this clause.
- d. For breach of any of these certifications, the NAFI may terminate this contract for default, and/or deduct from amounts due under this or other contracts, or charge the Contractor for the total value of any contingent fee, gratuity, kickback or other loss to the NAFI arising out of the breach.

10. ASSIGNMENT OF CLAIMS

The Contractor cannot assign any right or delegate any obligations under this contract without the prior written permission of the Contracting Officer.

11. TERMINATION FOR CONVENIENCE

The Contracting Officer, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the NAFI. If this contract is for supplies and is so terminated, the Contractor shall be compensated in accordance with FAR, Sub Parts 49.1 and 49.2 in effect on this contract's date. To the extent that this contract is for services and is so terminated, the NAFI shall be liable only for payment in accordance with the payment clauses of this contract for services rendered prior to the effective date of termination, providing there are no Contractor claims covering nonrecurring costs for capital investment. If there are any such Contractor claims, they shall be settled in accordance with FAR, Sub Parts 49.1 and 49.2.

12. CANCELLATION BY MUTUAL AGREEMENT

Should the situation warrant, the parties upon mutual agreement and no costs, may cancel this contract without further recourse to the other and mutual release of any further obligations.

13. TERMINATION FOR CAUSE

- a. The NAFI may, subject to paragraphs c. and d. below, by written notice of cause to the Contractor, terminate this contract in whole or in part if the Contractor fails to-
 - (1) Deliver the supplies or perform the service within the time specified within this contract or any extension;
 - (2) Make progress, so as to endanger performance of this contract (however, see paragraph b. below); or
 - (3) Perform any of the other clauses of this contract (however see paragraph b. below).
- b. The NAFI's right to terminate this contract under paragraph a.2., and a.3. above, may be exercised if the Contractor does not cure such failure within 10 days (or more if authorized in writing by the Contracting Officer) after receipt of notice from the Contracting Officer specifying the failure.
- c. If the NAFI terminates this contract in whole or in part, it may acquire, under the terms and in the manner the Contracting Officer considers appropriate, supplies or services similar to those terminated, and the Contractor will remain liable to the NAFI for any excess costs for those supplies or services. However the Contractor must continue the work not terminated.
- d. Defaults by subcontractors at any tier for any reason do not constitute causes beyond the control and without the fault or negligence of the Contractor. The Contractor shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include:
 - (1) Acts of God or of the public enemy
 - (2) Act of the NAFI in either its sovereign or contractual capacity
 - (3) Fires
 - (4) Floods
 - (5) Epidemics
 - (6) Quarantine restrictions
 - (7) Strikes
 - (8) Freight embargoes
 - (9) Unusually severe weather
- e. If this contract is terminated for cause, the NAFI may require the Contractor to transfer title and deliver to the NAFI as directed by the Contracting Officer, any
 - (1) completed supplies, and

- (2) partially completed supplies and materials, parts, tool dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as manufacturing materials in the clause) that the Contractor has specifically produced or acquired for the terminated portion of this contract. Upon direction of the Contracting Officer, the Contractor shall also protect and preserve property in its possession in which the NAFI has an interest.
- f. The NAFI shall pay the contract price for completed supplies delivered and accepted. The Contractor and Contracting Officer shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property. Failure to agree will be a dispute under the Claims Clause. The NAFI may withhold from these amounts any sum the Contracting Officer determines to be necessary to protect the NAFI against loss because of outstanding liens or claims of former lien holders.
- g. If, after termination, it is determined that the cause by the Contractor was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for convenience of the NAFI.
- h. The rights and remedies of the NAFI in this clause are in addition to any other rights and remedies provided by law or under this contract.
- i. This contract is automatically terminated for the convenience of the NAFI in the event the NAFI is dissolved.

14. CHANGES

- a. The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:
 - (1) If the requirement is for supplies and/or services: Drawings, designs, or specifications; method of shipment or packing; description of services to be performed; time of performance (i.e., hours of the day, days of the week, etc.); place of delivery or place of performance of services.
 - (2) If the requirement is for concession services (including public private ventures): Specifications (including drawings and designs); method or manner of performance of work; NAFI-furnished facilities, equipment, materials, services, or site; and/or directing acceleration in the performance of work.
 - (3) If the requirement is for transportation services: Specifications; work or services; place of origin; place of delivery; tonnage to be shipped; and/or amount of NAFI-furnished property.
- b. If any such change causes an increase or decrease in the cost of, or the time required

for, performance of any part of the work under this contract, whether or not changed by the order, the Contracting Officer will make an equitable adjustment in the contract price, the delivery schedule, or both, and modify the contract.

- c. The Contractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order; however, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.
- d. If the Contractor's proposal includes the cost of property made obsolete or excess by the change, the Contracting Officer shall have the right to prescribe the manner of the disposition of the property.
- e. If the requirement is for architect-engineer or other professional services, no services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written authorization of the Contracting Officer.
- f. If the requirement is for concession services (including public private ventures), the Contractor shall notify the Contracting Officer in writing within seven (7) days of the occurrence of any event that the Contractor considers a change to the contract that has not been authorized in writing signed by the Contracting Officer. The Contractor will be deemed to have waived any right to an adjustment if timely notice is not provided to the Contracting Officer as required herein. For purposes of this clause, "event" shall include, but not be limited to, an order or direction by a NAFI or other NAFI official, a contested contract interpretation, interference with or interruption of the contract work, or any other event that increases the cost or time to perform the contract as compared to the cost or time that would be required if the Contractor performed the contract in accordance with its terms.
- g. Failure to agree to any adjustment shall be a "claim" under the "Claims" clause of this Contract; however, nothing in this clause shall excuse the Contractor from proceeding with the Contract as changed.

15. SOCIAL RESPONSIBILITY AND LABOR STANDARDS NONRESALE

By performance of this contract, the Contractor and any subcontractors shall comply with the Social Responsibility requirements addressed herein:

- a. Combating Trafficking in Persons (CTIP). Applicable to all contracts, regardless of location performed.
 - (1) Definitions. The meanings of the terms coercion, commercial sex act, debt bondage, forced labor, involuntary servitude, severe forms of trafficking in persons, and sex trafficking are as is defined in the Trafficking Victims Protection Act of 2000, Public Law 106-386, October 28, 2000 < <http://www.state.gov/documents/organization/10492.pdf> >.

- (2) Policy. DoD NAFIs have adopted the U.S. Government's zero tolerance policy regarding trafficking in persons. During the contract period of performance, Contractor and Contractor employees shall not: (a) Engage in severe forms of trafficking; (b) Procure commercial sex; or (c) Use forced labor
- (3) Contractor Requirements. Contractor shall: (a) Notify its employees of: Zero tolerance policy described in this clause; and actions that will be taken against employees for violations of this policy. (Such actions may include, but are not limited to, removal from the Contract, reduction in benefits, or termination of employment); and (b) Take appropriate action against employees or subcontractors that violate policy in paragraph a.(2) of this clause, up to and including termination.
- (4) Notification. Contractor shall inform the Contracting Officer immediately of: (a) Any information it receives from any source (including host country law enforcement) alleging a Contractor employee, subcontractor, or subcontractor employee has engaged in conduct that violates this policy; and (b) Any actions taken against Contractor employees, subcontractors, or subcontractor employees pursuant to this clause.
- (5) Remedies. In addition to other remedies available to the NAFI, Contractor's failure to comply with the requirements of this clause may result in (a) Requiring the Contractor to remove a Contractor employee or employees from performance under the contract; (b) Requiring the Contractor to terminate a subcontract; (c) Suspension of contract or fee payments; (d) Termination of the contract for default or cause, in accordance with the termination clause of this contract; and/or (e) Suspension or debarment.
- (6) Mitigating Factors. The Contracting Officer may consider whether Contractor had a Trafficking in Persons awareness program at the time of any violation as a mitigating factor when determining remedies.
- (7) Additional information about Trafficking in Persons and examples of awareness programs can be found on the U.S. Department of State, Office to Monitor and Combat Trafficking in Persons (OMCTP) website < <http://www.state.gov/j/tip/index.htm> >.

b. Labor; Work Hours, Compensation and Benefits; Discipline; Freedom of Association; Discrimination; and Workspaces. Applicable to all contracts, regardless of location performed. Contractor Requirements:

- (1) Labor. Contractor shall not employ any person under the age of 14 years, unless local and national laws stipulates a higher age for work or mandatory schooling, in which case the higher age will apply. Contractor shall not use force or other compulsory labor in performance of this contract, nor require employees to lodge "deposits" or identity papers upon commencing employment with the Contractor or subcontractor.
- (2) Working Hours, Compensation and Benefits. Contractor shall comply with applicable

local and national laws on maximum daily/weekly working hours. Contractor shall ensure that wages paid for a standard workweek are consistent with local and national laws.

- (3) Safe and Healthy Workplace. Contractors shall provide employees with a safe and healthy workplace in compliance with all local and national laws.
- (4) Discipline. Contractor shall not engage in or support the use of corporal punishment, mental or physical coercion, verbal abuse, or withholding passports or travel documents.
- (5) Freedom of Association & Right to Collective Bargaining. Contractor shall respect the right of all employees to form and join trade unions of their choice, consistent with prevailing local and national laws and to bargain collectively without any activity that impedes or suppresses freedom of association. Contractors shall ensure that representatives of such employees are not subject to discrimination and that such representatives have access to their members in the workplace.
- (6) Discrimination. Contractors shall comply consistently with local and national laws with regard to discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, maternity status, union membership, or political affiliation.

c. U.S. Labor Statutes.

- (1) Applicable to all contracts, performed within the United States. Where a statute specifies where within the U.S. it applies, the definition in the statute supersedes definitions in this clause.
- (2) Definitions
 - (a) “United States” in general means the 50 States, the District of Columbia, Outlying Areas, and Outer Continental Shelf lands as defined in the Outer Continental Shelf Lands Act (43 U.S.C. 1331, et seq.), but does not include any other place subject to U.S. jurisdiction or any U.S. base or possession in a foreign country (29 CFR 4.112).
 - (b) “Outlying Areas” means: (1) Commonwealths of Puerto Rico and the Northern Mariana Islands; (2) Territories: American Samoa, Guam, and U.S. Virgin Islands; and (3) Minor outlying islands (Baker Island, Howland Island, Jarvis Island, Johnston Atoll, Kingman Reef, Midway Islands, Navassa Island, Palmyra Atoll and Wake Atoll).

d. The Contractor shall:

- (1) Comply with all applicable statutes to include, but not limited to the Fair Labor

standards Act (FLSA), Service Contract Labor Standards Statute and Construction Wage Rate Requirements.

- (2) Provide subcontractor names and performance addressees within 24 hours, if requested by the Contracting Officer.
 - (3) Have an effective program for monitoring compliance with applicable statutes and as applicable ensure U.S. Department of Labor (DoL) Wage and Hour Division posters in workers' language are posted at U.S. work sites.
 - (4) Ensure compliance with all applicable hours, wages, labor relations (including collective bargaining), workmen's compensation, working conditions and other matters pertaining to labor standards of the country, or political matters pertaining to labor standards of the country, or political subdivision thereof, where contract is performed.
- e. To ensure full compliance with requirements of this clause, the NAFI (or third party designated by the NAFI) has the right to conduct announced or unannounced inspections of any site utilized by the Contractor to perform this Contract.
- f. Prohibition on Illicit Substance. The Contractor, its employee(s) or representative(s) working under this contract agree(s) not to possess, or use any illicit substance(s) while performing on the site(s) of this contract whether on military installation(s) or Federal property(s). Any in-compliant or finding of violation of this paragraph, render the Contractor subject to suspension of contract payments, termination of the contract or default, and suspension or debarment.
- g. Subcontracts. Contractor shall include this clause in all subcontracts.

16. INSPECTION AND ACCEPTANCE

Inspection and acceptance will be at destination, unless otherwise provided in this contract. Notwithstanding the requirements for any NAFI inspection and test contained in specifications applicable to this contract, except where specialized inspections or tests are specified for performance solely by the NAFI, the Contractor, shall perform or have performed the inspections and tests required to substantiate that the supplies provided under the contract conform to the drawings, specifications, and contract requirements listed herein, including if applicable the technical requirements for the manufacturer's part numbers specified herein. The Contractor shall only tender for acceptance only those items that conform to the requirements of this contract. The NAFI reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The NAFI may require repair or replacement of nonconforming supplies or performance of nonconforming services at no increase in contract price. Acceptance of the supplies or services or a written notice of rejections must be accomplished on or before the first working day following delivery of the supplies or services, unless otherwise specified in this contract.

17. COMMERCIAL TERMS AND CONDITIONS

- a. Commercial terms and conditions are not inherently enforceable under NAF contract(s). The Contractor shall not unilaterally obligate or bind the NAFI to pay any future services, subscriptions, fees, penalties, interest, legal costs or require the NAFI indemnify the Contractor or any person or entity for damages, costs, fees, or any other loss or liability. Contractor shall not unilaterally revoke, terminate or suspend any rights granted to the NAFI. The Contractor agrees any updates, changes or addendums to the contract shall be bilaterally agreed upon by the Contractor and the Contracting Officer, via written modification.
- b. The Contractor agrees supplies or services furnished under this contract shall be covered by the most favorable commercial warranties the Contractor gives to any customer for such supplies or services. The rights and remedies provided herein are in addition to and do not limit any rights afforded to the NAFI by any other clause of this contract. Contractor shall provide printed terms and conditions of such warranty and comply with the Magnuson-Moss Warranty Act (15 U.S. Code § 2302). Warranty shall commence upon acceptance of the items and is in addition to other warranties of additional scope given by the Contractor.

18. TAXES

- a. Except as may be otherwise provided in this contract, the contract price includes all taxes, duties, or other public charges in effect and applicable to this contract on the contract date, except any tax, duty or other public charge which by law, regulation or NAFI agreement is not applicable to expenditures made by the NAFI or on its behalf, or any tax, duty, or other public charge from which the Contractor, or any subcontractor hereunder, is exempt by law, regulation or otherwise. If any such tax, duty, or other public charge has been included in the contract price, through error or otherwise, the contract price shall be correspondingly reduced.
- b. If for any reason, after the contract date of execution, the Contractor or subcontractor is relieved in whole or in part from the payment or the burden of any tax, duty or other public charge included in the contract price, the contract price shall be correspondingly reduced; or if the Contractor or a subcontractor is required to pay in whole or in part any tax, duty, or other public charge which was not included in the contract price and which was not applicable at the contract date of execution, the contract price shall be correspondingly increased.
- c. No adjustment of less than \$250 shall be made in the contract price pursuant to this clause unless otherwise waived at the unilateral discretion of the Contracting Officer.
- d. NAFIs located in foreign countries will not pay foreign taxes nor collect for any foreign country or political subdivision any tax unless the United States has consented to levy collection by treaty, convention, or executive agreement.

19. INVOICES

- a. An invoice is a written request for payment under the contract for supplies delivered or for services rendered. In order to be proper, an invoice should include (and in order to support the payment of interest penalties, must include) the following:
 - (1) Invoice date;
 - (2) Name of Contractor;
 - (3) Contract number (including order number, if any), contract line item number, contract description of supplies or services, quantity, contract unit of measure and unit price, and extended total;
 - (4) Shipment number and date of shipment (Bill of Lading number and weight of shipment will be shown for shipments on NAFI Bills of Lading);
 - (5) Name and address to which payment is to be sent (which must be the same as that in the contract or on a proper notice of assignment);
 - (6) Name (where practicable), title, phone number and mailing address of person to be notified in event of a defective invoice; and
 - (7) Any other information or documentation required by other clauses of the contract (such as evidence of shipment). Invoices shall be prepared and submitted in duplicate (one copy shall be marked "Original") unless otherwise specified.
- b. For purposes of determining if interest begins to accrue under the Prompt Payment Act (Public Law 97-177):
 - (1) A proper invoice will be deemed to have been received when it is received by the office designated in the contract for receipt of invoices and acceptance of the supplies delivered or services rendered has occurred.
 - (2) Payment shall be considered made on the date on which a check for such payment is dated.
 - (3) Payment terms (e.g., "Net 20") offered by the contractor will not be deemed required payment dates.
 - (4) The following periods of time will not be included:
 - (a) After receipt of improper invoice and prior to notice of any defect or impropriety, but not to exceed three days for meat and meat food products, five days for perishable agricultural commodities, and 15 days in all other cases, and

- (b) Between the date of a notice of any defect or impropriety and the date a proper invoice is received. When the notice is in writing, it shall be considered made on the date shown on the notice.

20. LAW GOVERNING CONTRACTS

This contract shall be construed and interpreted in accordance with the Federal laws of the United States of America. NAF procurement is governed by Department of Defense Instruction (DODI) 4105.67, NAF Procurement Policy and Procedure, available at <http://www.dtic.mil/whs/directives/> (or any successor website).

21. SUSTAINABILITY

Go Green. The NAFI encourages contractors/vendors to embrace, establish and promote environmentally sustainable “Green Initiatives.” We look to the Contractor to accomplish this by:

- a. Where possible utilize environmentally friendly products
- b. Where possible promote energy-efficiency and water conservation
- c. Where possible eliminate/reduce the production or generation of hazardous waste and the need for special material processing (including special handling, storage, treatment and disposal)

22. PROOF OF SHIPMENT

Applicable to shipments outside the United States through the Surface Deployment and Distribution Command and Parcel Post shipments to overseas destinations.

- a. Notwithstanding any clause of this contract to the contrary, payment will be made for items not yet received, upon receipt of an invoice accompanied by an appropriate proof of shipment. If shipment is made by insured parcel post, the Contractor must furnish a copy of the Insured Mail Receipt issued by the US Postal Service. Otherwise, a stamped copy of a Certificate of Mailing issued by the US Postal Service must be furnished. If shipment is made by a common carrier (rail, air or motor freight), the Contractor must furnish a signed copy of the shipping document on which items are receipted for by the common carrier. A signed receipt by a NAFI representative at the delivery point, Consolidation Containerization Point or Port of Embarkation is also acceptable evidence of proof of shipment.
- b. Forwarding a proof of shipment and an invoice for payment by the Contractor shall be construed as a certification by the Contractor that the items shipped conform to the specifications.
- c. Notwithstanding any provisions of this clause or any payment made pursuant to the terms

of this clause prior to receipt of the items contracted for, the NAFI retains the right to inspect upon receipt and the right to reject nonconforming items. The liability of the Contractor with respect to items for which payments have been made will, after inspection by the NAFI or after the expiration of a reasonable time following delivery to the NAFI within which inspection may be made, whichever occurs first, be limited to exceptions taken at the time of inspection, and latent defects, fraud, or such gross mistakes as amount to fraud.

23. VARIATION IN QUANTITY

No variation in quantity of any item called for by this contract will be accepted unless authorized by the Contracting Officer.

24. PARTIAL DELIVERIES

Partial deliveries are not permitted unless authorized by the terms of the contract or approved by the Contracting Officer.

25. PAYMENTS

Partial payments will be made when deliveries are authorized or as approved by the Contracting Officer. Payments and penalties for late payments are subject to the requirements established by the Prompt Payment Act, as amended, and as implemented for NAFIs. If the NAFI makes payment but such payment fails to include a prompt payment penalty due to the Contractor within 10 days from when the contract payment is made, penalty amounts will not be paid unless the Contractor makes a written request within forty days after the date of payment.

26. DISCOUNTS FOR PROMPT PAYMENT

- a. Discounts for prompt payment will not be considered in the evaluation of offers. However, any offered discount will form a part of the award, and will be taken if payment is made within the discount period indicated in the offer by the offeror. As an alternative to offering a prompt payment discount in conjunction with the offer, offerors awarded contracts may include prompt payment discounts on individual invoices.
- b. In connection with any discount offered for prompt payment, time shall be computed from the date of the invoice. If the Contractor has not placed a date on the invoice, the due date shall be calculated from the date the designated billing office receives a proper invoice, provided the agency annotates such invoice with the date of receipt at the time of receipt. For the purpose of computing the discount earned, payment shall be considered to have been made on the date that appears on the payment check or, for an electronic funds transfer, the specified payment date. When the discount date falls on a Saturday, Sunday, or legal holiday when Federal NAFI offices are closed and NAFI business is not expected to be conducted, payment may be made on the following business day.

27. NOTIFICATION OF DEBARMENT/SUSPENSION STATUS

The Contractor shall provide immediate notice to the Contracting Officer in the event of being suspended, debarred or declared ineligible by any other Federal Department or agency, or upon receipt of a notice of proposed debarment from another DoD Agency, during the performance of this contract.

28. NON WAIVER OF DEFAULTS

Any failure by the NAFI at any time to enforce or require strict performance of any terms or conditions shall not constitute waiver thereof, and shall not affect or impair such terms or conditions in any way or the NAFI's right at any time to avail itself of such remedies as it may have for any breach or breaches of such terms or conditions.

29. TRAVEL CLAUSE

Contractors and/or their duly appointed representative will make their own travel arrangements, purchase their own tickets, and submit requests for reimbursement to the issuing office found in Block 12 of the award. Travel costs will be paid by the contracting NAFI, up to the maximum amount authorized in the federal travel regulations. The Contractor shall submit original receipts of airline tickets, lodging, car rental and other expenses exceeding \$75.00. Contractor personnel must acquire airline travel by the most economical methods, to include obtaining coach fares, buy advance purchase tickets (when possible), and plan minimal travel time necessary to accomplish the task. The Contractor is liable for costs associated with unused or changed airline tickets, where non-use is not caused by the NAFI. Documents are required to support payment of travel costs. The Contracting Officer and or their duly appointed representative will approve, in advance, any changes in the itinerary. Contractors must obtain approval before submitting other than lowest airfare travel reimbursement requests from the invoicing office. Local travel for which mileage is claimed; to include travel to and from the airport when air travel is involved must be indicated on the itinerary on form 1351-2 or other approved form.

30. INCREASING THE MINIMUM WAGE FOR FEDERAL CONTRACTORS

- a. This Contract is subject to Executive Order 14026, the regulations issued by the Secretary of Labor in 29 CFR part 23 pursuant to the Executive Order, and specifically to all the provisions set forth in Appendix A to 29 CFR part 23. The Contractor shall pay to workers, while performing in the United States, and performing on, or in connection with, this contract, the applicable minimum wage per the Executive Order. Accordingly, Appendix A is hereby incorporated by reference and has the same force and effect as if set forth in full in this contract. The full text of the final rule, to include the regulations and clause "Increasing the Minimum Wage for Federal Contractors" at 29 CFR part 23, is available at: <https://www.ecfr.gov/current/title-29/part-23/appendix-Appendix%20A%20to%20Part%2023>.
- b. The Contractor is responsible for subcontractor compliance with the requirements of this

clause and may be held liable for unpaid wages due subcontractor workers. The Contractor shall include this clause, including this paragraph, in all subcontracts, regardless of dollar value, that are subject to Service Contract Labor Standards statute (formerly known as the Service Contract Act) or the Wage Rate Requirements (Construction) statute (formerly known as the Davis Bacon Act), and are to be performed in whole or in part in the United States.

31. ESTABLISHING PAID SICK LEAVE FOR FEDERAL CONTRACTORS

- a. This contract is subject to Executive Order (EO) 13706 and to the regulations issued by the Secretary of Labor pursuant thereto at 29 CFR part 13 (Establishing Paid Sick Leave for Federal Contractors). 29 CFR part 13, Appendix A, is hereby incorporated by reference, having the same force and effect as if set forth in full in this contract. Refer to <https://www.gpo.gov/fdsys/pkg/FR-2016-09-30/pdf/2016-22964.pdf>
- b. The Contractor shall establish a sick leave policy in full compliance with the applicable provisions of EO 13706 and 29 CFR part 13.
- c. This clause applies to all subcontracts where EO 13706 and 29 CFR part 13 apply to the prime contract. Accordingly, the Contractor is responsible for subcontractor compliance with EO 13706, 29 CFR part 13, and the requirements of this clause. The Contractor shall include this clause, including this paragraph, in all subcontracts where applicable.
- d. The Contractor may be subject to penalties for noncompliance as described in 29 CFR §13.44.

32. REPRESENTATION REGARDING CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.

- a. Prohibition.
 - (1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. Nothing in the prohibition shall be construed to-
 - (a) Prohibit the head of an executive agency from procuring with an entity to provide a service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or
 - (b) Cover telecommunications equipment that cannot route or redirect user data traffic or cannot permit visibility into any user data or packets that such equipment transmits or otherwise handles.

- (2) Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020, from entering into a contract or extending or renewing a contract with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. This prohibition applies to the use of covered telecommunications equipment or services, regardless of whether that use is in performance of work under a Federal contract. Nothing in the prohibition shall be construed to-
- (a) Prohibit the head of an executive agency from procuring with an entity to provide a service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or
 - (b) Cover telecommunications equipment that cannot route or redirect user data traffic or cannot permit visibility into any user data or packets that such equipment transmits or otherwise handles.
- b. Procedures. The Offeror shall review the list of excluded parties in the System for Award Management (SAM) (<https://www.sam.gov>) for entities excluded from receiving federal awards for “covered telecommunications equipment or services”.
- c. Representation. The Offeror represents that-
- (1) It ☐ will, ☐ will not provide covered telecommunications equipment or services to the NAFI in the performance of any contract, subcontract or other contractual instrument resulting from this solicitation. The Offeror shall provide the additional disclosure information required at paragraph (d)(1) of this section if the Offeror responds “will” in paragraph (c) (1) of this section; and
 - (2) After conducting a reasonable inquiry, for purposes of this representation, the Offeror represents that It ☐ does, ☐ does not use covered telecommunications equipment or services, or use any equipment, system, or service that uses covered telecommunications equipment or services. The Offeror shall provide the additional disclosure information required at paragraph (d) (2) of this section if the Offeror responds “does” in paragraph (c) (2) of this section.
- d. Disclosures.
- (1) Disclosure for the representation in paragraph (c) (1) of this provision. If the Offeror has responded “will” in the representation in paragraph (c) (1) of this provision, the Offeror shall provide the following information as part of the offer:
 - (a) For covered equipment-

- (i) The entity that produced the covered telecommunications equipment (include entity name, unique entity identifier, CAGE code, and whether the entity was the original equipment manufacturer (OEM) or a distributor, if known);
 - (ii) A description of all covered telecommunications equipment offered (include brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); and
 - (iii) Explanation of the proposed use of covered telecommunications equipment and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (a) (1) of this provision.
- (b) For covered services-
- (i) If the service is related to item maintenance: A description of all covered telecommunications services offered (include on the item being maintained: Brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); or
 - (ii) If not associated with maintenance, the Product Service Code (PSC) of the service being provided; and explanation of the proposed use of covered telecommunications services and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (a) (1) of this provision.
- (2) Disclosure for the representation in paragraph (c) (2) of this provision. If the Offeror has responded “does” in the representation in paragraph (c) (2) of this provision, the Offeror shall provide the following information as part of the offer:
- (a) For covered equipment-
- (i) The entity that produced the covered telecommunications equipment (include entity name, unique entity identifier, CAGE code, and whether the entity was the OEM or a distributor, if known);
 - (ii) A description of all covered telecommunications equipment offered (include brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); and
 - (iii) Explanation of the proposed use of covered telecommunications equipment and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (a) (2) of this provision.
- (b) For covered services-

- (i) If the service is related to item maintenance: A description of all covered telecommunications services offered (include on the item being maintained: Brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); or
- (ii) If not associated with maintenance, the PSC of the service being provided; and explanation of the proposed use of covered telecommunications services and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (a) (2) of this provision.

33. COVERED TELECOMMUNICATIONS EQUIPMENT OR SERVICES- REPRESENTATION

a. *Definitions.* As used in this provision-

Covered telecommunications equipment or services means-

- (1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);
- (2) For the purpose of public safety, security of NAFI facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
- (3) Telecommunications or video surveillance services provided by such entities or using such equipment; or
- (4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country

Reasonable inquiry means an inquiry designed to uncover any information in the entity's possession about the identity of the producer or provider of covered telecommunications equipment or services used by the entity that excludes the need to include an internal or third-party audit.

b. *Procedures.* The Offeror shall review the list of excluded parties in the System for Award Management (SAM) (<https://www.sam.gov>) for entities excluded from receiving federal awards for "covered telecommunications equipment or services".

c. *Representation.*

- (1) The Offeror represents that it ☐ does, ☐ does not provide covered telecommunications equipment or services as a part of its offered products or services to the Government in the performance of any contract, subcontract, or other contractual instrument.
- (2) After conducting a reasonable inquiry for purposes of this representation, the offeror represents that it ☐ does, ☐ does not use covered telecommunications equipment or services, or any equipment, system, or service that uses covered telecommunications equipment or services.

34. CERTIFICATION REGARDING KNOWLEDGE OF CHILD LABOR FOR LISTED END PRODUCTS

a. *Definition.* Forced or indentured child labor means all work or service-

- (1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or
- (2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

b. Listed end products. The following end product(s) being acquired under this solicitation is (are) included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, identified by their country of origin. There is a reasonable basis to believe that listed end products from the listed countries of origin may have been mined, produced, or manufactured by forced or indentured child labor.

Listed End Product	Listed Countries of Origin

c. *Certification.* The Government will not make award to an offeror unless the offeror, by checking the appropriate block, certifies to either paragraph (c)(1) or paragraph (c)(2) of this provision.

- (1) ☐ The offeror will not supply any end product listed in paragraph (b) of this provision that was mined, produced, or manufactured in a corresponding country as listed for that end product.
- (2) ☐ The offeror may supply an end product listed in paragraph (b) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The offeror certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture such end product. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.

35. PROHIBITION ON PROCUREMENT OF CERTAIN ITEMS CONTAINING PERFLUOROOCTANE SULFONATE OR PERFLUOROOCTANOIC ACID (PFOS OR PFOA)

- a. *Prohibition* - Section 333 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Pub. L. 116-283) prohibits DoD from procuring any covered items containing PFOS or PFOA effective April 1, 2023 and defines “covered items.”
- b. For the purpose of this deviation covered items means-
 - (1) Nonstick cookware or cooking utensils for use in galleys or dining facilities.
 - (2) Upholstered furniture, carpets, and rugs that have been treated with stain-resistant coatings.
- c. *Representation* - The Offeror represents that it will not provide covered items as part of its offered products to the NAFI in the performance of any contract, subcontract or other contractual instrument.

LIST OF CLAUSES INCORPORATED BY REFERENCE

The provisions of the following clauses are hereby incorporated into this order or contract by reference with the same force and effect as though herein set forth in full. Clauses made inapplicable by the reference or by the kind of order, contract (e.g., orders or contract for services instead of supplies) or dollar amount are self-deleting. The complete text of any clause incorporated in this order or contract by reference may be obtained from the Contracting Officer.

<u>CLAUSE NO.</u>	<u>CLAUSE TITLE</u>
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NFC 203-7001	Prohibition on Persons Convicted of Fraud or Other Defense - Contract Felonies (JAN 2023)
NFC 204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (NOV 2021)
NFC 204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (NOV 2021)
NFC-204-27	Prohibition on a ByteDance Covered Application (JUN 2023)
NFC 204-7000	Disclosure of Information (OCT 2016)
NFC 222-19	Child Labor-Cooperation with Authorities and Remedies (DEC 2022)
NFC 222-20	Contracts for Materials, Supplies, Articles and Equipment (JUN 2020)
NFC 222-21	Prohibition of Segregated Facilities (APR 2015)
NFC 222-26	Equal Opportunity (SEPT 2016)
NFC 222-35	Equal Opportunity for Veterans (JUN 2020)
NFC 222-41	Service Contract Labor Standards (AUG 2018)
NFC 223-3	Hazardous Material Identification & Material Safety Data (FEB 2021)
NFC 225-11	Buy American - Construction Materials under Trade Agreements (DEC 2022)
NFC 225-7002	Qualifying Country Sources as Subcontractors (MAR 2022)
NFC 225-7036	Buy American - Free Trade Agreements - Balance of Payments Program – Basic (JAN 2023).
NFC 227-7013	Rights in Technical Data - Non-commercial Items (MAR 2023)
NFC 227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (MAR 2023)
NFC 227-7015	Technical Data - Commercial Items (MAR 2023)
NFC 228-3	Workers' Compensation Insurance (Defense Base Act) (JUL 2014)
NFC 242-15	Stop Work Order (AUG 1989)
NFC 243-1	Changes - Fixed-Price (AUG 1987)
NFC 246-16	Responsibility for Supplies (APR 1984)

SPECIAL PROVISIONS

(Concessionaire Contract)

1. **Additional Definitions.** The terms Concessionaire and Contractor are used synonymously and mean the individual, partnership, corporation, or other entity which is a party to this contract and who is responsible for all actions and applicable regulations and performance thereunder.
2. **Termination:** Notwithstanding the clause titled "Termination for Convenience" of the General Provisions relative to termination of this Concessionaire contract, it is mutually agreed that this Concessionaire contract may be terminated in whole or in part by either party:
 - a. Immediately on written notice to the other party in the event of breach of this Concessionaire contract by the other party.
 - b. On 1-day notice in writing to the other party. No liability ensues to either party for terminations rendered pursuant to this subparagraph b.
3. **Actions To Be Taken Upon Termination (Including Expiration).** Concessionaire will promptly settle its account with the NAFI, including payment in full of all amounts due, yield up the facilities and all NAFI furnished property, clean and leave premises in as good order and condition as when received (exceptions are damages due to acts of God or the US Government, and ordinary wear and tear); surrender all installation passes, decals, and so forth, and complete satisfactory settlement of all customer complaints and claims. Termination of the Concessionaire contract does not release the Concessionaire from the obligation to satisfactorily settle customer complaints and claims. The Concessionaire will promptly remove all Concessionaire owned fixtures and supplies. On failure to remove the Concessionaire's property, the Contracting Officer may cause Concessionaire's property to be removed and stored in a warehouse at the Concessionaire's expense. If the Concessionaire is indebted to the NAFI, the Concessionaire authorizes and empowers the Contracting Officer to take possession of the Concessionaire's property and dispose of same by public sale without notice, and out of the proceeds of sale, satisfy all costs and indebtedness to NAFI.
4. **Indebtedness:**
 - a. The Concessionaire will pay promptly and in accordance with the terms all indebtedness incurred in connection with the performance of this Concessionaire contract.
 - b. The NAFI may charge the Concessionaire for a dishonored check received from the Concessionaire, except when the bank acknowledges the return to be the result of bank error or the return is the result of a NAFI error. The amount charged by the NAFI will not exceed the administrative amount normally charged NAFI customers for dishonored checks.
5. **Packaging/Price Marking.** If required by the Contracting Officer, the Concessionaire will furnish, at its own expense, suitable bags, "sold" labels, and so forth, for securing a customer's purchase. If required, the packaging will be approved by the Contracting Officer. All items

will be marked to reflect the selling price.

6. Claims by Concessionaire. No claim by the Concessionaire relating to this Concessionaire contract may be considered by the Contracting Officer unless such claim is submitted in writing to the Contracting Officer not later than 90 days after the effective date of termination or expiration of this Concessionaire contract. This clause does not extend the period for filing claims where specifically limited by another clause.
7. Nonwaiver of Defaults. Any failure by the NAFI to enforce or require strict performance of any terms or conditions of this Concessionaire contract will not constitute a waiver, and will not affect or impair such terms and conditions in any way or effect the right of the NAFI at any time to avail itself of such remedies as it may have for breach or breaches of such terms and conditions.
8. Trade Fixtures and Supplies. The Concessionaire will furnish, at its expense, all trade fixtures and supplies required for performance of this Concessionaire contract.
9. Quality/Warranty. All products authorized for the Concessionaire to sell will be marketable and sufficient for use intended, and not be "seconds" as the term is usually understood in the trade. All items will be acceptable to the customer and the Contracting Officer and will be subject to inspection and test for workmanship and quality at all times by the Contracting Officer or designee. Any item found to have a latent defect(s) may be returned to the Concessionaire for replacement or refund as determined by the Contracting Officer.
10. Customer Complaints, Claims, and Refunds. The Concessionaire agrees to adhere to the NAFI policy of customer satisfaction guaranteed and will be responsible for refunds to customers due to customer dissatisfaction with an item or due to overcharges. All customer complaints, claims, and refunds will be resolved and made at Concessionaire's expense. Any disagreement that cannot be resolved between Concessionaire and the customer will be referred to the Contracting Officer, whose decision will be final and not subject to the Disputes clause. If the Concessionaire fails to process complaints or claims and make refunds in a timely manner, the NAFI may settle customer complaints or claims and make such refunds, and charge the settlement cost to Concessionaire's account.
11. Internal Controls of Charge-Card Sales:
 - a. Concessionaire will establish internal control procedures consistent with provisions of this Concessionaire contract and with NAFI directives for a complete and accurate accounting of all transactions.
 - b. Each sale will be recorded at the time sale is made. The form will be prepared in duplicate, reflecting the applicable sales data, and signed by the customer. The original of the completed form is attached to the Concessionaire Settlement Report and submitted to the supporting NAFI accounting office. The duplicate copy is retained by the Concessionaire.

- c. Concessionaire may accept national charge cards customarily recognized in their commercial trade for customer payment of purchases. Concessionaire is responsible for the payment of any fees, charge backs, and other arranged costs levied by the charge-card-issuing companies.
 - d. The Contracting Officer, or designee, may conduct inspections considered necessary to ensure strict compliance by the Concessionaire with all provisions of this Concessionaire contract.
12. Concessionaire Settlement Report. At the conclusion of the sales period or as specified by the Contracting Officer, Concessionaire will prepare a Concessionaire Settlement Report signed by the Concessionaire showing the gross sales for the period and percent due the NAFI, and give the NAFI the fees due for that period. The original of the form reflecting sales data will be attached. AF Form 2555 is the preferred form to be used.
13. Utilities. The NAFI will furnish sufficient quantities of space, heat, water, and electricity to satisfy the normal needs of Concessionaire for lighting, heating, drinking, sanitation, and the operation of suitable support equipment.

NOTE: If the Concessionaire is required to reimburse the United States Government for utilities furnished, then the rates are set by the installation commander and agreed to by both parties.

14. Premises. The assignment of space is revocable and is not construed as the creation of tenancy. Concessionaire is liable for any damage to or loss of the premises and NAFI furnished property or injury to persons resulting from acts or omissions of Concessionaire, its employees, or agents, whether or not covered by insurance. Sublet of any of the premises assigned or assignment to another concession is not authorized. Use of the premises and NAFI furnished property for any purpose other than those specifically set forth herein is prohibited. Concessionaire will not make any alterations in the facilities provided without prior authorization from the NAFI manager. Concessionaire will comply with installation fire and safety regulations, and applicable health and sanitation regulations. Concessionaire will post or display on the premises any sign furnished by the NAFI.

15. Taxes:

- a. Concessionaire assumes complete and sole liability for all Federal, State, host country, and local taxes applicable to the property, income, and transactions of the Concessionaire, and where required by applicable laws and regulations, will collect and remit to the State applicable sales taxes. Sales taxes, which have been collected, are excluded from the computation of gross receipts in the determination of the fee payable to NAFI. The amount of taxes excluded will not exceed the actual sum payable to the State. Where required by State law or regulation, the Concessionaire will obtain and conspicuously display the State sales tax permit.
- b. The Concessionaire warrants that the amount payable to the NAFI has not been reduced by the amount of any tax or duty from which the Concessionaire is exempt. If any such

tax or duty has been included the pricing or consideration through error or otherwise, the contract pricing or consideration will be correspondingly reduced or adjusted. If for any reason after the contract date, the Concessionaire is relieved in whole or in part from the payment or the burden of any tax or duty included in the contract pricing or other consideration, the contract pricing and other consideration will be correspondingly reduced or adjusted.

DESCRIPTION/SPECIFICATIONS WORK STATEMENT:

A-1. Description of Service:

a. The Contractor services to be performed under this contract consist of operating the barber shop at Mustang Community Center, BLDG 1313 on Osan Air Base.

b. The Contractor shall be responsible for hiring, training, paying its employees, and maintaining all operational standards. The Contractor is, additionally responsible for ensuring the barbershop is maintained in accordance with all safety and cleanliness standards set forth by the 51st Fighter Wing as coordinated through the Contracting Officer's Representative (COR).

A-2. Performance Specifications: Barbers shall cut hair in accordance with military regulations or customer's instructions. The current contract price list, the applicable Air Force haircut standard regulations and a description of services provided shall be placed in Nonappropriated Fund Instrumentality (NAFI) personal services price list binders and made available to customers.

A-3. Barber Qualifications and Training:

a. All barbers employed by the Contractor in the performance of this contract shall be fully qualified to provide barbering services to all authorized customers without regard to ethnic origin. The Contractor, at its own expense, is responsible for updating the training of the barber employees in the latest techniques of haircutting and hair styling on a periodic basis and/or upon request of the Contracting Officer.

b. Barbers performing specialized services, such as hair styling, chemical blowout, etc., shall have completed formal training or be certified by the Contractor that they are fully qualified to perform specialized services.

c. The Contractor shall, prior to commencement of services, submit written certification to the Contracting Officer's Representative (COR) stating that qualified employees be available for work the first workday of the performance period, and the number of employees hired.

A-4. Licensing:

a. Barbers working in Contractor-operated NAFI facilities shall be licensed in accordance with the laws or regulations of the county wherein the service is being performed. If the local government license or the barber is exempt from local government licensing requirement by provisions of laws, regulations, or rulings, the barber shall possess a certificate of completion of a barber course approved by the local government of the NAFI.

b. Notwithstanding any licensing requirements, any barber may be removed from employment under this contract if the Contracting Officer or his/her designated representative determines that the quality of the barber's work is unsatisfactory.

c. Licenses and certificates shall be kept current and maintained on file by the shop manager, readily available for inspection by NAFI authorities.

d. Licensed apprentices who possess a certificate of completion from a local government-approved barber course, and licensed apprentices who do not possess a certificate of completion from a local government-approved barber course may be employed in the performance of this contract in numbers not exceeding the following:

(1) One-or Two-man shop: None.

(2) Three-man shop: One apprentice barber working under the supervision of two licensed master barbers, unless prohibited by local government law.

(3) Four-or more-man shop: Apprentice barbers working under the supervision of licensed master barbers will not exceed one for every three licensed master barbers, unless the local government law requires a higher ratio for licensed master barbers to apprentice barbers. Local government laws will apply.

A-5. Services, Sanitation and Hygiene:

a. Sanitation and hygienic practices at barber shops will always meet the Air Force requirements, a copy of which shall be signed by all barber shop personnel attesting that they have read and understood its contents. The signed regulation shall be maintained in a plastic magazine binder or similar container for information and guidance of employees.

b. The barber shop manager shall ensure that the barber shop facility is always kept clean and orderly, and that sanitary procedures include a thorough daily cleaning of wall units, chairs, and floors. Barbers shall always practice good personal hygiene.

c. Barbers are prohibited from smoking, eating, and drinking in the work areas, i.e., in and around back bars and barber chairs. Smoking, eating, and drinking shall be confined to designated employee break areas only.

d. Contractor shall exclude persons having communicable diseases from working in the performance of this contract. If required by installation medical services, each barber will undergo a pre-employment physical examination and submit to such tests as may be necessary to ensure that no communicable disease exists. The examining medical office will furnish a written notification indicating medical acceptance or nonacceptance. Examinations of barber shop employees may be required before returning to work after an illness. Special examinations shall be made at the discretion of the doctor of installation medical services.

e. Health certificates, as approved or issued by the installation medical services for barbers, shall be current and on file in the barber shop, readily available for inspection by NAFI authorities and/or installation medical services. When installation medical authorities or major commands require periodic health re-examinations of barbers, contractor shall maintain a suspense file to assure such re-examinations are accomplished.

f. No customer shall be served in a barber shop when the facial skin is inflamed or contains eruptions, unless the patron submits a certificate from a licensed physician which states the inflammation or eruption is noncommunicable. If, in the course communicable disease or infection, the barbering instruments shall be immediately washed and disinfected.

g. To protect customers and themselves from infection, all barbers shall wash their hands before serving each customer.

h. Freshly laundered white towels or disposable paper towels shall be used for each customer; reserve towels shall be kept in closed storage cabinets. Barber chair headrests shall be covered with a clean paper towel or freshly laundered towel for each customer. Haircloths shall be used on each customer and shall be clean at all times. A neck strip shall be used on each customer to prevent the customer's neck from coming in contact with the haircloth. Shampoo capes shall be used when shampoos, facial or scalp treatments are given.

i. Towels, used in the making of hot compresses, shall at no time come in direct contact with the wash basin. When electric or gas steam equipment is not utilized for preparing hot towels, a shallow tray shall be used in which the towels shall be heated with hot running water.

j. Waste materials and soiled linens shall be deposited in closed sanitary receptacles. Sanitary receptacles shall be emptied daily in appropriate disposal containers.

k. Sanitation of instruments shall, at all times, meet the Air Force requirements, and the following: Barbers shall clean all instruments immediately after they are used for each customer. Scalp massagers and other equipment that come in direct contact with the hair or scalp shall be wiped with a piece of cotton saturated with sterilizing solution. Rubber pads on scalp massagers may be covered with nylon for protection; however, they shall be removed and cleaned periodically, to include the base where the rubber pads rest.

l. Normally, barber services shall be offered on a first-come, first-served basis. Facilities normally shall not be reserved for any single individual or class of individuals; however, an appointment system may be established when requests for such a system are received for military commanders and when it is determined to be in the best interest of the military mission. Appointments are authorized for hair styling service.

m. Tipping shall be neither encouraged nor discouraged.

- n. The use of compressed air to remove hair and debris from customers or instruments is not authorized.
- o. A massage is ten or more continuous minutes of neck, head, shoulder, arm, back massage by hand and/or with electric vibrator.
- p. Facial massage, steam towel treatment, mud pack and cleansing application, includes cologne or after-shave splash.
- q. All cuts include a mustache trim and cologne splash. The style cut and complete hair style include a beard trim if desired.
- r. After completion of barbering service, the barber shall offer the customer a handheld mirror in order that the customer may view the total result of the service provided.
- s. The following services shall not be provided; therapeutic or minor surgical procedures, including ear piercing; treating blackheads, infected hairs, sores or lesions; pulling or plucking nasal, ear, eyebrow of mustache hair; removal of warts or moles; weight reducing treatments; ultraviolet light treatment; eyelash dyeing; removal of hair by electrolysis; affixing of false eyelashes; or any procedure using eye drops, eye solution or eye cups.
- t. Styptic pencils, lump alum, common brushes, shaving brushes and mugs, neck dusters, sponges, and powder puffs shall not be used. Styptic in liquid or powder form may be used if applied with a freshly laundered towel or sterile absorbent cotton. Automatic soap dispensers or brushless shaving creams and clean towels shall be used in lieu of shaving brushes and dusters. Plastic hair brushes, of the type that have plastic projections in lieu of bristles, may be used provided they are disinfected in accordance with current departmental regulations.
- u. Each barber station shall have the necessary "Tools of the Trade," i.e., electric barber shears, electric thinning shears, straight razor or outline, regular and pick type comb, hand-held mirror, etc., to perform services on any customer, regardless of ethnic origin. Additionally, each barber shop shall have hand-held dryers and other accessories available for use by every barber. Each "tools of the trade" shall be cleaned at least daily and kept in good condition.
- v. The following products shall be available in each barber shop, at a minimum of one of each product in each category between every two barber chairs.

Hair Tonic
After Shave Lotion/Cologne
Conditioner, Instant/Protein
Styling Lotion
Hair Wax or Holding Cera
Shampoo; Regular, Medicated, Conditioning
Talc

Relaxer(s)
Holding Spray (nonlacquer, unscented)

w. In barber shops where specialized services are provided, the following additional minimum products shall be available.

Protein Shampoo
Conditioner
Blowout Relaxer (kit)
Styling Gel/Lotion

x. Products, such as hair coloring, having expiration codes or dates shall be promptly removed from stock. Products sensitive to light or heat shall be properly stored to prevent chemical breakdown. All products shall be used only in accordance with manufacturer's instructions.

y. Customers may furnish hair care products with the understanding that posted price shall be charged. The NAFI or the Contractor will not be responsible for the results of customer-furnished products.

SECTION B – MARKETING: The Contractor shall work with the COR to establish and maintain a marketing plan for the barber shop. The contractor has the overall responsibility for developing the local marketing plan. The NAFI will incur marketing and advertising costs by virtue of placement of its services in standard NAFI publications, marketing materials and website.

SECTION C – INSPECTION AND ACCEPTANCE:

C-1. NAFI shall retain physical control over the facilities and equipment furnished. An authorized sanitation inspection team, with the coordination of the COR, will inspect the premises for housekeeping, sanitation, and acceptable employee personal hygiene. Time Limit placed on the Contractor for correction of major (3 days)/minor (1 day) sanitation infraction is the call of the inspecting official as noted on the inspection document. The Contractor shall comply with all recommendations of the written sanitation report.

C-2. Acceptance of Contractor's quality of service will be performed by the COR who will review customer comment cards, survey clientele, and observe the efficiency, performance, and courtesy of all barber shop personnel. If there are no apparently justified derogatory written or verbal comments, no violations of acceptable barbering practices or ethics witnessed, and personal barber service experience is acceptable, then quality of service will be deemed acceptable.

C-3. If Contractor fails to promptly perform services determined by the COR as unacceptable or fails to take the necessary action to ensure future performance conforms with the contract requirements, the NAFI may, by contract or otherwise, perform the services and charge to Contractor any cost incurred by the NAFI that is directly related to the performance of such service or terminate the contract for default.

SECTION D – DELIVERIES OR PERFORMANCE:

D-1. Contract Period: The contract period is three (3) years from the effective date of contract.

D-2. Payment: Contractor will pay the NAFI _____% of the gross sales per month.

D-3. Hours of Operation:

a. From 1000 to 1900 hours, Monday through Friday, 1000 to 1700 hours on Saturday, and 1200 to 1700 hours on Sunday. Additional hours of operation may be added with agreement between contractor and NAFI.

b. No holiday shall be observed by the Contractor personnel and no changes to the above hours of operation shall be made unless mutually agreed upon between the Contractor and the COR thirty (30) days in advance of the proposed closure. Closure on holidays shall not affect the method or rate of fee computation.

D-4. Contractor Performance: Contractor shall perform in accordance with the following procedures:

- a. Maintain quality and quantity of Contractor-furnished supplies and services.
- b. Maintain records of NAFI-furnished materials.
- c. Certify the integrity of Contractor financial records and reports.
- d. Maintain acceptable and adaptable funds control and personnel records.
- e. Formulate and submit to the COR a quality control plan that covers all major requirements of the contract. All records shall be available for Government review or inspection.

SECTION E – CONTRACT ADMINISTRATION DATA:

E-1. Records and Reporting Procedures:

a. Contractor shall keep and maintain for the duration of the contract all financial records to include monthly profit/loss statements, daily cash register receipts, health certificates for employees, sanitation inspections and any other documents necessary for good business practices.

b. The NAFI has the authority to audit or inspect (or to have audited or inspected) the records, premises, and operations of the Contractor for the purpose of ensuring contract compliance.

c. Contractor shall provide a system, acceptable to the NAFI that ensures all financial records and reports are true and accurate.

d. Upon the NAFI's request, Contractor shall provide a copy of the profit/loss statement, daily activity reports with supporting documents (bank deposit slips, supply purchase etc.) and repair notices to any service facility evaluation inspection.

E-2. Sales Accounting Procedure:

a. Contractor shall operate on a cash basis. Contractor shall utilize proper cash handling procedure and abide by Anti-Robbery Instructions to be furnished by the NAFI within 10 days after contract award.

b. Contractor shall ensure that daily deposits are made in accordance with prescribed instructions from NAFI contained in 51 FSS Operating Instruction 34-1003.

E-3. Cashier Operations:

a. Contractor shall keep complete accurate records of all transactions and ensure that all sales are rung up in full view of the customer.

b. Contractor shall train barbers, cashiers, and trainees to ensure that they abide by standard barbering techniques. This training along with training in funds protection and Anti-Robbery procedures shall be given by the Contractor every ninety (90) days and recorded in employees' personnel records.

c. The NAFI will provide Contractor with change, as required to operate facilities. Daily banking shall be the responsibility of the Contractor.

d. Pre-numbered sales slips will be approved by the NAFI.

E-4. Payment Procedure:

a. Payment to the NAFI shall be made by the 15th of the succeeding month.

b. Payment will be as noted in Section D, Para #2.

c. Request for payment in one (1) original and two (2) copies at least once monthly shall be submitted to the following address:

AFSVA/SVTEA (Accounts Payable)
Bldg. 171
2261 Hughes Ave
JBSA Lackland, TX 78236-9854
Email: ap.invoices@afsv.net
Phone: 210-395-7720

E-5. Liabilities for Taxes and Limitations: The Contractor assumes liability for taxes applicable to the property, income and transactions for the Contractor.

SECTION F – SPECIAL CONTRACT REQUIREMENTS:

F-1. Restrictions: Contractor shall not; sell or remove property, supplies or consumable owned by the NAFI; sublet the premises; assign to another the concession or the conducting thereof; subcontract with another to perform portions or all of this contract; loan to or borrow money from customers, Contractor employees or USFK personnel take orders for, deal in, or permit to be dealt in, or have on premises supplies and equipment which do not satisfy the sanitation and fitness standards of the US Armed Forces; obtain furnishings, equipment or supply items from sources other than the NAFI, unless specifically allowed in this contract; and, sell merchandise for other than US currency.

F-2. Liabilities for Taxes and Limitation: Contractor assumes liability for taxes applicable to the property, income, and transactions of Contractor.

F-3. Risk of Loss:

a. Contractor assumes the risk of loss of receipts until delivered to the bank and properly deposited. In the event of the loss of receipts prior to delivery to the bank, Contractor shall pay the NAFI or the NAFI will deduct from payments due the Contractor such amounts as a NAFI audit establishes the Contractor owes the NAFI.

b. Contractor may accept a customer's check for amount of the purchase or services rendered. Third party checks shall not be accepted. While the NAFI will assist wherever possible, the Contractor assumes the risk of loss from dishonored checks. The Contractor may charge the customer for a dishonored check received from the customer, except that the charge will not be applicable when (i) the bank acknowledges the return to be the result of bank error, or (ii) the return is the result of the Contractor error. The amount charged by the Contractor shall not exceed the administrative amount charged by the NAFI for dishonored checks.

c. Contractor assumes the risk of loss from acceptance of counterfeit money.

d. Contractor assumes the risk of loss or damage to its stock, equipment, fixtures and property, and to the customer's property left with it for service.

e. Contractor assumes liability for the loss or damage of NAFI-furnished property.

F-4. Utilities:

a. Contractor will be furnished required utilities without charge.

b. The NAFI will provide one (1) reimbursable Class B telephone to Contractor to Contractor. Class B phones can be used for calls on Osan Air Base only.

F-5. Signs: Contractor shall provide sign boards including the following items and post them in conspicuous places. Contractor shall not post any signs prior to/without the Club Manager's approval of them.

- a. Emergency Contact Sign
- b. Hours of Operation
- c. Price List of Services

F-6. Indebtedness: Contractor shall pay promptly and in accordance with the terms thereof, indebtedness incurred in connection with the performance of this contract.

F-7. Personnel:

a. Contractor shall provide a sufficient number of qualified employees for the performance of this contract.

b. All employees must possess valid health certificates issued by the Ministry of Health and Welfare, Republic of Korea. For the efficient performance of this contract, employees shall be subject to a physical examination and immunizations at the base clinic prior to and during the performance of the contract at no charge to the employees or Contractor.

c. Contractor shall procure and maintain, at its own cost and expense, a distinctive uniform and identification badges and shall require customer-contact employees to wear the uniform and identification badge throughout the hours of operation.

d. Contractor and employees are subject to security clearance procedures and shall obtain installation passes and permits as provided for in installation regulations. The NAFI will provide copies of security regulations to the Contractor and initial processing of forms required to obtain installation access will be accomplished by the COR.

e. Contractor is responsible for the supervision over employees to ensure their actions are in accordance with terms of this contract and for handling problems which may arise in this operation.

f. The Contractor's employees shall have a working knowledge of the English language, be well groomed, be courteous and provide efficient service.

g. Contractor employees shall not be permitted to consume alcoholic beverages during operating hours.

h. Contractor shall provide proof to the COR for verification prior to the proposed manager assuming his duties, that the manager has a minimum of four (4) years managerial experience in a full-service barber shop operation, consisting of a working knowledge of all aspects of the operation.

F-8. Internal Control:

a. Contractor shall keep a complete and accurate account of concession transactions and maintain methods of internal controls.

b. Contractor shall safeguard the funds.

c. Since the Contractor collects the cash for all sales, it shall comply with proper cash handling procedures and Anti-Robbery directives of the installation.

F-9. Facility: The NAFI will provide the Contractor appropriate space in Mustang Club, Bldg. 1313 Osan Air Base.

F-10. Maintenance:

a. Contractor shall keep the premises clean and orderly, and perform regular housekeeping, to the satisfaction of the NAFI. Contractor shall comply with installation fire, sanitation, and safety regulations to be furnished by the NAFI within 15 days of contract award and shall take prompt corrective action on reports of violations thereof.

b. Contractor shall make no alterations to the building without the consent of the COR and coordination with 51st Civil Engineering Squadron.

c. Building repairs and alterations will be the responsibility of the NAFI, except when necessitated by negligence on the part of the Contractor.

d. Contractor shall keep NAFI-furnished equipment clean and in working condition. Contractor shall repair and perform routine maintenance as needed.

e. Unrepairable NAFI-furnished equipment will be replaced by the NAFI.

F-11. Supplies and Inventory:

a. The Contractor shall furnish, at his expense, tools of the trade and/or supplies for the efficient operation of the activity, except for those stated herein to be supplied by the NAFI.

b. A separate physical inventory will be taken of all NAFI owned equipment at the time that the Contractor occupies the premises and physical inventories will be taken every six (6) months thereafter and on the final day of contract performance.

F-12. Equipment, Furniture and Fixtures:

a. Contractor shall perform routine preventive maintenance to include procurement of spare parts and labor, and keep the equipment, furniture, and fixtures in a clean and sanitary condition; exercise reasonable care to secure and protect such equipment, furniture, and fixtures; and be liable for damage to or loss of NAFI-owned Property.

b. The Contractor may, with prior concurrence by the NAFI, furnish Contractor-owned equipment, furniture and fixtures as the Contractor deems necessary. Such items shall remain the property of the Contractor. The Contractor supplied property shall comply with applicable base sanitation and safety regulations.

F-13. Settlement of Accounts Upon Termination or Expiration: Upon termination of this contract under other contract provisions contained herein, or upon expiration of the contract period, the Contractor shall promptly comply with the following requirements:

a. Settle its account with the NAFI. Yield Government premises, equipment, furniture and fixtures. NAFI-owned property shall be returned in as good order and condition as when the contract commenced, except for ordinary fair wear and tear.

b. Surrender installation passes for it and its employees.

c. Complete a satisfactory settlement of customer claims.

d. Promptly remove Contractor Furnished Equipment (CFE) and supplies from the installation at a mutually agreed time between the COR and the Contractor. Upon failure to do so, the COR may cause the CFE to be remove and stored in a public warehouse at the Contractor's expense. If the Contractor is indebted to the NAFI, the Contractor authorizes and empowers the COR to take possession of the CFE and dispose of same by public or private sale without notice, and satisfy out of the proceeds of sale the cost of the Contractor's indebtedness to the COR.

F-14. Exercise of Options to Extend the Term of the Contract: The NAFI may, at its own discretion, unilaterally extend the term of this contract by mailing or otherwise furnishing formal modification or other written notice to the contractor not later than thirty (30) days before the expiration of the contract, provided that, not later than sixty (60) days before expiration of the contract, the MWR Fund gives the contractor nonbinding preliminary notice of intent to exercise the option. The preliminary notice shall not be deemed to commit the NAFI to an extension.

F-15. Insurance: Contractor shall provide and maintain at its own expense an insurance policy covering the minimum requirements as stated below. Contractor shall furnish the NAFI and COR with certificates of insurance evidencing that such insurance is in effect, within ten (10) days after award of the contract. Not less than ten (10) days prior notice shall be given to the NAFI and the COR by Contractor in the event of modification, cancellation or nonrenewal of insurance coverage. Insurance contracts shall name Contractor, the NAFI and the United States of America as co-insured parties, and shall contain a

severability of interest clause, with respect to claims, suits, judgments, costs, charges, and expenses arising out of or in connection with loss, damage or injury resulting from the negligence or other fault of Contractor, its agents, representatives and employees.

a. Workmen's Compensation Insurance and Employer's Liability Insurance; aside from Host Country requirements as to the minimum number of employees, Contractor's insurance coverage hereunder shall comply with the requirements and benefits established by the Ministry of Finance of the Republic of Korea.

b. Comprehensive General Liability Insurance in minimum limits of fifty thousand (\$50,000) dollars or won equivalent for injury or death of each person, one hundred thousand (\$100,000) dollars or Won equivalent for each accident or occurrence for injury or death.

F-16. Authorized Prices:

a. Prices for services rendered under this contract are provided hereinabove as attachment B.

b. Prices may be readjusted during the term of the contract if there is a 5% cost increase or decrease lasting in excess of sixty (60) calendar days. The Contractor shall provide the NAFI with the documentation of cost, for approval of price increase or decrease. The basis for such an increase/decrease would be, as examples, increased/decreased cost of supplies and equipment and a significant increase/decrease in employee wages.

F-17. Contract Pricing: Contractor or the NAFI may request revision of either the service price list or the fixed percentage fee or both, any time the current currency exchange rate effective as of that day will be the new basis from which subsequent changes will be measured. The NAFI alone will decide to which aspect(s), price list or fee, or both, the adjustment will be applied.

F-18. Promotional Events: Contractor shall conduct a sales promotion program featuring two (2) promotional events per calendar year under the supervision of the NAFI.

F-19. Contracting Officer's Representative: The Contracting Officer may designate and authorize an individual to act as Contracting Officer's Representative (COR). Such COR, as appointed, will be specifically designated by letter from the Contracting Officer. The COR will represent the Contracting Officer in the technical phases of the work. The COR will not be authorized to issue Change Orders, Supplemental Agreements, or direct contract performance contrary to the provisions of the contract. Changes in the scope of work will be made only by the Contracting Officer by a properly executed modification.