

Reclamation Manual

Directives and Standards

Subject:	Reclamation Standard Water-Related Contract Articles, Article 4: General Obligation—Benefits Conditioned Upon Payment (All Programs Except D&MC)
Purpose:	To commit Reclamation's Standard Contract Article 4 to the Reclamation Manual, introduced by a brief description and direction regarding its use, for the benefit of making it easily accessible and promoting Reclamation- wide consistency in its use and content.
Authority:	The Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), and acts amendatory and supplementary thereto, especially section 6 of the Reclamation Project Act of 1939 (Pub. L. 76-260, as amended and supplemented; 43 U.S.C. § 485e); 43 CFR 426.19(c).
Approving Official:	Director, Office of Program and Policy Services
Contact:	Office of Program and Policy Services; Contract Services Office, 84-56000

- 1. General Obligation: Benefits Conditioned Upon Payment (All Programs Except D&MC).** This article prohibits delivery of water during any period in which the contractor is either in arrears in the advance payment due for any water service or operation and maintenance, or in arrears for more than 12 months in the payment due for any construction charges. It applies to both the contractor and the water users. The charts included in Reclamation Manual Policy PEC P10 specify which contract types require standard article 4.
- 2. Reclamation Standard Contract Article 4.**

(All Programs Except D&MC)

GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT¹

(a) The obligation of the Contractor to pay the United States as provided in this contract is a general obligation of the Contractor notwithstanding the manner in which the obligation may be distributed among the Contractor's water users and notwithstanding the default of individual water users in their obligation to the Contractor.

(b) The payment of charges becoming due pursuant to this contract is a condition precedent to receiving benefits under this contract. The United States shall not make water

¹Approved 2/71; Revised 11/84; 01/02.

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available to the Contractor through **(name of project)** project facilities during any period in which the Contractor is in arrears in the advance payment of (water rates) (any operation and maintenance charges) due the United States (or in arrears for more than 12 months in the payment of any construction charges due the United States).² The Contractor shall not deliver water under the terms and conditions of this contract for lands or parties that are in arrears in the advance payment of (water rates) (operation and maintenance charges or in arrears more than 12 months in the payment of construction charges) as levied or established by the Contractor.³

²This sentence should be omitted for contracts where water is not furnished through project facilities.

³Language appearing in parentheses is alternate language for differing contract types. This last sentence may be omitted entirely from contracts where the contractor is an individual.