

3.3.1-9 Interest (February 2003)

(a) Notwithstanding any other clause of this contract, all amounts that become payable by the Contractor to the TSA or by the TSA to the Contractor under this contract (net of any applicable tax credit under the Internal Revenue Code (26 U.S.C. 1481)) shall bear simple interest from the date due until paid unless paid within 30 days of becoming due. The interest rate shall be the interest rate established by the Secretary of the Treasury, referred to as the 'Renegotiation Board Interest Rate,' (It is published in the Federal Register semiannually on or about January 1 and July 1), which is applicable to the period in which the amount becomes due, as provided in paragraph (b) of this clause, and then at the rate applicable for each six-month period as fixed by the Secretary until the amount is paid.

(b) Amounts shall be due at the earliest of the following dates:

- (1) The date fixed under this contract.
- (2) The date of the first written demand for payment consistent with this contract, including any demand resulting from a default termination.
- (3) The date the TSA transmits to the Contractor a proposed supplemental agreement to confirm completed negotiations establishing the amount of debt.
- (4) If this contract provides for revision of prices, the date of written notice to the Contractor stating the amount of refund payable in connection with a pricing proposal or a negotiated pricing agreement not confirmed by contract modification.

(End of clause)

PRESCRIPTION

Shall be used in RFI/RFP's and fixed price contracts (i.e., contracts that are not cost reimbursement, time and materials or labor hour). In addition, may be used if the contract falls into one of the following categories: (a) contracts with Government agencies; (b) contracts with a state or local government or instrumentality; (c) contracts with a foreign government or instrumentality; (d) contracts without any provision for profit or fee with a nonprofit organization; (e) contracts for paid advertisements; or (f) any other use authorized by TSA procedures.