

3.10.6-3 Termination - Cost-Reimbursement - Alternate III (February 2003)

Partial Payments Construction. If the contract is for construction and with an agency of the U.S. Government or with State, contracting officer determines that the requirement to pay interest on excess partial, use Alternate III which substitutes the following subparagraph (g)(4) for (g)(4) of the basic clause. Alternate III also allows deletion of subparagraph (l)(2) from the basic clause if the contracting officer determines that the requirement to pay interest on excess partial payments is inappropriate.

(g)(4) A portion of the fee payable under the contract determined as follows:

(i) If the contract is terminated for the convenience of the Government, the settlement shall include a percentage of the fee equal to the percentage of completion of work contemplated under the contract, but excluding subcontract effort included in subcontractors' termination settlement proposals, less previous payments for fee.

(ii) If the contract is terminated for default, the total fee payable shall be such proportionate part of the fee as the actual work in place is to the total work in place required by the contract.

PRESCRIPTION

Shall be included in contracts for construction with agencies of the Federal Government, state, local or foreign governments or their agencies, when the Contracting Officer determines that the requirement to pay interest on excess partial payments is inappropriate.