

**PART 25
INTERGOVERNMENTAL CONTRACTS**

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25.1 GENERAL.

- (a) **INFORMATION:** As used in this part –
- (1) "Intergovernmental contract" (IGC) means a contract between BPA and one of the following organizations: State or local governments, publicly-owned colleges or universities, federally- recognized Indian tribes, special districts (PUD's, water districts, school districts), or other federal agencies, both within the Department of Energy and other departments.
 - (2) "Memorandum of Understanding" (MOU) means a written agreement broadly stating basic understandings of tasks and describing a method for performing these tasks between BPA and another governmental entity. It is a mechanism for coordinating the activities between BPA and another organization. An MOU is not a binding contract. It cannot be used to obligate or commit funds, cannot obligate or require performance, nor is it used to transfer funds from one agency to another. BPA's affected program offices prepare MOUs.
 - (3) "Contractor-agency" means the entity or organization with which BPA is contracting utilizing an IGC.
- (b) **INFORMATON:**
- (1) An IGC is distinguished from an MOU and a financial assistance agreement in that BPA is acquiring goods or services for its own use, rather than to document an understanding or to support a broad public purpose.
 - (2) The consideration and documentation of certain types of information makes sense when awarding IGCs. A period of performance along with any renewal permissions; and a statement of the goods or services being contracted for, along with a detailed schedule, reporting requirements and any project review/presentation requirements; and payment/billing requirements should be included if appropriate.

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(c) **POLICY:**

(1) Because public agencies are already accountable to the public and are subject to similar statutes and regulations, fewer contract clauses are necessary in IGCs than for most other types of contracts. Although the policies prescribed in other Parts of the BPI may be applicable to IGCs, the clauses prescribed for use by other Parts of the BPI are not required for use in IGCs unless specifically prescribed in this Part.

(2) An IGC shall not be used to document MOUs or financial assistance agreements.

(d) **PROCEDURE:** IGCs will be documented using the BES system-generated form for Intergovernmental Contracts.

25.1.1 Clause Usage Prescriptions.

(a) The CO shall include the following clauses in all IGCs:

(1) Clause 3-2, Organizational Conflicts of Interest, in contracts with non-Federal Contractor-agencies exceeding \$100,000. See BPI 3.4 for additional information;

(2) Clause 3-3, Certification, Disclosure and Limitation Regarding Payment to Influence Certain Federal Transactions, requests for proposals for IGCs with non Federal contractor-agencies over \$150,000;

(3) Clause 14-2, Contract Administration Representatives;

(4) Clause 23-3, Unauthorized Reproduction or Use of Computer Software;

(5) Clause 25-7, Classified Information - Federal contractor-agencies only

(6) Termination Clauses – The CO shall choose an appropriate termination clause from the following:

(a) Clauses 25-12 Termination for Convenience by Either Party – Federal Agencies;

(b) Clause 25-13 Termination by Mutual Consent;

(c) Clause 20-1 Termination for the Convenience of Either Party;

(d) Clause 20-2 Termination for Convenience of BPA.

(e) Clause 20-3 Termination for Default, is not generally included in IGCs, but is not prohibited.

(7) Clause 3-4 Contractor Policy to Ban Text Messaging while Driving, except IGCs with other federal agencies.

(8) Clause 11-7 Subcontracting with Debarred or Suspended Entities, except IGCs with other federal agencies.

(b) The CO shall include the following clauses in IGCs, if applicable:

(1) Clause 5-1, Privacy Act, if the IGC is with a nonfederal contractor-agency and it involves the design, development, or operation of a system of records on individuals to accomplish a BPA function. (See BPI 5.1.)

(2) Clause 16-3, Insurance, or a similar clause if the IGC is with a non-Federal contractor-agency and insurance may be necessary to protect BPA.

(3) Clause 17-2.1, or 17-2.2, Patent Rights, if patentable items are a possible outcome during the performance of the contract; (See BPI 17.4.1.1)

(4) Clause 17-5.1 or 17-5.2, Rights in Data, if copyright data or software may be developed or generated during the performance of the contract; (See BPI 17.5.4.1.1; 17.5.4.2)

(5) Clause 17-10, Commercial Software-Contractor License or 17-6 Commercial Software-No Contractor License, if proprietary computer software may be purchased; (See BPI 17.2.1.1)

(6) Clause 25-5, Audit - Intergovernmental Contracts Audit -- Non-Federal contractor if the contractor is subject to the Single Audit Act, as amended, (OMB Circular A-133) for receiving more than \$500,000 in Federal funding; (See BFAI Part 4.10).

(7) Clause 25-6, Socio-Economic Requirements, or a similar clause if the IGC is with a non-Federal contractor-agency and it exceeds \$100,000;

(8) Clause 25-9, Endangered Species Act Requirements, if the IGC supports the BPA Fish & Wildlife program.

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25.2 PAYMENT.

(a) **INFORMATION:**

(1) Payment types. IGC payment types may be either firm fixed price or cost reimbursement. The basis of payment for IGCs shall generally be made in accordance with the priority of BPI 22.1. Firm fixed price IGC payments to contractor-agencies, except Federal, are subject to the Prompt Payment requirements of 22.2, including interest penalty to be paid by BPA for late payment. Cost reimbursement type payment and other contract financing payment methods, as defined in 22.2(c) (such as advance payment), are not subject to the prompt payment requirements described in 22.2.

(2) Incurred costs necessary to the performance of the work by a contractor-agency are considered to be allowable for cost reimbursement purposes subject to the provisions of the applicable cost standards for that entity (codified at 2 CFR Parts 220, 225, etc.). Such costs include direct and indirect costs.

(3) Indirect costs are subject to the limitations of the rates negotiated by the cognizant audit office for the contractor-agency. If no such cognizant audit office has been designated for a specific contractor-agency, then BPA assumes cognizance and negotiates the needed indirect rate(s). See BPI 14.17.

(4) Interest on advance payments. Generally an IGC contractor-agency is required to pay BPA daily interest on the amount of advance payments the contractor-agency receives in excess of its current needs, unless waived by the HCA, as per 22.1.4.3. However, federally-recognized Indian tribes, Federal, and State government contractor-agencies and instrumentalities thereof are not required to repay interest earned on advance payments, as described in 22.1.4.3(a).

(b) **POLICY:**

(1) Advance payment. As discussed in BPI 22.1.4.1, advance payment must be approved by the HCA, except advance payment to Federal contractor-agencies [see 22.1.4.1(g)]. Advance payment to IGC contractor-agencies, other than Federal, require the prior approval of the CO's purchasing performance manager [see 22.1.4.1(h)].

(2) Reimbursing payments. IGCs between BPA and other Federal agencies are not covered by specific cost principles. In order to establish a basis for equitably assigning costs to BPA projects, the established accounting standards of that agency will be used as the basis of reimbursing costs.

25.2.1 Clause Usage Prescriptions.

PROCEDURE:

(a) For payment in arrears:

(1) The CO shall include a clause similar to Clause 25-2, Payment in Arrears, in fixed price IGCs - adding paragraphs (b) and (c) of Alternate I for cost reimbursement IGCs with non-Federal contractor-agencies. The CO shall substitute paragraph (c) of Alternate II for cost reimbursement IGCs with Federal contractor agencies. The CO shall consult with the program or project office to identify the need for additional specific provisions pertaining to invoice data, receipt, and processing.

(2) The CO shall include a clause similar to Clause 22-12, Payment, in firm fixed price IGCs with non-Federal contractor-agencies (i.e., subject to the Prompt Payment requirements of 22.2).

(b) For payment in advance:

(1) The CO shall include Clause 25-3, Advance Payments and Financial Reports, in IGCs with other than federally-recognized Indian tribes or Federal or State government contractor-agencies and instrumentalities thereof. This clause provides for advances, as per 22.1.4.1,

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to cover the contractor-agency's next 30 days contract performance expenses and requires accumulated interest on excess advances to be repaid to BPA. The CO may modify the 30 day frequency of advances in paragraph (a) to provide for advances of less than 30 days (see 22.1.4.4). If the CO wants to limit the total value of advance payments, add a paragraph to the clause stating the limits of advance funding.

(2) The CO shall insert the base clause, but delete paragraphs (f) and (g) and substitute paragraph (f) from Alternative I in IGCs with federally-recognized Indian tribes or Federal or State government contractor-agencies and instrumentalities thereof. This provides for advances to cover the next 30 days and waives the repayment to BPA of interest accumulated on advances in excess of the contractor-agency's current needs. The CO may modify the 30 day frequency of advances in paragraph (a) to provide for advances of less than 30 days (see 22.1.4.4).

(c) In addition, the CO shall include the following payment clauses in IGCs, if applicable:

(1) Clause 22-6, Predetermined Final Indirect Cost Rates; (See BPI 22.1.3) if t

(2) Clause 22-7, Contract Ceiling Limitation Cost Limitations – if the IGC is being awarded on a cost reimbursement or time-and-materials basis, (See BPI 22.1.3)

(3) Clause 22-20, Electronic Funds Transfer Payment in IGCs if the contractor will receive EFT payments; (See BPI 22.6.2)

25.3 CONSTRUCTION AND QUALITY ASSURANCE.

POLICY:

(a) The contractor-agency is responsible for quality. BPA is not obligated to pay for the cost of correcting work (including work performed under cost reimbursement contracts) that does not meet the requirements of the contract.

(b) IGCs providing for the use of BPA funds for construction of public works are subject to the requirements of the Davis-Bacon Act and related regulations. Such IGCs shall contain the clauses required by BPI Part 10.

25.3.1 Clause Usage Prescriptions.

PROCEDURE:

(a) Specifications or statements of work shall clearly state the standards of acceptance by which the contractor-agency's work can be measured. The CO may include a clause similar to Clause 18-4, Inspection – Services and Construction, in IGCs. Withholding of payment for work not accepted by BPA shall be coordinated through and approved by the Contracting Officer.

(b) In addition, the CO shall include the following construction and quality assurance clauses in IGCs, if applicable:

(1) Clause 14-14, Stop Work Order; (See BPI 14.12.1), if suspension of work might be required.

(2) Clause 15-2 Safety and Health, or similar, if construction and/or other outdoor services are to be performed. (See BPI 15.2.1)

(3) Clause 18-4, Inspection - Services and Construction (See BPI 25.5); if inspection services will be required.

25.4 DISPUTES.

POLICY: Any dispute between BPA and another federal agency, resulting from actions under an IGC awarded in accordance with BPI Part 25, that cannot be reasonably resolved through regular communications and negotiations shall be addressed using the disputes resolution process.

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25.4.1 Clause Usage Prescriptions.

- (a) The CO shall include the following disputes clauses in IGCs, if applicable:
- (1) Clause 21-2, Disputes, in IGCs with non-federal entities if it may be useful to protect both parties' interests; (See BPI 21.3.12)
 - (2) Clause 21-4, Release of Claims, in IGCs if a release of claims may be necessary; (See BPI 21.3.12)
 - (3) Clause 21-5, Applicable Law, ; use Clause 25-10, Applicable Law-State of Idaho in IGCs with the State of Idaho; (See BPI 21.3.12)
 - (4) Clause 25-11, Disputes Resolution Process - Federal Agencies if this procedural clarification may be useful to protect both parties' interests;
- (b) The CO shall also include clauses that address the following topics, if appropriate to the IGC subject matter:
- (1) Changes - The CO shall include a clause similar to that at 25-4, Changes, in IGCs when provisions for changes to the work statement, and changes to the budget shall be defined.
 - (2) Property - The CO shall include a clause similar to Clause 19-1, BPA Furnished/Contractor-Acquired Property, in IGCs where property is furnished or purchased. Clause 19-2, BPA Property Furnished As-Is, where property is furnished in an "as is" condition; (See BPI 19.7.1). The CO shall also include a clause similar to that at 19-4, BPA Property to be transferred to the Contractor, when BPA property will be transferred to the contractor-agency;
 - (3) Key Personnel – The CO shall use a clause similar to Clause 23-2, Key Personnel, in IGCs where key personnel are named in the contract; (See BPI 23.1.6)
 - (4) Publications/Presentations – The CO shall use a clause similar to Clause 25-8, Publications/Presentations; in IGCs if publications or presentations are anticipated;

25.50 TEXT OF CLAUSES

Part 25 directs/suggests the use of clauses found in various parts of the BPI. The following clauses are specific to Intergovernmental Contracts and are found only in BPI Part 25.

- 25-1 (Reserved)
- 25-2 Payment In-Arrears
- 25-3 Advance Payment and Financial Reports
- 25-4 Changes
- 25-5 Audit – Intergovernmental Contracts
- 25-6 Socio-Economic Requirements
- 25-7 Classified Information
- 25-8 Publication/Presentations
- 25-9 Endangered Species Act Requirements
- 25-10 Applicable Law – State of Idaho
- 25-11 Disputes Resolution Process-Federal Agencies
- 25-12 Termination for Convenience by Either Party – Federal Agencies
- 25-13 Termination by Mutual Consent

Clause 25-1 (Reserved)

Clause 25-2 PAYMENT IN ARREARS (Sep 04)(BPI 25.2.1)

- (a) The contractor-agency shall submit invoices_____ (specify frequency) for work performed, to:

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Bonneville Power Administration
(CO Fill-in) Attention
(CO Fill-in) Street Address
(CO Fill-in) City, State, Zip

A proper invoice shall include the following information:

1. Contractor name
2. Contractor address
3. Invoice date
4. BPA contract number
5. Contractor invoice number
6. Invoice billing period (e.g., for work performed June 1 – June 30)
7. Shipping terms, if applicable
8. Payment terms (e.g., Net 30)
9. Contact name, title and telephone number
10. Remittance address (required only for contractors not using EFT payment procedures)
11. For Fixed price contracts: Description of item(s) or service(s), unit price, quantity, and extended price.

(End of clause)

Alternate I (Sep 02)

(b) The contractor-agency will supply an itemized listing of expenditures for each budgetary line item set forth in the approved budget, showing as a minimum:

- (1) Salaries (including personnel and the total number of direct labor hours expended);
- (2) Travel and transportation (including per diem);
- (3) Non expendable equipment and materials (greater than \$10,000 per item) – attach supporting documentation, including description, date of purchase, purchase cost, model number, and serial number;
- (4) Expendable equipment and material (sensitive in nature);
- (5) Operations and maintenance (including computer services and publications);
- (6) Overhead;
- (7) The currently approved budget; and
- (8) Cumulative expenditures to date

(c) Non-itemized and/or incomplete billings will be retained for payment processing until correct information has been supplied by the contractor-agency. Allowable costs shall be determined in accordance with the cost principles of 2 CFR _____ and are subject to the limitation of the award ceiling.

(End of Alternate I)

Alternate II (Sep 04)

(c) Non-itemized and/or incomplete billings will be detained for payment processing until correct information has been supplied by the contractor-agency. Costs under this cost reimbursement contract will be accumulated and charged to BPA in accordance with the established accounting standards of the contractor-agency and are limited to those deemed reasonable and allocable to this contract. Payments will not exceed the ceiling of the award.

(End of Alternate II)

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Clause 25-3 ADVANCE PAYMENTS AND FINANCIAL REPORTS (Nov 08)(BPI 25.2.1)

(a) Requirements for payment. Advance payments will be made under this contract by electronic funds transfer upon submission by the Contractor-agency and approval by the CO of a written request containing:

1. Contract number,
2. Dollar amount of advance payment requested,
3. Period of time covered by advance payment request, and
4. Signature of Technical or Administrative contact person listed on the signature page of the award document.

Submit request for advance payment to:

Bonneville Power Administration

(CO Fill-in) Attention Line

(CO Fill-in) Street Address

(CO Fill-in) City, State, Zip

The contractor-agency is authorized to request BPA funds for contract performance in amounts needed to cover its own disbursements of cash in the next 30 days. The contractor-agency shall report cash disbursements and balances as required by the BPA billing office. The contractor-agency shall apply terms similar to this clause to any advance payments to subcontractors.

(b) Use of funds. Advances may only be used to pay for properly allocable, allowable, and reasonable costs for direct materials, direct labor, and indirect costs. Advances for other items require approval in writing by the CO. Allowable costs shall be determined in accordance with the cost principles of 2 CFR _____ (CO fill in for non-Federal IGCs, or delete this sentence from Federal IGCs.)

(c) Repayment to BPA. Whenever requested by the CO, the Contractor-agency shall repay to BPA any part of unspent advance payments considered to exceed the Contractor-agency's current requirements.

(d) Maximum payment. When the sum of all unspent advance payments, unpaid interest charges, and other payments exceed _____ (insert percentage) percent of the contract price, BPA shall withhold further payments to the Contractor-agency. On completion or termination of the contract, BPA shall deduct from the amount due to the Contractor-agency all unliquidated advance payments and any interest charges payable. If previous payments to the Contractor-agency exceed the amount due, the excess amount shall be immediately repaid to BPA.

(e) Termination of advance payments. The CO may, by written notice to the contractor-agency, withhold further advance payments on this contract at any time the CO determines the Contractor-agency is not adequately performing.

(f) Interest Required. The contractor-agency shall pay interest to BPA on advance payments received by the contractor-agency in excess of the contractor-agency's current needs. The interest will be paid at the higher of either the Department of Treasury's current value of funds rate or the BPA cost of money. Interest charges shall be deducted from payments, other than advance payments, due the contractor-agency.

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(g) Interest Charged to Subcontractors. The Contractor-agency shall charge interest on advance payments to subcontractors and credit the interest to BPA. Interest need not be charged on advance payments to nonprofit educational or research subcontractors for experimental, developmental or research work.

(h) Purchase of property. If this contract authorizes the purchase of property, the contractor-agency shall submit supporting documentation whenever non-expendable equipment (greater than \$10,000 per item) equipment or materials are purchased. Include item description, model number, serial number, date of purchase, and purchase cost.

(i) The contractor-agency will supply, at least quarterly, an itemized listing of expenditures for each budgetary line item set forth in the approved budget, showing as a minimum:

- (1) Salaries (including personnel and the total number of direct labor hours expended);
- (2) Travel and transportation (including per diem);
- (3) Non expendable equipment and materials (greater than \$10,000 per item) – attach supporting documentation, including description, date of purchase, purchase cost, model number, and serial number;
- (4) Expendable equipment and material (sensitive in nature);
- (5) Operations and maintenance (including computer services and publications);
- (6) Overhead;
- (7) The currently approved budget; and
- (8) Cumulative expenditures to date

(j) The contractor-agency may submit items 6-8 above on form SF-269A, Financial Status Report, if it is more convenient to do so.

(End of Clause)

Alternate I (Sep 98)

(f) Interest. No interest shall be charged to the contractor-agency for advance payments except for interest charged during a period of default.

(End of Alternate I)

Clause 25-4 CHANGES (Sep 98)(BPI 25.4.1)

Any changes in the project objectives, scope, or key personnel, including any proposed transfer of expenditures between all approved budget line items above 5% of the contract total must be approved by the Contracting Officer. All such changes must be submitted in writing through the Contracting Officer's Technical Representative prior to initiating the change.

(End of clause)

Clause 25-5 AUDIT – INTERGOVERNMENTAL CONTRACT (Nov 08)(BPI 25.1.1)

(a) The contractor-agency shall maintain accounting procedures and practices sufficient to reflect properly all costs claimed to have been incurred in performing this agreement. The Contracting Officer, or representatives of the Contracting Officer, shall have the right to examine books, records, documents and other evidence supporting such claimed costs at all reasonable times at the agency's facilities used in performing this agreement and other locations where records pertaining to this agreement are maintained. Such records shall be retained and made available for examination until 3 years after the budget year in which they were created.

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(b) The contractor-agency shall comply with the provisions of OMB Circular A-133. The contractor-agency shall apply provisions of those circulars concerning program levels requiring audits, audit scope, and determinations of this agreement as if it was a Federal assistance program. If an audit is required, a copy of the audit report shall be sent to the BPA Internal Audit Staff, Mail Stop DN-7, Bonneville Power Administration, P.O. Box 3621, Portland, OR 97208, and other distribution of the report as required by the circular.

(End of clause)

Clause 25-6 SOCIO-ECONOMIC REQUIREMENTS (Mar 10)(BPI 25.1.1)

The contractor-agency agrees to comply with the following Federal Laws and Executive Orders:

- (a) Laws and Regulations relating to Equal Employment Opportunity
- (b) Drug Free Workplace Act of 1988, P.L. 100-690

(End of clause)

Clause 25-7 CLASSIFIED INFORMATION (Sep 98)(BPI 25.1.1)

The work or services to be performed under this contract does not use or generate classified information.

(End of Clause)

Clause 25-8 PUBLICATION/PRESENTATIONS (Sep 04)(BPI 25.4.1)

All news releases, presentations, publications, or signage and related materials shall acknowledge BPA support for project activities. BPA strongly endorses the publication of project results in scientific journals to facilitate public access and to preserve project data. Copies of news articles, publications, etc. shall be provided to the COTR. When appropriate, Project Managers shall prepare manuscripts for submission to journal editors, giving due credit for BPA's financial support. BPA reserves the right to publish all or part of the reports submitted pursuant to the terms of this contract.

(End of clause)

Clause 25-9 ENDANGERED SPECIES ACT REQUIREMENTS (Sep 98)(BPI 25.1.1)

(a) To the extent requested by BPA, the contractor-agency shall:

- (1) Participate in consultations and conferences conducted under Section 7 of the Endangered Species Act (ESA), or work related to implementation of Section 7 BiOps, as directed;
- (2) Obtain, or assist BPA in obtaining permits under Section 10 of the ESA, and
- (3) Provide to BPA all information, materials, documents, records and other assistance requested by BPA for such consultations, conferences, BiOp implementation, or the acquisition of permits.

(b)The contractor-agency shall not proceed with action/activities in this agreement until completion of requisite consultations and conferences and the acquisition of necessary permits. To the extent requested by BPA, the contractor-agency shall comply with conditions identified during consultations and conferences and with the provisions of any requisite permit.

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(End of clause)

Clause 25-10 APPLICABLE LAW – STATE OF IDAHO (Sep 09)(BPI 25.4.1)

Irrespective of the place of performance, this contract will be construed and interpreted according to the federal common law of government contracts, as enunciated and applied by federal judicial bodies, boards of contract appeals, and quasi-judicial agencies of the Federal Government.

(End of Clause)

Clause 25-11 DISPUTES RESOLUTION PROCESS – FEDERAL AGENCIES (Dec 12)(BPI 25.4.1)

Should a dispute arise on the interpretation of this contract, the dispute shall be resolved pursuant to the applicable provisions of the Intragovernmental Business Rules delineated in the Treasury Financial Manual, Vol. 1, Bulletin 2011-04, Attachment 1, Section VII (Resolving Intragovernmental Disputes and Major Differences).

(End of Clause)

Clause 25-12 TERMINATION FOR CONVENIENCE BY EITHER PARTY – FEDERAL AGENCIES (Sept 09)(BPI 25.1.1)

Either party may terminate all or any part of this contract at any time upon 30 days written notice to the other party. If the requesting agency cancels the order, the servicing agency authorized to collect costs incurred prior to cancellation of the order plus any termination costs. Termination costs shall be negotiated between the parties.

(End of Clause)

Clause 25-13 TERMINATION BY MUTUAL CONSENT (Sep 09)(25.1.1)

Termination by mutual consent may be initiated by either party, by oral or written means. A termination for mutual consent is effective upon the execution of an agreement, documented on the Asset Suite Modification of Contract form, by the CO and Contractor which identifies the following:

- (1) Whether the termination is partial or total.
- (2) A description of the terminated portion of the contract, including the item numbers, descriptions, quantity terminated unit and total price of terminated items, and any other explanation to avoid uncertainty or understanding.
- (3) The Contractor unconditionally waives any claim against BPA arising under the terminated portion of the contract or by reason of its termination, including, without limitation, all obligations of BPA to make further payments or to carry out any further undertakings under the terminated portion of the contract.
- (4) BPA acknowledges that the Contractor has no obligation to perform further work or services or to make further deliveries under the terminated portion of the contract.
- (5) Under the terminated portion of the contract, the rights and liabilities of the parties that are reserved.

(End of Clause)