

## NAVY FLYING CLUB AIRCRAFT MECHANIC CONTRACT

CONTRACT NO. \_\_\_\_\_

This contract is made and entered into by and between the Flying Club Nonappropriated Fund Instrumentality (hereinafter called NAFI) located at \_\_\_\_\_ and \_\_\_\_\_ (hereinafter called Contractor). The Contract is for the furnishing of aircraft mechanic services described in Attachment A hereto, and is effective from the date of signature by both parties for a period of one year subject to the provisions set forth hereunder. The parties agree to the following:

1. GENERAL. The Contractor agrees to perform services in accordance with the attached Schedule of Services and Compensation. The Contractor shall be responsible for performing all the services set forth in Attachment A hereto.

2. PAYMENT CYCLE. In consideration for the services rendered, the NAFI agrees to pay the Contractor \_\_\_\_\_, at the time of the normal payroll cycle, or on expiration of this contract, whichever occurs first. The daily, hourly, or monthly fee(s) to be paid to the Contractor under the terms of this Contract will be those amount(s) stipulated in Attachment B hereto, unless otherwise specified by modification to this Contract. An invoice or time statement shall be submitted by the Contractor to the NAFI within one workday after the end of the normal payroll cycle.

3. RELATIONSHIP. The Contractor is not an employee of the NAFI and is not covered by Workman's Compensation, group life, accident or health insurance, and other benefits associated with an employer-employee relationship. The Contractor is fully cognizant that this contract is a contract for services and that an employee-employer relationship does not exist between the Contractor and the NAFI.

4. INSURANCE. The Navy Flying Club Commercial Aircraft Insurance Program Liability protects the Contractor from liability for damage or destruction of flying club aircraft and property, and bodily injury, death, or damage to property of third persons (including passengers) which arise out of the performance of maintenance or other duties performed under this contract, so long as such performance is in accordance with the provisions of this Contract and the regulations governing the flying club's operation, and so long as such liability does not result from gross negligence, fraud, dishonesty, or willful misconduct. Health/Medical insurance coverage is not provided by the Navy Flying Club Commercial Aircraft

Insurance Program, and such insurance must be obtained by the Contractor.

5. LICENSES, TAXES, PERMITS, AND FEES. It is the Contractor's responsibility to obtain, at its own expense, all required licenses and permits, and to pay such taxes and fees as may be required of the Contractor by federal, state, and local governments in the execution of the terms of this Contract. The Contractor shall supply to the Contracting Officer and Club Manager all required licenses and permits prior to the execution of this contract.

6. CHANGES. The Contracting Officer, at any time, by written order, may make changes in or additions to the services to be performed by this contract, issue additional instructions, or require modified or additional work or services within the general scope of the Contract. If any such changes are made under this Contract, an equitable adjustment will be made in the Contract price or term of performance, or both, and the Contract will be modified in writing accordingly. Any claim by the Contractor for adjustment under this paragraph must be asserted within thirty calendar days from the date of receipt by the Contractor of the notification of changes, provided however, that the Contracting Officer, if he/she decides that the facts justify such action, may receive and act on any such claim asserted at any time prior to final payment under this contract. Failure to agree to any adjustment will be a dispute concerning a question of fact within the meaning of the clause of this Contract titled "Disputes." However, nothing in this clause excuses the Contractor from proceeding with the Contract as changed, and it is limited to proceeding with its appeal pursuant to the provision titled "Disputes."

7. PAYMENTS. Payment for services performed by the Contractor, as set forth in Attachment B of this Contract, are made at the rates prescribed, on submission by the Contractor of proper invoices or time statements to the NAFI designated herein and at the time provided for herein. In addition to the foregoing, the Contractor will be reimbursed in accordance with the Joint Travel Regulations for each day the NAFI requires the Contractor to be in a travel status away from its regular place of business. The Contractor shall submit receipts for actual cost of meals, lodging and other transportation expenses.

8. INSPECTION AND ACCEPTANCE. The NAFI is responsible for performing inspection and acceptance of services rendered, including inspection of any records maintained by the Contractor.

9. SCHEDULING AND ASSIGNMENT OF DUTIES. The flying club manager or maintenance officer assigns all tasks listed in Attachment A to be performed by the Contractor.

10. PROFICIENCY. The Contractor agrees to maintain proficiency under appropriate Federal Aviation regulations and Navy regulations, and to comply with all applicable laws and regulations pertaining to aircraft maintenance.

11. OPTION TO EXTEND TERM OF CONTRACT. This Contract may be renewed for a like term by mutual agreement in writing by the parties hereto, subject to approval in the same manner as this instrument. However, in no event will such renewal exceed a period of 5 years (from the date of this original contract).

12. CONTRACT CLAUSES. The attached Contract clauses (Attachment C) are hereby incorporated into this basic contract. In the event of conflict between the provisions of the basic contract and the provisions of any other attachment hereto, the provisions of the basic contract control.

13. EFFECTIVE DATE OF CONTRACT. This Contract becomes effective when signed by the Contracting Officer and Contractor.

\_\_\_\_\_  
Print Name of Contracting Officer

\_\_\_\_\_  
Print Name of Contractor

\_\_\_\_\_  
Signature - Contracting Officer

\_\_\_\_\_  
Signature - Contractor

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address & Phone Number

\_\_\_\_\_  
Address & Phone Number

ATTACHMENT A

to

NAVY FLYING CLUB AIRCRAFT MECHANIC CONTRACT

AIRCRAFT MECHANIC'S SCHEDULE OF SERVICES AND COMPENSATION

1. In executing this contract, the Contractor certifies that he/she possesses the minimum qualifications required by applicable Navy, FAA and NAFI directives, rules and regulations. Furthermore, the Contractor agrees to accept the duties and responsibilities required by subject directives, rules and regulations, and to perform these duties to the best of his/her abilities.

2. The Contractor's responsibilities include, but are not limited to:

- a. Performing routine aircraft maintenance.
- b. Performing 100 hour and annual inspections where applicable.
- c. Maintaining adequate maintenance standards in accordance with applicable Navy, FAA, and NAFI directives.
- d. Maintaining liaison with the FAA.
- e. If not provided by the NAFI, provide tools and equipment necessary to accomplish all required aircraft maintenance on Navy Flying Club aircraft.

ATTACHMENT B

to

NAVY FLYING CLUB AIRCRAFT MECHANIC CONTRACT

AIRCRAFT MECHANIC'S SCHEDULE OF SERVICES AND COMPENSATION

1. The Contractor shall perform maintenance on aircraft operated by the NAFI when requested.
2. The Contractor's responsibilities include, but are not limited to:
  - a. Assigned maintenance of flying club aircraft.
  - b. Maintenance of all applicable aircraft records.
  - c. Compliance with all Navy, FAA and NAFI directives, rules and regulations.
3. In consideration of agreements set forth in this Contract, the Contractor will receive compensation for general aircraft maintenance at the following rate: \$ \_\_\_\_\_ per hour.

ATTACHMENT C

---

NONAPPROPRIATED FUND CONTRACT CLAUSES

---

TABLE OF CONTENTS

---

CLAUSES MADE INAPPLICABLE BY THE TYPE OF ORDER OR CONTRACT ARE  
SELF-DELETING.

1. DEFINITIONS
2. ADVERTISEMENTS
3. ASSIGNMENT
4. COMMERCIAL WARRANTY
5. DISCOUNTS FOR PROMPT PAYMENT
6. DISPUTES
7. EXAMINATION OF RECORDS
8. GRATUITIES
9. HOLD AND SAVE HARMLESS
10. INSPECTION
11. INSURANCE
12. INVOICES
13. LAW GOVERNING CONTRACTS
14. LEGAL STATUS
15. MODIFICATIONS
16. ORDER OF PRECEDENCE
17. PAYMENTS
18. PROOF OF SHIPMENT
19. TAXES
20. TERMINATION FOR CONVENIENCE
21. TERMINATION FOR DEFAULT
22. VARIATION IN QUANTITY
23. PROTESTS

(Incorporated by Reference)

24. COVENANT AGAINST CONTINGENT FEES
25. WALSH-HEALEY PUBLIC CONTRACTS ACT
26. EQUAL OPPORTUNITY
27. AFFIRMATIVE ACTION-VETERANS
28. AFFIRMATIVE ACTION-HANDICAPPED WORKERS
29. EMPLOYMENT REPORTS - VETERAN
30. RESTRICTIONS ON CERTAIN FOREIGN PURCHASES
31. EXTRAS

---

NONAPPROPRIATED FUND CONTRACT CLAUSES

---

TABLE OF CONTENTS (Continued)

---

- 32. CHANGES - FIXED PRICE
- 33. CONTRACTOR INSPECTOR REQUIREMENTS
- 34. RESPONSIBILITY FOR SUPPLIES
- 35. CLEARANCE AND DOCUMENT - SHIPMENTS
- 36. CONVICT LABOR
- 37. CONTRACT WORK HOURS & SAFETY STANDARDS  
ACT
- 38. SERVICE CONTRACT ACT OF 1965 (AS  
AMENDED)
- 39. CHANGES - FIXED PRICE
- 40. INSPECTION OF SERVICES - FIXED PRICE

---

NONAPPROPRIATED FUND CONTRACT CLAUSES

---

1. DEFINITIONS. As used throughout this contract, the following terms and abbreviations have the meaning set forth below:

a. The term "Contract" means this agreement or order and any modifications hereto.

b. The abbreviation "NAFI" means Nonappropriated Fund Instrumentality of the United States Government.

c. The term "Contracting Officer" means the person executing or responsible for administering this contract on behalf of the NAFI which is a party hereto, or his successor or successors.

d. The term "Contractor" means the party responsible for providing supplies/equipment and/or services at a certain price or rate to the NAFI under this contract.

e. The term "Contracting Officer's Representative" (COR) means a person appointed by the Contracting Officer to monitor performance and act as a liaison between the Contractor and the Contracting Officer.

2. ADVERTISEMENTS. The Contractor agrees that none of its, nor its agent's, advertisement to include publications, merchandise, promotions, coupons, sweepstakes, contests, sales brochures, etc., shall state, infer or imply that the Contractor's products or services are approved, promoted or endorsed by the NAFI. Any advertisement, including cents off coupons, which refers to a NAFI will contain a statement that the advertisement is neither paid for nor sponsored in whole or in part by that particular activity.

3. ASSIGNMENT. A Contractor may not assign their rights or delegate their obligations under this contract without prior written consent of the Contracting Officer.

4. COMMERCIAL WARRANTY. The Contractor agrees that the supplies/equipment or services furnished under this contract shall be covered by the most favorable commercial warranties the Contractor gives to any customer for such supplies/equipment or services and that the rights and remedies provided herein are in addition to and do not

---



NONAPPROPRIATED FUND CONTRACT CLAUSES (Continued)

---

limit any rights afforded to the NAFI by any other clause of this contract. The printed terms and conditions of such warranty will be provided to the NAFI with the delivery of any supplies/equipment or services covered.

5. DISCOUNTS FOR PROMPT PAYMENT. In connection with any prompt payment discount offered, time will be computed from the date of the Contractor's invoice. Payment is deemed to have been made as of the date on the payment check or date on which electronic funds transfer is made.

6. DISPUTES

a. Except as otherwise provided in this contract, any dispute or claim concerning this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall state his/her decision in writing and mail or otherwise furnish a copy of it to the Contractor. Within 90 days from date of receipt of such copy, the Contractor may appeal by mailing or otherwise furnishing to the Contracting Officer a written appeal addressed to the immediate superior in command (ISIC) of the command one level above the Contracting Officer's command. The decision of this authority shall be final and conclusive. If no such appeal is filed, the decision of the Contracting Officer shall be final and conclusive. The Contractor shall be afforded an opportunity to be heard and to offer evidence in support of any appeal under this clause. Pending final decision on such a dispute, the Contractor shall proceed diligently with the performance of the contract and according to the decision of the Contracting Officer, unless directed to do otherwise by the Contracting Officer.

7. EXAMINATION OF RECORDS

a. The clause is applicable if the amount of this contract exceeds \$10,000 and the contract was entered into by mean of negotiation. The Contractor agrees that the Contracting Officer or his/her duly authorized representative 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 up to three years after contract expiration date and final payment.

b. The Contractor agrees to include the clause in "a" above in all subcontracts thereunder which exceed \$10,000.

#### 8. GRATUITIES

a. The NAFI may, by written notice to the Contractor, terminate the right of the Contractor to proceed under this contract if it is found after notice and hearing, by the Commanding Officer, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the Government or the NAFI with a view toward securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such contract.

b. In the event this contract is terminated as provided in paragraph "a" hereof, the NAFI shall be entitled (1) to pursue the same remedies against the Contractor as it would pursue in the event of a breach of contract by the Contractor, and (2) as a penalty in addition to any other damages to which it may be entitled by law to exemplary damages in an amount (as determined by the Commanding Officer), which shall not be less than three nor more than ten times the cost incurred by the Contractor in providing any such gratuities to any such officer or employee.

c. The rights and remedies of the NAFI provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

9. HOLD AND SAVE HARMLESS. The Contractor shall indemnify, save harmless and defend the NAFI, its outlets and customers from any liability, claimed or established, for violation or infringement of any patent, copyright or trademark right asserted by any third party with respect to goods hereby ordered or any part thereof. Contractor further agrees to hold NAFI harmless from all claims or judgements for damages resulting from the use of products listed in this contract, except for such claims or damages caused by or resulting from negligence of

the NAFI customers, employees, agents or representatives. Also, the Contractor shall at all times hold and save harmless the NAFI, its agents, representatives, and employees from any and all suits and expenses which arise out of acts or omissions of the Contractor, its agents, representatives, or employees.

10. INSPECTION. Unless otherwise provided herein, inspection shall be made after receipt of the supplies/equipment by the ordering activity, or after completion of services by the Contractor. Inspection and acceptance shall not be conclusive, with respect to latent defects or fraud, or with respect to the NAFI's rights under the Proof of Shipment provisions contained herein. In case any supplies/equipment or services are defective in material or workmanship, or are otherwise not in conformity with the requirements of this contract, the NAFI shall have the right to reject such supplies or services, or to require replacement or correction. Rejected supplies/equipment shall be removed by and at the expense of the Contractor promptly after notice. If required by the NAFI, the Contractor, after notice of defect or non-conformance, shall, in a timely manner, correct or replace the defective or non-conforming supplies/equipment or services, or any part thereof. When such correction or replacement requires transportation of the supplies/equipment or part thereof, all shipping costs to and from the Contractor's plant or place of business shall be borne by the Contractor.

11. INSURANCE

a. The Contractor shall, at their expense, procure and maintain, during the entire performance period of this contract, insurance of at least the kinds and minimum amount set forth herein.

b. At all times during performance, the Contractor shall maintain with the Contracting Officer a current Certificate of Insurance showing at least the insurance required herein, and providing thirty (30) days written notice to the Contracting Officer by the insurance company prior to cancellation or material change in policy coverage.

c. The Contractor shall also require all first-tier subcontractors, who will perform work on a Government installation, to procure and maintain the insurance required herein during the entire period of their performance. The Contractor shall furnish (or assure that it has been furnished) to the Contracting Officer a current Certificate of Insurance meeting the requirements of "b" above for each such first-tier subcontractor, at least five (5) days prior to entry of each such subcontractor's personnel on the installation.

In implementation of the insurance clause above, the Contractor shall procure and maintain:

(1) Workman's compensation as prescribed by the laws of the state in which the work will be performed and employer's liability insurance.

(2) General liability insurance wherein the NAFI and the United States are included as named insured stating that such insurance is primary (secondary to or contributory with no other insurance). Policy limits of \$500,000 per person - \$1,000,000 per occurrence for injury or death, and \$100,000 property damage per occurrence are required.

(3) The Contractor is responsible for damage or loss to his owned or leased equipment. Claims will be honored only if it can be shown that the NAFI was negligent and caused damage or loss to the Contractor's equipment.

12. INVOICES. An invoice is a written request for payment under the contract for supplies/equipment 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:

- a. Invoice date;
- b. Name of Contractor;

c. Contract number (include order number, if any) contract description of supplies or services, quantity, contract unit of measure and unit price and extended total;

d. Shipment number and date of shipment;

e. Name and address to which payment is to be sent (name must be the same as that in the contract or on a proper notice of assignment);

f. Name (where practicable), title, telephone number and mailing address of person to be notified in event of a defective invoice; and

g. Any other information or documentation required by other provisions 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.

13. LAW GOVERNING CONTRACTS. In any dispute arising out of this contract, the decision of which requires consideration of law questions, the rights and obligations of the parties shall be interpreted and determined according to the substantive and procedural laws of the United States of America.

14. LEGAL STATUS. The NAFI is an integral part of the Department of Defense and is an instrumentality of the United States Government. Therefore, NAFI contracts are United States Government contracts, however, they do not obligate appropriated funds of the United States.

**NO APPROPRIATED FUNDS OF THE UNITED STATES SHALL BECOME DUE OR BE PAID A CONTRACTOR BY REASON OF THIS CONTRACT.**

15. MODIFICATIONS. No agreement or understanding to modify this contract will be binding upon the NAFI unless it is made in writing and signed by a Contracting Officer from the office that issued the contract or its successor.

16. ORDER OF PRECEDENCE. In the event of an inconsistency between provisions of this solicitation/award, the inconsistency shall be resolved by giving precedence in the following order: (1) Supplies/Equipment or Services and Prices/Costs; (2) Description/Specifications/Work Statement; (3) Special Contract Requirements; (4) Contract Clauses; (5) other provisions of the solicitation/award.

17. PAYMENTS. Payment of prices stated in this contract will be made according to the Prompt Payment Act, as amended. Unless otherwise specified, payment will be made on partial deliveries accepted by the NAFI when the amount due on such deliveries so warrants. Payment is deemed to have been made as of the date on the payment check or date on which electronic funds transfer is made.

18. PROOF OF SHIPMENT. (Applicable to shipments outside the United States through the Defense Transportation System {DTS} and Parcel Post shipments to overseas destinations). Except as otherwise provided in this contract, payment will be made for items not yet received upon receipt of an invoice accompanied by proof of delivery to a postal system or common carrier if delivery is FOB point of origin. For deliveries FOB destination named port of debarkation, the invoice must be accompanied by a signed receipt by a government representative at the named port.

19. TAXES. The prices herein reflect full reduction for taxes which are nonapplicable. In addition to the exemption from Federal excise taxes by virtue of exportation, all tangible personal property sold to NAFIs for resale are exempt from sales and use taxes. All sales other than for resale depend on state law or federal constitutional immunity for exemption from state sales and use taxes.

20. 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/equipment and is so terminated, the Contractor shall be compensated according to FAR Subparts 49.1 and 49.2 in effect on the date of this contract award. To the extent that this contract is for services and is so terminated, the NAFI

---

NONAPPROPRIATED FUND CONTRACT CLAUSES (Continued)

---

shall be liable only for payment according to the payment provisions of this contract for services rendered prior to the effective date

of termination, providing there are no Contractor claims covering non recurring costs for capital investment. If there are any such Contractor claims, they shall be settled according to FAR Subparts 49.1 and 49.2.

21. TERMINATION FOR DEFAULT. The Contracting Officer, by written notice, may terminate this contract in whole or in part for failure of the Contractor to perform any of the provisions hereof. In such event, the Contractor shall be liable for damages including the excess cost of reprocurring similar supplies/equipment or services; provided that, if (1) it is determined for any reason that the Contractor was not in default; or (2) Contractor's failure to perform is without the Contractor's or subcontractor's control, fault or negligence, the termination must be deemed to be a termination for convenience. As used in this provision, the term "subcontractor" means subcontractor at any tier.

22. VARIATION IN QUANTITY. No variation in quantity of any item listed in this contract will be accepted unless authorized by the Contracting Officer.

23. PROTESTS. Offerors are encouraged to resolve any complaints or issues they may have with the Contracting Officer in an informal manner. However, where an Offeror is not satisfied with a procurement decision of the Contracting Officer, that Offeror may file a written protest with the Contracting Officer and the Contracting Officer will issue a final decision on the protest. Any interested party who is dissatisfied by the Contracting Officer's final decision on the protest may file a written appeal with the Commanding Officer. The procedures for filing protests may be found in Paragraph 223 of CNICINST 7043.1. A copy of Paragraph 223 will be provided to any Offeror by the Contracting Officer upon request.

---

## CLAUSES INCORPORATED BY REFERENCE

---

The provision of the following clause set forth in the Federal Acquisition Regulation (FAR) are hereby incorporated into this order or contract by reference with the same force and effect as if they were given in full text. As used in the following clause, the term "Government" is deleted and the abbreviation "NAFI" is substituted in lieu thereof. The date of each clause shall be the current date set forth in the FAR at the time of issuance of an order or contract award. Clauses made inapplicable by the reference or by the type or order or contract (e.g. order or contracts for services instead of supplies/equipment) are self-deleting. Upon request, the Contracting Officer will provide the full text.

CLAUSE NO.	REFERENCE	CLAUSE TITLE
24	52.203-5	Covenant Against Contingent fees (Contracts over \$100,000)
25	52.222-20	Walsh-Healey Public Contracts Act (Supply Contracts in excess of \$10,000) (not with foreign Contractors)
26	52.222.26	Equal Opportunity (Supply and Service Contracts over \$10,000)



---

ADDITIONAL NONAPPROPRIATED FUND CONTRACT  
CLAUSES FOR SERVICES

---

27	52.222.35	Affirmative Action for Special Disabled Veterans and Vietnam Era Veterans (Supplies and Services over \$10,000)
28	52.222-36	Affirmative Action for Handicapped Workers (Supplies and Service Contracts over \$25,000)
29	52.222-37	Employment Reports on Special Disabled Veterans and Vietnam Era Veterans (Supplies and Services Contracts over \$10,000)
30	52.225-11	Restrictions on Certain Foreign Purchases
31	52-232-11	Extras
32	52.243-1	Changes-Fixed Price
33	52.246-1	Contractor Inspector Requirements
34	52.246-16	Responsibility for Supplies

---

ADDITIONAL NONAPPROPRIATED FUND CONTRACT  
CLAUSES FOR SERVICES

---

35	52.247-52	Clearance and Documentation Requirements-Shipment to DOD Air or Water Terminal Transshipment Points
36	52.222-3	Convict Labor (Contracts over \$2,500)
37	52.222-4	Contract Work Hours and Safety Standards Act- Overtime Compensation-General (Contracts over \$100,000)
38	52.222-41	Service Contract Act of 1965, as amended (Contracts over \$2,500)
39	52.243-1 (ALT1)	Changes - Fixed Price
40	52.246-4	Inspection of Services - Fixed Price