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## 42.709-7 Contract clause.

Use the clause at [52.242-3](#), Penalties for Unallowable Costs, in all solicitations and contracts over \$800,000 except fixed-price contracts without cost incentives or any firm-fixed-price contract for the purchase of commercial products or commercial services. Generally, covered contracts are those which contain one of the clauses at [52.216-7](#), [52.216-16](#), or [52.216-17](#), or a similar clause from an executive agency's supplement to the FAR.

**Parent topic:** [42.709 Penalties for Unallowable Costs.](#)