

Common Terms and Conditions Guide
Section 3 – Administrative Clauses

Clause Number: 3006
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Audit Rights

- (a) Seller will maintain books, records, documents, other supporting data, and accounting procedures and practices sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of the work hereunder.
- (b) Seller's books, records, documents, and other supporting data will be made available to Buyer, or its authorized representative, for inspection and audit as required by Buyer in conjunction with the negotiation of this contract and any prospective changes, including termination claims, and in the event Buyer elects to exercise an option for the purchase of additional quantities or requests a price quotation for follow-on orders for the same goods or services.
- (c) In any of the above-mentioned circumstances, Seller will, upon request by Buyer, furnish a statement of related historical cost experience by cost element or in such form as stipulated by Buyer, together with applicable projections and supporting data. Such statements will be based on current, accurate, and complete cost information and will be so certified by a responsible officer.
- (d) Seller agrees to include this clause, including this paragraph (d), in all lower-tier subcontracts when cost or pricing data (as defined in FAR 2.101) is required.