

## 16.207-3 Limitations.

This contract type *may* be used only when-

- (a) The work required cannot otherwise be clearly defined;
- (b) The required level of effort is identified and agreed upon in advance;
- (c) There is reasonable assurance that the intended result cannot be achieved by expending less than the stipulated effort; and
- (d) The contract price is the *simplified acquisition threshold* or less, unless approved by the chief of the *contracting office*.

**Parent topic:** 16.207 Firm-fixed-price, level-of-effort term contracts.