

16.301-2 Application.

(a) The *contracting officer shall* use cost-reimbursement contracts only when-

(1) Circumstances do not allow the agency to define its requirements sufficiently to allow for a fixed-price type contract (see [7.105](#)); or

(2) Uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use any type of fixed-price contract.

(b) The *contracting officer shall* document the rationale for selecting the contract type in the written *acquisition* plan and ensure that the plan is approved and signed at least one level above the *contracting officer* (see [7.103\(j\)](#) and [7.105](#)).

Parent topic: [16.301 General](#).