

## 16.603-4 Contract clauses.

(a) The *contracting officer shall* include in each letter contract the clauses required by this regulation for the type of definitive contract contemplated and any additional clauses known to be appropriate for it.

(b) In addition, the *contracting officer shall* insert the following clauses in *solicitations* and contracts when a letter contract is contemplated:

(1) The clause at [52.216-23](#), Execution and Commencement of Work, except that this clause *may* be omitted from letter contracts awarded on [SF 26](#);

(2) The clause at [52.216-24](#), Limitation of Government Liability, with dollar amounts completed in a manner consistent with [16.603-2\(d\)](#); and

(3) The clause at [52.216-25](#), Contract Definitization, with its paragraph (b) completed in a manner consistent with [16.603-2\(c\)](#). If at the time of entering into the letter contract, the *contracting officer* knows that the definitive contract will be based on adequate price competition or will otherwise meet the criteria of [15.403-1](#) for not requiring submission of *certified cost or pricing data*, the words "and *certified cost or pricing data* in accordance with FAR [15.408](#), [Table 15-1](#) supporting its proposal" *may* be deleted from paragraph (a) of the clause. If the letter contract is being awarded on the basis of price competition, the *contracting officer shall* use the clause with its *Alternate I*.

(c) The *contracting officer shall* also insert the clause at [52.216-26](#), Payments of Allowable Costs Before Definitization, in *solicitations* and contracts if a cost-reimbursement definitive contract is contemplated, unless the *acquisition* involves conversion, alteration, or repair of ships.

**Parent topic:** [16.603 Letter contracts.](#)