

32.501-3 Contract price.

(a) For the purpose of making progress payments and determining the limitation on progress payments, the contract price *shall* be as follows:

(1) Under firm-fixed price contracts, the contract price is the current amount fixed by the contract plus the not-to-exceed amount for any unpriced modifications.

(2) If the contract is redeterminable or subject to economic price adjustment, the contract price is the initial price until modified.

(3) Under a fixed-price incentive contract, the contract price is the target price plus the not-to-exceed amount of unpriced modifications. However, if the contractor's properly incurred costs exceed the target price, the *contracting officer may* provisionally increase the price up to the ceiling or maximum price.

(4) Under a letter contract, the contract price is the maximum amount obligated by the contract as modified.

(5) Under an unpriced order issued against a basic ordering agreement, the contract price is the maximum amount obligated by the order, as modified.

(6) Any portion of the contract specifically providing for reimbursement of costs only *shall* be excluded from the contract price.

(b) The *contracting officer shall* not make progress payments or increase the contract price beyond the funds obligated under the contract, as amended.

Parent topic: [32.501 General](#).