

# PART 416 - TYPES OF CONTRACTS

Authority: 5 U.S.C. 301 and 40 U.S.C. 486(c).

Source: 61 FR 53646, Oct. 15, 1996, unless otherwise noted.

416.000 Scope of part.

Subpart 416.2 - Fixed-Price Contracts

416.203 Fixed-price contracts with economic price adjustment.

416.203-4 Contract clauses.

Subpart 416.4 - Incentive Contracts

416.405 Cost-reimbursement incentive contracts.

416.405-2 Cost-plus-award-fee contracts.

416.406 Contract clauses.

416.470 Solicitation provision.

Subpart 416.5 - Indefinite-Delivery Contracts

416.505 Ordering.

416.506 Solicitation provision and contract clauses.

Subpart 416.6 - Time-and-Materials, Labor-Hour, and Letter Contracts

416.603 Letter contracts.

416.603-2 Application.

416.603-4 Contract clauses.

416.670 Contract clauses.

Subpart 416.7 - Agreements

416.702 Basic agreements.

**Parent topic:** SUBCHAPTER C - CONTRACTING METHODS AND CONTRACT TYPES

## **416.000 Scope of part.**

Heads of contracting activities (HCA's) are authorized to establish written procedures allowing the use of any contract type described in FAR part 16 for acquisitions made under simplified acquisition procedures in FAR part 13.

## **Subpart 416.2 - Fixed-Price Contracts**

### **416.203 Fixed-price contracts with economic price adjustment.**

#### **416.203-4 Contract clauses.**

An economic price adjustment clause based on cost indexes of labor or material may be used under the conditions listed in FAR 16.203-4(d) after approval by the HCA and consultation with the Office of the General Counsel.

## **Subpart 416.4 - Incentive Contracts**

### **416.405 Cost-reimbursement incentive contracts.**

#### **416.405-2 Cost-plus-award-fee contracts.**

The HCA may designate an acquisition official other than the contracting officer as the fee determination official (FDO) to make the final determination of the award fee. The designated official must have warranted contracting authority at the same level as the contracting officer or higher, and shall not have participated in preparing the contractor performance evaluation. If the HCA does not designate an FDO, the chief of the contracting office shall act as the FDO.

#### **416.406 Contract clauses.**

The contracting officer shall insert a clause substantially the same as the clause at 452.216-70, Award Fee, in solicitations and contracts which contemplate the award of cost-plus-award-fee contracts.

#### **416.470 Solicitation provision.**

The contracting officer shall insert the provision at 452.216-71, Base Fee and Award Fee Proposal, in solicitations which contemplate the award of a cost-plus-award-fee contract.

## **Subpart 416.5 - Indefinite-Delivery Contracts**

### **416.505 Ordering.**

(a) The Chief, Procurement Policy Division, Office of Procurement and Property Management, has been designated as the Departmental Task Order Ombudsman.

(b) Each HCA shall designate a task order ombudsman for the contracting activity. The HCA shall forward a copy of the designation memorandum to the Departmental Task Order Ombudsman. Contracting activity ombudsmen shall review and resolve complaints from contractors concerning task or delivery orders placed by the contracting activity.

(c) Any contractor who is not satisfied with the resolution of a complaint by a contracting activity ombudsman may request the Departmental Task Order Ombudsman to review the complaint.

#### **416.506 Solicitation provision and contract clauses.**

(a) The contracting officer shall insert a provision substantially the same as the provision at 452.216-72, Evaluation Quantities-Indefinite-Delivery Contract, in solicitations which contemplate the award of indefinite-quantity or requirements contracts to establish the basis on which offers will be evaluated.

(b) The contracting officer shall insert the clause at 452.216-73, Minimum and Maximum Contract Amounts, in indefinite-delivery, indefinite-quantity contracts when the clause at FAR 52.216-18 is used.

### **Subpart 416.6 - Time-and-Materials, Labor-Hour, and Letter Contracts**

#### **416.603 Letter contracts.**

##### **416.603-2 Application.**

The HCA is authorized to extend the period for defining a letter contract required by FAR 16.603-2(c) in extreme cases where it is determined in writing that such action is in the best interest of the Government.

##### **416.603-4 Contract clauses.**

The contracting officer shall insert the clause at 452.216-75, Letter Contract, in a definitive contract superseding a letter contract.

##### **416.670 Contract clauses.**

The contracting officer shall limit the Government's obligation under a time-and-materials or labor-hour contract by inserting the clause at 452.216-74, Ceiling Price.

## **Subpart 416.7 - Agreements**

### **416.702 Basic agreements.**

Promptly after execution by the Government, the HCA shall furnish to the Senior Procurement Executive a copy of each basic agreement negotiated with contractors in accordance with FAR 16.702.