

Subpart 5316.6 – TIME-AND-MATERIALS, LABOR-HOUR, AND LETTER CONTRACTS

Parent topic: [Part 5316 - Types of Contracts](#)

5316.601 Time-and-materials contracts

(c) *Application.* See [5312.207\(b\)](#) for the use of time-and-material contracts for certain commercial services

(d) *Limitations*

(i)(A) *Approval of determination and findings for time-and-materials or labor-hour contracts.*

(1) *Base period plus any option periods is three years or less.* For the Department of the Air Force, the threshold at DFARS 216(d)(i)(A)(1)(i) and (ii) is \$10 million in lieu of \$1 million.

(3) *Exception.* See [MP5301.601\(a\)\(i\)](#).

(B) *Content of determination and findings.* The D&F shall address the requirements of FAR 16.103(d)(1) and DFARS 216.601(d)(i)(B). See the tailorable [Limitation on T&M and LH Contracts Determinations and Findings](#) template.

(1)(ii) See [MP5301.601\(a\)\(i\)](#).

5316.603 Letter Contracts