

<?xml encoding="UTF-8">

16.204 Fixed-price incentive contracts.

A fixed-price incentive contract is a fixed-price contract that provides for adjusting profit and establishing the final contract price by a formula based on the relationship of final negotiated total cost to total target cost. Fixed-price incentive contracts are covered in [subpart 16.4](#), Incentive Contracts. See [16.403](#) for more complete descriptions, application, and limitations for these contracts. Prescribed clauses are found at [16.406](#).

Parent topic: [Subpart 16.2 - Fixed-Price Contracts](#)