

16.102 Policies.

(a) Contracts resulting from sealed bidding *shall* be firm-fixed-price contracts or fixed-price contracts with economic price adjustment.

(b) Contracts negotiated under [part 15](#) *may* be of any type or combination of types that will promote the Government's interest, except as restricted in this part (see [10 U.S.C. 3321\(a\)](#) and [41 U.S.C. 3901](#)). Contract types not described in this regulation *shall* not be used, except as a deviation under [subpart 1.4](#).

(c) The cost-plus-a-percentage-of-cost system of *contracting shall* not be used (see [10 U.S.C. 3322\(a\)](#) and [41 U.S.C. 3905\(a\)](#)). Prime contracts (including letter contracts) other than firm-fixed-price contracts *shall*, by an appropriate clause, prohibit cost-plus-a-percentage-of-cost subcontracts (see clauses prescribed in [subpart 44.2](#) for cost-reimbursement contracts and [subparts 16.2](#) and [16.4](#) for fixed-price contracts).

(d) No contract *may* be awarded before the execution of any determination and findings (D&F's) required by this part. Minimum requirements for the content of D&F's required by this part are specified in [1.704](#).

Parent topic: [Subpart 16.1 - Selecting Contract Types](#)