

16.603-3 Limitations.

A letter contract *may* be used only after the *head of the contracting activity* or a designee determines *in writing* that no other contract is suitable. Letter contracts *shall* not-

(a) Commit the Government to a definitive contract in excess of the funds available at the time the letter contract is executed;

(b) Be entered into without competition when competition is required by [part 6](#); or

(c) Be amended to satisfy a new requirement unless that requirement is inseparable from the existing letter contract. Any such amendment is subject to the same requirements and limitations as a new letter contract.

Parent topic: [16.603 Letter contracts](#).