

46.707 Pricing aspects of fixed-price incentive contract warranties.

If a fixed-price incentive contract contains a *warranty* (see [46.708](#)), the estimated cost of the *warranty* to the contractor *should* be considered in establishing the incentive target price and the ceiling price of the contract. All costs incurred, or estimated to be incurred, by the contractor in complying with the *warranty shall* be considered when establishing the total final price. Contractor compliance with the *warranty* after the establishment of the total final price *shall* be at no additional cost to the Government.

Parent topic: [Subpart 46.7 - Warranties](#)