Subpart 1316.6 - Time-and-Materials, Labor-Hour, and Letter Contracts

Parent topic: PART 1316 - TYPES OF CONTRACTS

1316.601 Time-and-materials contracts.

The designee authorized to approve a time-and-materials contract prior to the execution of the base period when the base period plus any option periods exceeds three years is set forth in CAM 1301.70.

1316.601-70 Contract clauses.

Insert clause 1352.216-77, *Ceiling Price,* in all time-and-materials contracts.

1316.602 Labor-hour contracts.

1316.602-70 Contract clauses.

Insert clause 1352.216-77, *Ceiling Price,* in all labor-hour contracts, including, if feasible, requirements contracts.

1316.603 Letter contracts.

1316.603-2 Application.

(a) With the written approval from the authorized designee in CAM 1301.70, in extreme cases, the contracting officer may authorize an additional period for contract definitization.

(b) If, after exhausting all reasonable efforts, the contracting officer and the contractor cannot negotiate a definitive contract because of failure to reach agreement as to price or fee, the contracting officer may determine a reasonable price or fee with approval from the authority designated in CAM 1301.70.

1316.603-3 Limitations.

The designee authorized to determine that a letter contract is suitable so that work can begin immediately is set forth in CAM 1301.70.