PART 616 - TYPES OF CONTRACTS

616.000 Scope of part.

The contracting officer may use any of the contract types described in FAR Part 16 for acquisitions made under simplified acquisition procedures. The contracting officer shall document his/her decision to use a contract type in accordance with the requirements of FAR Part 16.

Subpart 616.1 - Selecting Contract Types

616.102 Policies.

616.102-70 Overseas posts.

Pursuant to 601.601-70(a)(1)(i), no authority is delegated to overseas posts to enter into cost-reimbursement, fixed-price incentive, or fixed-price redeterminable contracts, unless the Procurement Executive's approval is obtained. Such requests shall be submitted by the head of the contracting activity on a case-by-case basis.

616.103 Negotiating contract type.
(d) The Procurement Executive has issued class determinations for the following categories of contracts awarded by overseas contracting activities: painting, vehicle insurance, vehicle rental, alarm installation, cell phone rental, janitorial, hotel and cost per copy services; gardening and maintenance services; and packing/shipping services. Copies may be found in the Overseas Contracting and Simplified Acquisition Guidebook. Contracting officers need not develop their own determinations provided that they use A/OPE’s model solicitations. Contracting officers shall place a copy of the appropriate determination in the contract file.

Subpart 616.2 - Fixed-Price Contracts

616.203 - Fixed-price contracts with economic price adjustment.

616.203-4 Contract clauses.

Contracting officers at domestic contracting activities may use an economic price adjustment clause based on cost indexes of labor or material in accordance with the circumstances listed in FAR 16.203-4(d) and after obtaining the approval of the head of the contracting activity. Overseas posts may use the clause at 652.216-71, Price Adjustment, when procuring continuing services (e.g., guard, janitorial, building maintenance, and gardening). Posts shall obtain A/OPE approval for any price adjustment clause that differs from the clause at 652.216-71.

616.207 Firm-fixed-price, level-of-effort term contracts.

616.207-3 Limitations.

The head of the contracting activity is the chief of the contracting office for the purposes of FAR 16.207-3.

Subpart 616.5 - Indefinite-Delivery Contracts

616.504 Indefinite-quantity contracts.

(c) Multiple award preference--(1) Planning the acquisition.

(ii)(D)(1) The Procurement Executive is the head of the agency for the purposes of FAR 16.504(c)(1)(ii)(D)(1).

616.505 Ordering.

(b)(5) The Departmental Advocate for Competition is designated the task and delivery order ombudsman.

616.506 Solicitation provisions and contract clauses.

616.506-70 DOSAR contract clauses.

The contracting officer shall insert the clause at 652.216-70, Ordering - Indefinite-Delivery Contract, whenever the clause at FAR 52.216-20, Definite Quantity, or the clause at FAR 52.216-21,
Requirements, or the clause at [FAR 52.216-22](https://www.acq.os.dafa.mil/cgi-bin/farsearch/farread.pl?part=52&section=216-22), Indefinite Quantity, is used.

**Subpart 616.6 - Time-and-Materials, Labor-Hour, and Letter Contracts**

**616.603 Letter contracts.**

**616.603-2 Application.**

(a) Overseas contracting officers shall obtain approval from A/OPE before issuing any letter contract.

(c) The contracting officer, after obtaining approval of the head of the contracting activity, is authorized to extend the period to definitize a letter contract in accordance with [FAR 16.603-2](https://www.acq.os.dafa.mil/cgi-bin/farsearch/farread.pl?part=16&section=603-2)(c) and when such action is in the best interest of the Government. For this purpose, the contracting officer shall execute a written determination and findings, and submit it to the head of the contracting activity for approval. For cases where the contracting officer is also the head of the contracting activity, the Procurement Executive shall approve the determination and findings.