

# 16.603-4 Contract clauses.

(a) The contracting officer shall include in each letter contract the clauses required by this regulation for the type of definitive contract contemplated and any additional clauses known to be appropriate for it.

(b) In addition, the contracting officer shall insert the following clauses in solicitations and contracts when a letter contract is contemplated:

(1) The clause at [52.216-23](#), Execution and Commencement of Work, except that this clause may be omitted from letter contracts awarded on [SF 26](#);

(2) The clause at [52.216-24](#), Limitation of Government Liability, with dollar amounts completed in a manner consistent with [16.603-2\(d\)](#); and

(3) The clause at [52.216-25](#), Contract Definitization, with its paragraph (b) completed in a manner consistent with [16.603-2\(c\)](#). If at the time of entering into the letter contract, the contracting officer knows that the definitive contract will be based on adequate price competition or will otherwise meet the criteria of [15.403-1](#) for not requiring submission of certified cost or pricing data, the words "and certified cost or pricing data in accordance with FAR [15.408](#), [Table 15-2](#) supporting its proposal" may be deleted from paragraph (a) of the clause. If the letter contract is being awarded on the basis of price competition, the contracting officer shall use the clause with its Alternate I.

(c) The contracting officer shall also insert the clause at [52.216-26](#), Payments of Allowable Costs Before Definitization, in solicitations and contracts if a cost-reimbursement definitive contract is contemplated, unless the acquisition involves conversion, alteration, or repair of ships.

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