## **16.102 Policies.**

- (a) Contracts resulting from sealed bidding shall be firm-fixed-price contracts or fixed-price contracts with economic price adjustment.
- (b) Contracts negotiated under <u>part 15</u> may be of any type or combination of types that will promote the Government's interest, except as restricted in this part (see  $\underline{10 \text{ U.S.C. } 3321(a)}$  and  $\underline{41 \text{ U.S.C. } 3901}$ ). Contract types not described in this regulation shall not be used, except as a deviation under <u>subpart 1.4</u>.
- (c) The cost-plus-a-percentage-of-cost system of contracting shall not be used (see  $\underline{10~U.S.C.~3322(a)}$  and  $\underline{41~U.S.C.~3905(a)}$ ). Prime contracts (including letter contracts) other than firm-fixed-price contracts shall, by an appropriate clause, prohibit cost-plus-a-percentage-of-cost subcontracts (see clauses prescribed in  $\underline{\text{subpart}~44.2}$  for cost-reimbursement contracts and  $\underline{\text{subparts}~16.2}$  and  $\underline{16.4}$  for fixed-price contracts).
- (d) No contract may be awarded before the execution of any determination and findings (D&F's) required by this part. Minimum requirements for the content of D&F's required by this part are specified in 1.704.

Parent topic: Subpart 16.1 - Selecting Contract Types