16.207-3 Limitations.

This contract type may be used only when-

(a) The work required cannot otherwise be clearly defined;

(b) The required level of effort is identified and agreed upon in advance;

(c) There is reasonable assurance that the intended result cannot be achieved by expending less than the stipulated effort; and

(d) The contract price is the simplified acquisition threshold or less, unless approved by the chief of the contracting office.

Parent topic: <u>16.207 Firm-fixed-price</u>, level-of-effort term contracts.