

## 16.307 Contract clauses.

(a)

(1) The contracting officer shall insert the clause at [52.216-7](#), Allowable Cost and Payment, in solicitations and contracts when a cost-reimbursement contract or a time-and-materials contract (other than a contract for a commercial product or commercial service) is contemplated. If the contract is a time-and-materials contract, the clause at [52.216-7](#) applies in conjunction with the clause at [52.232-7](#), but only to the portion of the contract that provides for reimbursement of materials (as defined in the clause at [52.232-7](#)) at actual cost. Further, the clause at [52.216-7](#) does not apply to labor-hour contracts.

(2) If the contract is a construction contract and contains the clause at [52.232-27](#), Prompt Payment for Construction Contracts, the contracting officer shall use the clause at [52.216-7](#) with its Alternate I.

(3) If the contract is with an educational institution, the contracting officer shall use the clause at [52.216-7](#) with its Alternate II.

(4) If the contract is with a State or local government, the contracting officer shall use the clause at [52.216-7](#) with its Alternate III.

(5) If the contract is with a nonprofit organization other than an educational institution, a State or local government, or a nonprofit organization exempted under the OMB Uniform Guidance at 2 CFR part 200, appendix VIII, the contracting officer shall use the clause at [52.216-7](#) with its Alternate IV.

(b) The contracting officer shall insert the clause at [52.216-8](#), Fixed Fee, in solicitations and contracts when a cost-plus-fixed-fee contract (other than a construction contract) is contemplated.

(c) The contracting officer shall insert the clause at [52.216-9](#), Fixed-Fee-Construction, in solicitations and contracts when a cost-plus-fixed-fee construction contract is contemplated.

(d) The contracting officer shall insert the clause at [52.216-10](#), Incentive Fee, in solicitations and contracts when a cost-plus-incentive-fee contract is contemplated.

(e)

(1) The contracting officer shall insert the clause at [52.216-11](#), Cost Contract-No Fee, in solicitations and contracts when a cost-reimbursement contract is contemplated that provides no fee and is not a cost-sharing contract.

(2) If a cost-reimbursement research and development contract with an educational institution or a nonprofit organization that provides no fee or other payment above cost and is not a cost-sharing contract is contemplated, and if the contracting officer determines that withholding of a portion of allowable costs is not required, the contracting officer shall use the clause with its Alternate I.

(f)

(1) The contracting officer shall insert the clause at [52.216-12](#), Cost-Sharing Contract-No Fee, in

solicitations and contracts when a cost-sharing contract is contemplated.

(2) If a cost-sharing research and development contract with an educational institution or a nonprofit organization is contemplated, and if the contracting officer determines that withholding of a portion of allowable costs is not required, the contracting officer shall use the clause with its Alternate I.

(g) The contracting officer shall insert the clause at [52.216-15](#), Predetermined Indirect Cost Rates, in solicitations and contracts when a cost-reimbursement research and development contract with an educational institution (see [42.705-3\(b\)](#)) is contemplated and predetermined indirect cost rates are to be used.

**Parent topic:** [Subpart 16.3 - Cost-Reimbursement Contracts](#)