

SUBPART 216.1—SELECTING CONTRACT TYPES

(Revised November 27, 2019)

216.102 Policies.

(1) In accordance with section 829 of the National Defense Authorization Act for Fiscal Year 2017 (Pub. L. 114-328), the contracting officer shall first consider the use of fixed-price contracts, including fixed-price incentive contracts, in the determination of contract type. See [216.301-3\(2\)](#) for approval requirements for certain cost-reimbursement contracts.

(2) In accordance with section 811 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239), use of any cost-reimbursement line item for the acquisition of production of major defense acquisition programs is prohibited, unless the exception at [234.004\(2\)\(ii\)](#) applies.

(3) See [225.7301-1](#) for the requirement to use fixed-price contracts for acquisitions for foreign military sales.

216.104 Factors in selecting contract type.

Contracting officers shall follow the principles and procedures in Director, Defense Procurement and Acquisition Policy memorandum dated April 1, 2016, entitled “[Guidance on Using Incentive and Other Contract Types](#),” when selecting and negotiating the most appropriate contract type for a given procurement. See [PGI 216.104](#).

216.104-70 Research and development.

Follow the procedures at [PGI 216.104-70](#) for selecting the appropriate research and development contract type, and see [235.006\(b\)](#) for additional approval requirements.