

## 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 15-1](#) 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.](#)