

## 31.102 Fixed-price contracts.

The applicable subparts of [part 31](#) *shall* be used in the *pricing* of fixed-price contracts, subcontracts, and modifications to contracts and subcontracts whenever (a) cost analysis is performed, or (b) a fixed-price *contract clause* requires the determination or negotiation of costs. However, application of cost principles to fixed-price contracts and subcontracts *shall* not be construed as a requirement to negotiate agreements on individual elements of cost in arriving at agreement on the total price. The final price accepted by the parties reflects agreement only on the total price. Further, notwithstanding the mandatory use of cost principles, the objective will continue to be to negotiate prices that are fair and reasonable, cost and other factors considered.

**Parent topic:** [Subpart 31.1 - Applicability](#)