## **216.403-1** Fixed-price incentive (firm target) contracts.

(b) Application.

(1) The contracting officer shall give particular consideration to the use of fixed-price incentive (firm target) contracts, especially for acquisitions moving from development to production.

(2) The contracting officer shall pay particular attention to share lines and ceiling prices for fixedprice incentive (firm target) contracts, with a 120 percent ceiling and a 50/50 share ratio as the point of departure for establishing the incentive arrangement.

(3) See PGI <u>216.403-1</u> for guidance on the use of fixed-price incentive (firm target) contracts.

Parent topic: <u>216.403 Fixed-price incentive contracts.</u>