

## 52.216-11 Cost Contract-No Fee.

As prescribed in [16.307\(e\)](#), insert the clause in solicitations and contracts when a cost-reimbursement contract is contemplated that provides no fee and is not a cost-sharing contract. This clause may be modified by substituting "\$10,000" in lieu of "\$100,000" as the maximum reserve in paragraph (b) if the Contractor is a nonprofit organization.

Cost Contract-No Fee (Apr 1984)

(a) The Government shall not pay the Contractor a fee for performing this contract.

(b) After payment of 80 percent of the total estimated cost shown in the Schedule, the Contracting Officer may withhold further payment of allowable cost until a reserve is set aside in an amount that the Contracting Officer considers necessary to protect the Government's interest. This reserve shall not exceed onepercent of the total estimated cost shown in the Schedule or \$100,000, whichever is less.

(End of clause)

*Alternate I* (Apr 1984). In a contract for research and development with an educational institution or a nonprofit organization, for which the Contracting Officer has determined that withholding of a portion of allowable costs is not required, delete paragraph (b) of the basic clause.

**Parent topic:** [52.216 \[Reserved\]](#)