

<?xml encoding="UTF-8">

## **16.304 Cost-plus-incentive-fee contracts.**

A cost-plus-incentive-fee contract is a cost-reimbursement contract that provides for an initially negotiated fee to be adjusted later by a formula based on the relationship of total allowable costs to total target costs. Cost-plus-incentive-fee contracts are covered in [subpart 16.4](#), Incentive Contracts. See [16.405-1](#) for a more complete description and discussion of application of these contracts. See [16.301-3](#) for limitations.

**Parent topic:** [Subpart 16.3 - Cost-Reimbursement Contracts](#)