

16.207-3 Limitations.

This contract type may be used only when-

- (a) The work required cannot otherwise be clearly defined;
- (b) The required level of effort is identified and agreed upon in advance;
- (c) There is reasonable assurance that the intended result cannot be achieved by expending less than the stipulated effort; and
- (d) The contract price is the simplified acquisition threshold or less, unless approved by the chief of the contracting office.

Parent topic: [16.207 Firm-fixed-price, level-of-effort term contracts.](#)