

Contract Price Definitization (February 2003)

(a) A _____ [insert the type of contract] contract is contemplated. The Contractor agrees to begin promptly negotiating with the Contracting Officer the price and any price related terms of a _____ [insert the type of contract] contract. The Contractor agrees to submit a _____ [insert specific type of proposal (e.g., fixed-price or cost-and-fee)] proposal and cost or pricing data supporting its proposal.

(b) The schedule for negotiating the price of this contract is [insert target date for definitization of the contract price and dates for submission of proposal, beginning of negotiations, and, if appropriate, submission of make-or-buy and subcontracting plans and cost or pricing data]:

(c) If agreement on the contract price is not reached by the target date in paragraph (b) above, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price or fee, subject to Contractor appeal as provided in the "Contract Disputes" clause. In any event, the Contractor shall proceed with completion of the contract, subject only to the "Limitation of Government Liability" clause.

(1) After the Contracting Officer's determination of price or fee, the contract shall be governed by-

(i) All clauses required by the TSA Acquisition Management System on the date of execution of this letter contract for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);

(ii) All clauses required by law as of the date of the Contracting Officer's determination; and

(iii) Any other clauses, terms, and conditions mutually agreed upon.

(2) To the extent consistent with subparagraph (c)(1) above, all clauses, terms, and conditions included in this letter contract shall continue in effect, except those that by their nature apply only to a letter contract.

(d) The definitive contract resulting from this letter contract will include a total negotiated _____ [insert the description of the amount mutually agreed for the price ceiling, e.g. firm-fixed-price, total estimated-cost-plus-fixed-fee, or other appropriate description] in no event to exceed ---- [insert the mutually agreed amount of the price ceiling].

(End of clause)

PRESCRIPTION

May be used in RFI/RFPs and contracts when a letter contract is contemplated. The Contracting Officer should insert appropriate information in the clause.