

HHSAR Part 316—Types of Contracts

[Part 316—Types of Contracts](#)

[Subpart 316.3—Cost-reimbursement Contracts](#)

[316.307 Contract clauses.](#)

[Subpart 316.5—Indefinite-Delivery Contracts](#)

[316.505 Ordering.](#)

[316.603 Letter contracts.](#)

[316.603-3 Limitations.](#)

Part 316—Types of Contracts

Authority: 5 U.S.C. 301; 40 U.S.C. 121(c)(2).

Subpart 316.3—Cost-reimbursement Contracts

316.307 Contract clauses.

(a)(1) If a contract for research and development is with a hospital (profit or nonprofit), the contracting officer shall modify the “Allowable Cost and Payment” clause at [FAR 52.216-7](#) by deleting from paragraph (a) the words “Federal Acquisition Regulation (FAR) [subpart 31.2](#)” and substituting “45 CFR part 75.”

(2) The contracting officer shall also insert the clause at [352.216-70](#), Additional Cost Principles for Hospitals (Profit or Non-Profit), in solicitations and contracts with a hospital (profit or non-profit) when a cost-reimbursement contract is contemplated.

Subpart 316.5—Indefinite-Delivery Contracts

316.505 Ordering.

(b)(8) The Department of Health and Human Services (HHS) Competition Advocate is the task-order and delivery-order ombudsman for the department. Ombudsmen for each of the HHS contracting activities shall be designated in writing by the head of the contracting activity. See [part 306](#).

Subpart 316.6—Time-and-Materials, Labor-Hour, and **Letter Contracts**

316.603 Letter contracts.

316.603-3 Limitations.

An official one level above the contracting officer shall make the written determination, to be included in the contract file, that no other contract type is suitable and to approve all letter contract modifications. No letter contract or modification can exceed the limits prescribed in [FAR 16.603-2\(c\)](#).