

### Subpart 3516.3—Cost-Reimbursement Contracts

#### 3516.301 General.

##### 3516.301-3 Limitations.

(c) The following format shall be used and executed by the contracting officer as the determination and findings authorizing the use of a cost-reimbursement contract:

PANAMA CANAL COMMISSION

Determination and Findings

*Authority to Use Cost-Reimbursement Contract*

I hereby find that:

(1) The (Bureau/Division name) proposes to contract with (name of proposed contractor) for (describe work, service, or product) (identify program or project). The estimated cost is (\$\_\_\_\_\_) (if contract is CPMF type, insert, ("plus a fixed fee of (\$\_\_\_\_\_) which is \_\_\_ percent of the estimated cost exclusive of fee").

(2) (Set forth facts and circumstances that show why it is impracticable to acquire supplies or services of the kind or quality required without the use of the proposed type of contract or why the proposed method of contracting is likely to be less costly than other methods.)

I hereby determine that:

On the basis of the above findings, it is impracticable to acquire supplies or services of the kind or quality required without the use of a (cost, cost-sharing, or cost-plus-a-fixed fee\*) type of contract, or the (cost, cost-sharing, or cost-plus-a-fixed fee\*) method of contracting is likely to be less costly than other methods.

Date \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\*Contracting officer inserts appropriate type of contract.

The determination and findings for all cost-reimbursement and incentive/award fee type contracts shall be reviewed and approved by the HCA.

### Subpart 3516.6—Time-and-Materials, Labor-Hour, and Letter Contracts

#### 3516.601 Time-and-materials contracts.

(c) *Limitations.* The format prescribed in 3516.301-3(c) shall be used and executed by the contracting officer as the determination and findings authorizing the use of either a time-and-materials contract or a labor-hour contract, ex-

cept that in lieu of the final paragraph insert the following:

I hereby determine that:

On the basis of the above findings, no other type of contract will suitably serve for the acquisition of the required supplies or services.

#### 3516.603 Letter contracts.

##### 3516.603-2 Application.

(a) It is the policy of the Panama Canal Commission to refrain from issuing letter contracts. Exceptions to this policy will be permitted only in those cases in which all matters of a substantive nature, such as statements of work, delivery schedules, and general and special clauses have been resolved and agreed upon. Exceptions to this policy must be approved by the Administrator.

##### 3516.603-3 Limitations.

The cognizant HCA is designated to execute the prescribed determination that no other contract is suitable. However, if the cognizant HCA is to sign the letter contract as the contracting officer, the Procurement Executive shall execute the determination.

##### 3516.603-70 Information to be furnished when requesting authority to issue a letter contract.

The following information shall be included by the contracting officer in any memorandum requesting approval to issue a letter contract:

(a) Name and address of proposed contractor.

(b) Location where contract is to be performed.

(c) Contract number, including modification number, if possible.

(d) Brief description of work and services to be performed.

(e) Performance or delivery schedule.

(f) Amount of letter contract.

(g) Estimated total amount of defined contract.

(h) Type of contract to be executed (fixed price, cost-reimbursement, etc.)

(i) Statement of the necessity and advantage to the Commission of the use of the proposed letter contract.