

DOCUMENTATION OF CONTRACT PAYMENT TYPE SELECTION

This form shall be used to document how the contracting type was selected. To best determine which contract type is suitable, classify the situation by checking off the appropriate boxes below. All elements must apply to use selected type.¹ All references to "contractor" shall be treated the same as "consultant".

CONTRACT TYPE	Requirements to utilize contract type	SUBCONTRACT TYPE	Requirements to utilize subcontract type
☐ FIXED PRICE	☐ Commercial items, supplies, or low-risk service contracts with performance/functional/design specs ☐ Product/service must be delivered as specified and no payment can occur until the product/service that meets the contract specification is delivered ☐ Price that remains fixed irrespective of the contractor's cost experience in performing	☐ FIRM FIXED PRICE (LUMP SUM OR UNIT PRICE)	☐ Contractor has complete responsibility for costs of performance and resulting profit/loss
		☐ FIXED PRICE WITH ECONOMIC PRICE ADJUSTMENT	☐ Contingencies in contracting period will occur or contract is high risk ☐ Doubt of stability of costs/prices over extended period of time ☐ Price adjustment is based upon: ☐ Published indices ☐ Actual contractor costs ☐ Increase/decrease of published prices ☐ Contract defines circumstances under which economic price adjustment will be made and means by which it will be calculated
☐ COST REIMBURSEMENT	☐ Payment of allowable incurred costs to the extent prescribed in the contract ☐ Estimate of total cost that contractor cannot exceed without a written amendment ☐ Uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to establish fixed prices	☐ COMPLETION FORM	☐ Describes the scope of work by specifying an end product or definite goal ☐ Contractor must complete work and deliver end item as condition for payment of entire fee
		☐ TERM FORM	☐ Describes work in general terms and obligates contractor to devote specified level of effort for a stated time period ☐ Fixed fee is payable at expiration of stated period if contractor has furnished specified level of effort
☐ TIME AND MATERIALS	☐ Determination is made that no other type of contract is suitable ☐ Services or supplies ☐ Payment of labor costs is on basis of fixed hourly billing rates specified in contract (including wages, indirect costs, general & administrative expenses, and profit) ☐ Labor hours are flexible ☐ Materials are billed at cost ☐ Maximum obligation (ceiling price) is included in contract that cannot be exceeded without an amendment	☐ LABOR HOUR	☐ Materials are not supplied by contractor

Project Manager's Signature: _____ Date: _____

¹ FTA Best Practices Procurement Manual, Section 2.4.3