

SUBPART 216.5—INDEFINITE-DELIVERY CONTRACTS

(Revised May 5, 2011)

216.501 General.

(a)(i) For items with a shelf-life of less than six months, consider the use of indefinite-delivery type contracts with orders to be placed either—

(A) Directly by the users; or

(B) By central purchasing offices with deliveries direct to users.

(ii) Whenever an indefinite-delivery contract is issued, the issuing office must furnish all ordering offices sufficient information for the ordering office to complete its contract reporting responsibilities under 204.670-2. This data must be furnished to the ordering activity in sufficient time for the activity to prepare its report for the action within three working days of the order.

216.501-1 Definitions.

“Multiple award contract,” as used in this subpart, means--

(1) A multiple award task order contract entered into in accordance with FAR 16.504(c); or

(2) Any other indefinite-delivery, indefinite-quantity contract that an agency enters into with two or more sources under the same solicitation.

216.501-2 General.

(a) See [217.204](#)(e) for limitations on the period for task order or delivery order contracts awarded by DoD pursuant to 10 U.S.C. 2304a.

216.504 Indefinite-quantity contracts.

(c)(1)(ii)(D) *Limitation on single-award contracts.*

(1) The authority to make the determination authorized in FAR 16.504(c)(1)(ii)(D)(1)(iv) shall not be delegated below the level of the senior procurement executive.

(2) The head of the agency must notify the congressional defense committees within 30 days after any determination under this section and provide a copy of the determination and notification to the Deputy Director, Defense Procurement and Acquisition Policy (Contract Policy and International Contracting), OUSD(AT&L)/DPAP(CPIC), 3060 Defense Pentagon, Washington, DC 20301-3060. If the award concerns intelligence or intelligence-related activities of DoD, notification shall also be provided to the Select Committee on Intelligence of the Senate and Permanent Select Committee on Intelligence of the House of Representatives. (See sample notification at PGI [216.504](#)(c)(1)(ii)(D)(2).)

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(3) A copy of any determination made in accordance with FAR 16.504(c)(1)(ii)(D) shall be submitted to:

Deputy Director, Defense Procurement (Contract Policy and International Contracting), OUSD(AT&L)DPAP(CPIC),
3060 Defense Pentagon,
Washington, DC 20301-3060.

216.505 Ordering.

(1) Departments and agencies shall comply with the review, approval, and reporting requirements established in accordance with Subpart [217.78](#) when placing orders under non-DoD contracts in amounts exceeding the simplified acquisition threshold.

(2) Orders placed under indefinite-delivery contracts may be issued on DD Form 1155, Order for Supplies or Services.

216.505-70 Orders under multiple award contracts.

(a) This subsection--

(1) Implements Section 803 of the National Defense Authorization Act for Fiscal Year 2002 (Pub. L. 107-107) for the acquisition of services, and establishes similar policy for the acquisition of supplies;

(2) Applies to orders for supplies or services exceeding \$150,000 placed under multiple award contracts;

(3) Also applies to orders placed by non-DoD agencies on behalf of DoD; and

(4) Does not apply to orders for architect-engineer services, which shall be placed in accordance with the procedures in FAR Subpart 36.6.

(b) Each order exceeding \$150,000 shall be placed on a competitive basis in accordance with paragraph (c) of this subsection, unless this requirement is waived on the basis of a justification that is prepared and approved in accordance with FAR 8.405-6 and includes a written determination that--

(1) A statute expressly authorizes or requires that the purchase be made from a specified source; or

(2) One of the circumstances described at FAR 16.505(b)(2)(i) through (iv) applies to the order. Follow the procedures at PGI [216.505-70](#) if FAR 16.505(b)(2)(ii) or (iii) is deemed to apply.

(c) An order exceeding \$150,000 is placed on a competitive basis only if the contracting officer--

(1) Provides a fair notice of the intent to make the purchase, including a description of the supplies to be delivered or the services to be performed and the basis

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upon which the contracting officer will make the selection, to all contractors offering the required supplies or services under the multiple award contract; and

(2) Affords all contractors responding to the notice a fair opportunity to submit an offer and have that offer fairly considered.

(d) When using the procedures in this subsection--

(1) The contracting officer should keep contractor submission requirements to a minimum;

(2) The contracting officer may use streamlined procedures, including oral presentations;

(3) The competition requirements in FAR Part 6 and the policies in FAR Subpart 15.3 do not apply to the ordering process, but the contracting officer shall consider price or cost under each order as one of the factors in the selection decision; and

(4) The contracting officer should consider past performance on earlier orders under the contract, including quality, timeliness, and cost control.

216.506 Solicitation provisions and contract clauses.

(a) Insert the clause at [252.216-7006](#), Ordering, in lieu of the clause at 52.216-18, Ordering, in solicitations and contracts when a definite-quantity contract, a requirements contract, or an indefinite-quantity contract is contemplated.

(d) If the contract is for the preparation of personal property for shipment or storage (see 247.271-4), substitute paragraph (f) at [252.247-7015](#), Requirements, for paragraph (f) of the clause at FAR 52.216-21, Requirements.