



Homeland
Security

MEMORANDUM FOR: Heads of Contracting Activities

FROM: Sarah Green
Deputy Chief Procurement Officer

SUBJECT: FAR Class Deviation (Number 26-04) for FAR Part 16 in Support
of Executive Order on Restoring Common Sense to Federal
Procurement

1. **Purpose.** This memorandum approves a class deviation to Federal Acquisition Regulation (FAR) Part 16 for purposes of implementing the FAR Council's model deviation text to FAR Part 16.
2. **Background.** [Executive Order \(E.O.\) 14275, Restoring Common Sense to Federal Procurement](#), signed April 15, 2025, mandates a comprehensive review and simplification of the FAR.

The FAR is being updated to:

- Eliminate non-statutory language
- Remove redundant or obsolete language
- Enhance clarity through plain language
- Align with the new FAR framework
- Preserve essential governmentwide acquisition standards

This project is referred to as the Revolutionary FAR Overhaul (RFO) initiative. This initiative will make the FAR more concise, understandable, and focused on core procurement requirements.

3. **Summary of Changes.** FAR Part 16, *Types of Contracts*, clarifies complicated policies and procedures for selecting contract type and gives the acquisition workforce new tools and flexibilities to support the guiding principles of the FAR System.

Key new improvements and flexibilities to part 16 include:

- **Innovative contract types** that empower contracting offices to use novel contract structures. Examples of innovative contract types are expected to be included in the FAR Companion and other strategic acquisition guidance.

- Significant **task and delivery order procedure simplification** that will help reduce administrative errors, enhance consistency, and streamline the ordering process for both federal buyers and multiple-award contract holders.
- **On-and-off ramps** to maintain current, competitive, and innovative pools of vendors on multiple-award contracts.
- **Blanket purchase agreements** are allowed for repetitive requirements under all multiple award contracts, providing consistency with ordering procedures for Federal Supply Schedules.

The following statutory requirements are retained in the RFO FAR part 16 model deviation, include but may not be limited to, the following:

- 10 U.S.C. §§ 3321 et seq and 41 U.S.C. §§ 3901 et seq: Specific Types of Contracts
- 10 U.S.C. §§ 3371 et seq: Undefined Contractual Actions
- 10 U.S.C. §§ 3401 et seq and 41 U.S.C. 4101 §§ et seq: Task and Delivery Order Contracts
- 41 U.S.C. § 3302: Requirements for Purchase of Property and Services Pursuant to Multiple Award Contracts
- Pub. L. 109-364 Section 814 and 41 U.S.C. § 4711: Linking of Award and Incentive Fees to Acquisition Outcomes

Change	Description
Retained	• 16.001, “Definitions”, is retained without changes. • All provisions and clauses have been retained (or remain reserved) with no changes except for four noted in the “Moved/Updated” section below.
Moved/Updated	• 16.000, “Scope of Part”, is updated to add an important new sentence: “Except for limited instructions regarding the placement of task and delivery orders, the entirety of this part applies to the pre-solicitation phase and is meant to guide in acquisition planning.” • Subpart 16.1, “Selecting Contract Types”, has been significantly restructured to consolidate policies, emphasize documentation, and provide greater flexibility to contracting officers. • 16.101(a), “Policies”, clarifies that “contract types that promote the best interests of the Government, but are not described in this regulation, are permitted for use in accordance with agency procedures”. ○ This replaces the more restrictive policy in the former 16.102(b), which stated that unlisted contract types “shall not be used, except as a deviation under subpart 1.4”. ○ This update represents a deliberate shift from a restrictive to a permissive framework, empowering contracting officers to use

	novel and innovative contract structures consistent with the “Guiding Principles for the System” in RFO FAR 1.102. ● 16.104, “Solicitation Provision”, updates the prescription for using the provision at “52.216-1, Type of Contract”. ○ It has been changed from mandatory (“The contracting officer shall...insert”) to discretionary (“The contracting officer may...insert”). ○ A new Alternate I has been added for use when the solicitation allows offerors to propose an alternative contract type, reinforcing the push for greater flexibility and industry input. ● Subpart 16.2 “Fixed-Price Contracts”, is retained and streamlined to include updated guidance for ease of the reader. ● Subpart 16.3, “Cost-Reimbursement Contracts”, has been substantially streamlined and reorganized by consolidating descriptions and relocating all incentive-based contract types to subpart 16.4, “Incentive Contracts”. This restructuring declutters the subpart by removing redundant text and consolidating guidance for complex incentive contract types. ○ New 16.302, “Cost contracts”, and 16.303, “Cost-sharing contracts”, are reduced to single-sentence descriptions, whereas the former text included separate subsections for “Description”, “Application”, and “Limitations”. ○ The content for “Cost-Plus-Incentive-Fee” (former 16.304) and “Cost-Plus-Award-Fee” (former 16.305) contracts has been deleted from this subpart and moved to 16.405 and 16.402-3, respectively. ● Subpart 16.4, “Incentive Contracts”, has undergone a complete reorganization to consolidate all incentive-related policies and contract type descriptions into a single subpart. The changes centralize content, particularly for award-fee contracts, to ensure consistent application. ● Subpart 16.5, “Indefinite-Delivery Contracts”, has been revised to clearly outline for the acquisition workforce the types of task and delivery order contracts and how to utilize them. ● 16.504-4, “On-ramps and off-ramps”, is a new subsection that authorizes “on-ramping” (adding new contractors) and “off-ramping” (removing contractors) from a multiple-award contract during its ordering period. ● The content of the former 16.505, “Ordering”, is now distributed across three new sections: ○ New 16.506, “Postaward Procedures for Placement of Task and Delivery Orders”, consolidates the general administrative requirements for contents of orders (formerly in 16.505(a)(7)) and other general post-award rules.
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	○ New 16.507, “Additional ordering procedures for multiple-award contracts”, is now the central location for all rules related to the requirement to provide fair opportunity to be considered for orders or Blanket Purchase Agreements (BPA). It is broken down by dollar value and contains the rules for orders below the micro-purchase threshold (MPT), fair opportunity for orders and BPAs above the MPT, exceptions to fair opportunity, brand-name justifications, and the new authorization for BPAs. ▪ 16.507-2(a)(2), under “Fair opportunity procedures”, emphasizes that the contracting officer has broad discretion to develop appropriate order placement procedures and encourages innovative techniques highlighted in the Periodic Table of Acquisition Innovations. ▪ 16.507-2(c)(3), “Blanket Purchase Agreements”, is a new subsection that explicitly authorizes the establishment of BPAs under multiple-award IDIQ contracts to fill repetitive needs, if authorized in the master contract. • Note - Contracting Officers must establish ordering procedures in the BPA that ensure BPA holders (but not other multiple-award contractors) are provided the fair opportunity procedures in 16.507-3 through -5. ▪ 16.507-3 through -5 consolidate fair opportunity procedures and documentation requirements for orders valued above the MPT, above the SAT, and above \$7.5 million (\$6 million prior to October 1, 2025). ▪ 16.507-4(a), clarifies the requirement to provide fair notice of intent to place an order for orders or BPAs valued above the SAT. ▪ 16.507-5(a) clarifies additional fair notice requirements for orders or BPAs valued above \$7.5 million (\$6 million prior to October 1, 2025) (previously at 16.505(b)(1)(iii)-(iv)). ○ New 16.508, “Protests of orders”, consolidates all rules regarding the protest of task and delivery orders (previously at 16.505(a)(10)). ● Subpart 16.6, “Time-and-Materials, Labor-Hour, and Letter Contracts” is improved for readability and to provide clarity on these high-risk contract types. ● Subpart 16.7, “Agreements”, is updated with structural formatting updates to improve clarity. ● The following provision and clauses have been updated to reflect
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	plain language, update cross-references, or to correspond with updates made within the part: ○ 52.216-1 (Provision), Type of Contract ○ 52.216-7 (Clause), Allowable Cost and Payment ○ 52.216-21 (Clause), Requirements ○ 52.216-22 (Clause), Indefinite Quantity ● The FAR Companion is expected to include best practice information on the following: ○ Selecting contract types ○ Factors in selecting contract type ○ Guidance when ceiling prices are established for fixed-price contracts with prospective price redetermination ○ Guidance on cost controls of fixed-ceiling-price contracts with retroactive price redetermination ○ Guidance on when to consider use of a completion or term form of a cost-plus-fixed-fee contract ○ Guidance on application of technical performance incentives ○ Guidance on structuring and applying firm and successive target fixed-price incentive contracts ○ Guidance on application of cost-plus-incentive fee contracts
Removed	● Obsolete American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5)(ARRA) Provision (from former 16.505(a)(11)): All requirements related to publicizing orders funded by the ARRA have been removed as obsolete.

This table is not an exhaustive list.

4. Instructions.

- The Department of Homeland Security (DHS) acquisition workforce shall follow the RFO Part 16 model deviation text instead of FAR Part 16 as codified at 48 CFR Chapter 1. The Council's RFO part 16 model deviation text is available at <https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-16> and is incorporated into this class deviation.
- For new solicitations or contracts, when using any provisions or clauses that have been revised, utilize the RFO model deviation language in Attachment 1.
- For open solicitations or awarded contracts, the contracting officer has discretion regarding the need to enforce or amend the provisions or clauses. Note that without some of the removed provisions or clauses, the contracting officer may be required to separately address certain aspects in the contract.
- Contracting officers for multiple award contract vehicles established prior to the effective date of this deviation, using part 16 procedures, are encouraged to modify existing contracts to allow for the establishment of BPAs (see 16.504-5(h)(2)).

- Contracting activities must review templates and related standard operating procedures to align with this class deviation and remove unnecessary processes and steps.
5. **Applicability.** This class deviation applies to all DHS procurements.
 6. **Authority.** This class deviation is issued under the authority of EO 14275, [OMB Memo M-25-26](#), 48 CFR 1.4, and RFO FAR 1.304.
 7. **Effective Date.** This class deviation is effective November 3, 2025, and remains in effect until rescinded or incorporated into the FAR.
 8. **Points of Contact.** Questions regarding this class deviation may be directed to Acquisition Policy and Legislation Branch at Acquisition.Policy@hq.dhs.gov.

Attachment:

1. FAR Part 16 Solicitation Provisions and Contract Clauses Revisions

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

Subpart 52.2—Text of Provisions and Clauses

52.216-1 Type of Contract.

As prescribed in 16.104, complete and insert the following provision:

Type of Contract (OCT 2025) (DEVIATION 26-04) (effective November 3, 2025)

The Government contemplates award of a _____ *[Contracting Officer insert specific type of contract]* contract resulting from this solicitation.

(End of provision)

Alternate I (OCT 2025) (DEVIATION 26-04) (effective November 3, 2025). As prescribed in 16.104, Include the following as paragraph (a) of the basic provision:

Offerors may propose an alternative contract type.

52.216-7 Allowable Cost and Payment.

As prescribed in 16.305(a), insert the following clause:

Allowable Cost and Payment (OCT 2025) (DEVIATION 26-04) (effective November 3, 2025)

(a) Invoicing.

(1) The Government will make payments to the Contractor when requested as work progresses, but (except for small business concerns) not more often than once every 2 weeks, in amounts determined to be allowable by the Contracting Officer in accordance with Federal Acquisition Regulation (FAR) subpart 31.2 in effect on the date of this contract and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for performing this contract.

(2) Contract financing payments are not subject to the interest penalty provisions of the Prompt Payment Act. Interim payments made prior to the final payment under the contract are contract financing payments, except interim payments if this contract contains

Alternate I to the clause at 52.232-25.

(3) The designated payment office will make interim payments for contract financing on the _____ *[Contracting Officer insert day as prescribed by agency head; if not prescribed, insert "30th"]* day after the designated billing office receives a proper payment request. In the event that the Government requires an audit or other review of a specific payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the specified due date.

(b) Reimbursing costs.

(1) For the purpose of reimbursing allowable costs (except as provided in paragraph (b)(2) of this clause, with respect to pension, deferred profit sharing, and employee stock ownership plan contributions), the term "costs" includes only—

(i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the contract;

(ii) When the Contractor is not delinquent in paying costs of contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for—

(A) Supplies and services purchased directly for the contract and associated financing payments to subcontractors, provided payments determined due will be made—

(1) In accordance with the terms and conditions of a subcontract or invoice; and

(2) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government;

(B) Materials issued from the Contractor's inventory and placed in the production process for use on the contract;

(C) Direct labor;

(D) Direct travel;

(E) Other direct in-house costs; and

(F) Properly allocable and allowable indirect costs, as shown in the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts; and

(iii) The amount of financing payments that have been paid by cash, check, or other forms of payment to subcontractors.

(2) Accrued costs of Contractor contributions under employee pension plans shall be excluded until actually paid unless-

(i) The Contractor's practice is to make contributions to the retirement fund quarterly or more frequently; and

(ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractor's indirect costs for payment purposes).

(3) Notwithstanding the audit and adjustment of invoices or vouchers under paragraph (g) of this clause, allowable indirect costs under this contract shall be obtained by applying indirect cost rates established in accordance with paragraph (d) of this clause.

(4) Any statements in specifications or other documents incorporated in this contract by reference designating performance of services or furnishing of materials at the Contractor's expense or at no cost to the Government shall be disregarded for purposes of cost-reimbursement under this clause.

(c) *Small business concerns.* A small business concern may receive more frequent payments than every 2 weeks.

(d) Final indirect cost rates.

(1) Final annual indirect cost rates and the appropriate bases shall be established in accordance with subpart 42.7 of the Federal Acquisition Regulation (FAR) in effect for the period covered by the indirect cost rate proposal.

(2)

(i) The Contractor shall submit an adequate final indirect cost rate proposal to the Contracting Officer (or cognizant Federal agency official) and auditor within the 6-month period following the expiration of each of its fiscal years. Reasonable extensions, for exceptional circumstances only, may be requested in writing by the Contractor and granted in writing by the Contracting Officer. The Contractor shall support its proposal with adequate supporting data.

(ii) The proposed rates shall be based on the Contractor's actual cost experience for that period. The appropriate Government representative and the Contractor shall establish the final indirect cost rates as promptly as practical after receipt of the Contractor's proposal.

(iii) An adequate indirect cost rate proposal shall include the following data unless otherwise specified by the cognizant Federal agency official:

(A) Summary of all claimed indirect expense rates, including pool, base,

and calculated indirect rate.

(B) *General and Administrative expenses (final indirect cost pool).*

Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts).

(C) *Overhead expenses (final indirect cost pool).* Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) for each final indirect cost pool.

(D) *Occupancy expenses (intermediate indirect cost pool).* Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) and expense reallocation to final indirect cost pools.

(E) Claimed allocation bases, by element of cost, used to distribute indirect costs.

(F) Facilities capital cost of money factors computation.

(G) Reconciliation of books of account (*i.e.*, General Ledger) and claimed direct costs by major cost element.

(H) Schedule of direct costs by contract and subcontract and indirect expense applied at claimed rates, as well as a subsidiary schedule of Government participation percentages in each of the allocation base amounts.

(I) Schedule of cumulative direct and indirect costs claimed and billed by contract and subcontract.

(J) *Subcontract information.* Listing of subcontracts awarded to companies for which the contractor is the prime or upper-tier contractor (include prime and subcontract numbers; subcontract value and award type; amount claimed during the fiscal year; and the subcontractor name, address, and point of contact information).

(K) Summary of each time-and-materials and labor-hour contract information, including labor categories, labor rates, hours, and amounts; direct materials; other direct costs; and, indirect expense applied at claimed rates.

(L) Reconciliation of total payroll per IRS form 941 to total labor costs distribution.

(M) Listing of decisions/agreements/approvals and description of accounting/organizational changes.

(N) Certificate of final indirect costs (see 52.242-4, Certification of Final Indirect Costs).

(O) Contract closing information for contracts physically completed in this fiscal year (include contract number, period of performance, contract ceiling amounts, contract fee computations, level of effort, and indicate if the contract is ready to close).

(iv) The following supplemental information is not required to determine if a proposal is adequate, but may be required during the audit process:

(A) Comparative analysis of indirect expense pools detailed by account to prior fiscal year and budgetary data.

(B) General organizational information and limitation on allowability of compensation for certain contractor personnel. See 31.205-6(p). Additional salary reference information is available at <https://www.whitehouse.gov/wp-content/uploads/2017/11/ContractorCompensationCapContractsAwardedBeforeJune24.pdf> and <https://www.whitehouse.gov/wp-content/uploads/2017/11/ContractorCompensationCapContractsAwardedAfterJune24.pdf>.

(C) Identification of prime contracts under which the contractor performs as a subcontractor.

(D) Description of accounting system (excludes contractors required to submit a CAS Disclosure Statement or contractors where the description of the accounting system has not changed from the previous year's submission).

(E) Procedures for identifying and excluding unallowable costs from the costs claimed and billed (excludes contractors where the procedures have not changed from the previous year's submission).

(F) Certified financial statements and other financial data (*e.g.*, trial balance, compilation, review, *etc.*).

(G) Management letter from outside CPAs concerning any internal control weaknesses.

(H) Actions that have been and/or will be implemented to correct the weaknesses described in the management letter from subparagraph (G) of this section.

(I) List of all internal audit reports issued since the last disclosure of

internal audit reports to the Government.

(J) Annual internal audit plan of scheduled audits to be performed in the fiscal year when the final indirect cost rate submission is made.

(K) Federal and State income tax returns.

(L) Securities and Exchange Commission 10-K annual report.

(M) Minutes from board of directors meetings.

(N) Listing of delay claims and termination claims submitted which contain costs relating to the subject fiscal year.

(O) Contract briefings, which generally include a synopsis of all pertinent contract provisions, such as: contract type, contract amount, product or service(s) to be provided, contract performance period, rate ceilings, advance approval requirements, pre-contract cost allowability limitations, and billing limitations.

(v) The Contractor shall update the billings on all contracts to reflect the final settled rates and update the schedule of cumulative direct and indirect costs claimed and billed, as required in paragraph (d)(2)(iii)(I) of this section, within 60 days after settlement of final indirect cost rates.

(3) The Contractor and the appropriate Government representative shall execute a written understanding setting forth the final indirect cost rates. The understanding shall specify (i) the agreed-upon final annual indirect cost rates, (ii) the bases to which the rates apply, (iii) the periods for which the rates apply, (iv) any specific indirect cost items treated as direct costs in the settlement, and (v) the affected contract and/or subcontract, identifying any with advance agreements or special terms and the applicable rates. The understanding shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this contract. The understanding is incorporated into this contract upon execution.

(4) Failure by the parties to agree on a final annual indirect cost rate shall be a dispute within the meaning of the Disputes clause.

(5) Within 120 days (or longer period if approved in writing by the Contracting Officer) after settlement of the final annual indirect cost rates for all years of a physically complete contract, the Contractor shall submit a completion invoice or voucher to reflect the settled amounts and rates. The completion invoice or voucher shall include settled subcontract amounts and rates. The prime contractor is responsible for settling subcontractor amounts and rates included in the completion invoice or voucher and providing status of subcontractor audits to the contracting officer upon request.

(6)

(i) If the Contractor fails to submit a completion invoice or voucher within the time specified in paragraph (d)(5) of this clause, the Contracting Officer may-

(A) Determine the amounts due to the Contractor under the contract; and

(B) Record this determination in a unilateral modification to the contract.

(ii) This determination constitutes the final decision of the Contracting Officer in accordance with the Disputes clause.

(e) *Billing rates.* Until final annual indirect cost rates are established for any period, the Government shall reimburse the Contractor at billing rates established by the Contracting Officer or by an authorized representative (the cognizant auditor), subject to adjustment when the final rates are established. These billing rates-

(1) Shall be the anticipated final rates; and

(2) May be prospectively or retroactively revised by mutual agreement, at either party's request, to prevent substantial overpayment or underpayment.

(f) *Quick-closeout procedures.* Quick-closeout procedures are applicable when the conditions in FAR 42.708(a) are satisfied.

(g) *Audit.* At any time or times before final payment, the Contracting Officer may have the Contractor's invoices or vouchers and statements of cost audited. Any payment may be-

(1) Reduced by amounts found by the Contracting Officer not to constitute allowable costs; or

(2) Adjusted for prior overpayments or underpayments.

(h) *Final payment.*

(1) Upon approval of a completion invoice or voucher submitted by the Contractor in accordance with paragraph (d)(5) of this clause, and upon the Contractor's compliance with all terms of this contract, the Government shall promptly pay any balance of allowable costs and that part of the fee (if any) not previously paid.

(2) The Contractor shall pay to the Government any refunds, rebates, credits, or other amounts (including interest, if any) accruing to or received by the Contractor or any assignee under this contract, to the extent that those amounts are properly allocable to costs for which the Contractor has been reimbursed by the Government. Reasonable expenses incurred by the Contractor for securing refunds, rebates, credits, or other amounts shall be allowable costs if approved by the Contracting Officer. Before final payment under this contract, the Contractor and each assignee whose assignment is in

effect at the time of final payment shall execute and deliver-

(i) An assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including interest, if any) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and

(ii) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, except-

(A) Specified claims stated in exact amounts, or in estimated amounts when the exact amounts are not known;

(B) Claims (including reasonable incidental expenses) based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided, that the claims are not known to the Contractor on the date of the execution of the release, and that the Contractor gives notice of the claims in writing to the Contracting Officer within 6 years following the release date or notice of final payment date, whichever is earlier; and

(C) Claims for reimbursement of costs, including reasonable incidental expenses, incurred by the Contractor under the patent clauses of this contract, excluding, however, any expenses arising from the Contractor's indemnification of the Government against patent liability.

(End of clause)

Alternate I (FEB 1997). As prescribed in 16.307(a)(2), substitute the following paragraph (b)(1)(iii) for paragraph (b)(1)(iii) of the basic clause:

(iii) The amount of progress and other payments to the Contractor's subcontractors that either have been paid, or that the Contractor is required to pay pursuant to the clause of this contract entitled "Prompt Payment for Construction Contracts." Payments shall be made by cash, check, or other form of payment to the Contractor's subcontractors under similar cost standards.

Alternate II (AUG 2012). As prescribed in 16.307 (a)(3), substitute the following paragraph (a)(1) for paragraph (a)(1) of the basic clause:

(a)(1) The Government will make payments to the Contractor when requested as work progresses, but not more often than once every two weeks, in amounts determined to be allowable by the Contracting Officer in accordance with subpart 31.3 in effect on the date of this contract and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for

performing this contract.

Alternate III (AUG 2012). As prescribed in 16.307 (a)(4), substitute the following paragraph (a)(1) for paragraph (a)(1) of the basic clause:

(a)(1) The Government will make payments to the Contractor when requested as work progresses, but not more often than once every two weeks, in amounts determined to be allowable by the Contracting Officer in accordance with subpart 31.6 in effect on the date of this contract and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for performing this contract.

Alternate IV (AUG 2012). As prescribed in 16.307 (a)(5), substitute the following paragraph (a)(1) for paragraph (a)(1) of the basic clause:

(a)(1) The Government will make payments to the Contractor when requested as work progresses, but not more often than once every two weeks, in amounts determined to be allowable by the Contracting Officer in accordance with subpart 31.7 in effect on the date of this contract and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for performing this contract.

52.216-21 Requirements.

As prescribed in 16.505(d), insert the following clause:

Requirements (OCT 2025) (DEVIATION 26-04) (effective November 3, 2025)

(a) This is a requirements contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies or services specified in the Schedule are estimates only and are not purchased by this contract. Except as this contract may otherwise provide, if the Government's requirements do not result in orders in the quantities described as "estimated" or "maximum" in the Schedule, that fact shall not constitute the basis for an equitable price adjustment.

(b) Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. Subject to any limitations in the Order Limitations clause or elsewhere in this contract, the Contractor shall furnish to the Government all supplies or services specified in the Schedule and called for by orders issued in accordance with the Ordering clause. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

(c) Except as this contract otherwise provides, the Government shall order from the Contractor all the supplies or services specified in the Schedule that are required to be purchased by the Government activity or activities specified in the Schedule.

(d) The Government is not required to purchase from the Contractor requirements in excess of any limit on total orders under this contract.

(e) If the Government urgently requires delivery of any quantity of an item before the earliest date that delivery may be specified under this contract, and if the Contractor will not accept an order providing for the accelerated delivery, the Government may acquire the urgently required goods or services from another source.

(f) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period; *provided*, that the Contractor shall not be required to make any deliveries under this contract after _____ *[insert date]*.

Alternate I (Apr 1984). If the requirements contract is for nonpersonal services and related supplies and covers estimated requirements that exceed a specific Government activity's internal capability to produce or perform, substitute the following paragraph (c) for paragraph (c) of the basic clause:

(c) The estimated quantities are not the total requirements of the Government activity specified in the Schedule, but are estimates of requirements in excess of the quantities that the activity may itself furnish within its own capabilities. Except as this contract otherwise provides, the Government shall order from the Contractor all of that activity's requirements for supplies and services specified in the Schedule that exceed the quantities that the activity may itself furnish within its own capabilities.

Alternate II (Apr 1984). If the requirements contract includes subsistence for both Government use and resale in the same Schedule, and similar products may be acquired on a brand-name basis, add the following paragraph (g) to the basic clause:

(g) The requirements referred to in this contract are for items to be manufactured according to Government specifications. Notwithstanding anything to the contrary stated in the contract, the Government may acquire similar products by brand name from other sources for resale.

Alternate III (Oct 1995). If the requirements contract involves a partial small business set-aside, substitute the following paragraph (c) for paragraph (c) of the basic clause:

(c) The Government's requirements for each item or sub-item of supplies or services described in the Schedule are being purchased through one non-set-aside contract and one set-aside contract. Therefore, the Government shall order from each Contractor approximately one-half of the total supplies or services specified in the Schedule that are required to be purchased by the specified

Government activity or activities. The Government may choose between the set-aside Contractor and the non-set-aside Contractor in placing any particular order. However, the Government shall allocate successive orders, in accordance with its delivery requirements, to maintain as close a ratio as is reasonably practicable between the total quantities ordered from the two Contractors.

Alternate IV (Oct 1995). If the contract includes subsistence for both Government use and resale in the same Schedule and similar products may be acquired on a brand-name basis and the contract also involves a partial small business set-aside, substitute the following paragraph (c) for paragraph (c) of the basic clause and add the following paragraph (g) to the basic clause:

(c) The Government's requirements for each item or sub-item of supplies or services described in the Schedule are being purchased through one non-set-aside contract and one set-aside contract. Therefore, the Government shall order from each Contractor approximately one-half of the total supplies or services specified in the Schedule that are required to be purchased by the specified Government activity or activities. The Government may choose between the set-aside Contractor and the non-set-aside Contractor in placing any particular order. However, the Government shall allocate successive orders, in accordance with its delivery requirements, to maintain as close a ratio as is reasonably practicable between the total quantities ordered from the two Contractors.

(g) The requirements referred to in this contract are for items to be manufactured according to the Government specifications. Notwithstanding anything to the contrary stated in the contract, the Government may acquire similar products by brand name from other sources for resale.

52.216-22 Indefinite Quantity.

As prescribed in 16.505(e), insert the following clause:

Indefinite Quantity (OCT 2025) (DEVIATION 26-04) (effective November 3, 2025)

(a) This is an indefinite-quantity contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies and services specified in the Schedule are estimates only and are not purchased by this contract.

(b) Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. The Contractor shall furnish to the Government, when and if ordered, the supplies or services specified in the Schedule up to and including the quantity designated in the Schedule as the "maximum." The Government shall order at least the quantity of supplies or services designated in the Schedule as the "minimum."

(c) Except for any limitations on quantities in the Order Limitations clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

(d) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government's rights and obligations with respect to that order

to the same extent as if the order were completed during the contract's effective period; *provided*, that the Contractor shall not be required to make any deliveries under this contract after _____ *[insert date]*.

(End of clause)

Alternate I (OCT 2025) (DEVIATION 26-04) (**effective November 3, 2025**). As prescribed in 16.505(e)(1), add a paragraph (e) substantially the same as the following to the basic clause:

(e) Either party may cancel this contract in whole or in part by providing written notice. The cancellation will take effect 30 calendar days after the other party receives the notice of cancellation. If either party makes such notification, no further orders may be issued against the contract, but orders already awarded will be completed unless a termination action is taken against the order. If the Contractor elects to cancel this contract, the Government will not reimburse the minimum guarantee.

Alternate II (OCT 2025) (DEVIATION 26-04) (**effective November 3, 2025**). As prescribed in 16.505(e)(2), add paragraphs (e) and (f) substantially the same as the following to the basic clause:

(e) The Government may cancel this contract in whole or in part by providing written notice. The cancellation will take effect 30 calendar days after the contractor receives the notice of cancellation. No further orders may be issued against the contract, but orders already awarded will be completed unless a termination action is taken against the order.

(f) The Contractor may request to cancel this contract by submitting a written cancellation request to the contracting officer. The cancellation will take effect 30 calendar days after the Government receives the cancellation request, unless the contracting officer informs the contractor, before cancellation is effective, that cancellation is not approved. A contractor who requests cancellation is not eligible for the minimum guarantee. If cancelled, no further orders may be issued against the contract, but orders already awarded will be completed unless a termination action is taken against the order.