

PART 16 — TYPES OF CONTRACTS

TABLE OF CONTENTS

SUBPART 16.5 — INDEFINITE-DELIVERY CONTRACTS

- 16.501 General
 - (S-101) Applicability
 - (S-102) Planning for Use of IDCs
 - (S-103) General Limitations on Use of IDCs
- 16.504 Indefinite-quantity contracts.
- 16.505 Ordering

SUBPART 16.6 — TIME-AND-MATERIALS, LABOR-HOUR, AND LETTER CONTRACTS

- 16.603 Letter contracts.
 - 16.603-3 Limitations.

ENGINEER FAR SUPPLEMENT (EFARS)

PART 16 — FEDERAL ACQUISITION REGULATIONS SYSTEM

SUBPART 16.5 — INDEFINITE-DELIVERY CONTRACTS

16.501 General

(S-101) Applicability.

This subpart applies to all USACE indefinite delivery contracts (IDCs), including contracts for architect-engineer (A-E) services (see Subpart 36.6).

(S-102) Planning for Use of IDCs.

(a) Planning for use of IDCs will be documented in the Overall Acquisition Strategy (see Part 7).

(b) The scope of each IDC shall be as specific as possible, rather than consolidating a broad range of services or supplies (such as multiple North American Industrial Classification System (NAICS) codes), and limited to known or reasonably expected requirements within the geographical boundaries of the originating organization or regional business center.

(c) The contracting officer must make every reasonable effort to ensure that sufficient work is available for award under the contract to avoid the potential for an underutilized contract. Each contract to be awarded must provide a reasonable expectation for the maximum amount of the contract.

(d) The solicitation should include an estimated workload for each performance period for purposes of evaluating capacity to accomplish the required work.

(S-103) General Limitations on Use of IDCs.

(a) IDCs may be used *only if* one or more of the following conditions applies --

(1) The cost to procure the required services or supplies individually through normal selection procedures is uneconomical compared to the cost of the services or supplies themselves;

(2) the time required to procure the required services or supplies individually through normal selection procedures will cause an unacceptable delay in fulfilling the requirements;

(3) technical continuity among related requirements is essential;

(4) significant cost savings in contract price and/or contract administration will accrue by having a single contractor perform several similar requirements; or

(5) management of more than one contractor on an installation presents unacceptable administration problems in such areas as coordination and movement of work forces and equipment, separation and acceptance of contractor responsibility, and verification of performance and progress.

(b) The maximum amount for each individual IDC shall be based on an analysis of the type of work, anticipated workload, effects on competition, and the capability of small businesses to compete for the required work.

(c) A maximum amount may either be specified for individual periods of the contract or for the total life of the contract (base period plus all option periods).

ENGINEER FAR SUPPLEMENT (EFARS)

PART 16 — FEDERAL ACQUISITION REGULATIONS SYSTEM

(d) For a multiple award IDC procurement, generally, the maximum amount for each IDC should equal the total anticipated requirements for the procurement in order to allow each awardee fair opportunity to be considered for each task order.

(e) The contract file will be documented prior to release of the solicitation with the appropriate analysis and coordination for the contract decisions mentioned above, in sufficient detail to justify each decision.

16.504 Indefinite-quantity contracts.

(a)(1) The dollar amount for the stated minimum quantity shall be obligated at the time of the award of the base contract (preferably by simultaneous issue of the first order) and at the time of exercising each contract option. Each IDC shall require the Government at a minimum to order supplies or services priced at:

(i) Two percent of the stated maximum for the base period or \$500,000, whichever is less, and

(ii) For any option period that is exercised, one percent of the stated maximum or \$250,000, whichever is less.

(iii) When a maximum amount is specified for the total life of the contract (see 16.501 (S-103) (d)) the minimum amount shall be calculated based on the average amount per period (i.e. maximum amount divided by number of periods). For a multiple award IDC procurement (see 16.501 (S-103) (d)), the minimum amount shall be based on the average amount per period divided by the number of contracts.

16.505 Ordering.

(b)(1) When two or more IDCs contain the same or overlapping scopes of work so that a particular task order might be issued under more than one of the contracts (including multiple award contracts), the solicitations and the contracts shall state the criteria to be used by the government when selecting the contract that best meets its need. The criteria shall provide a fair opportunity for all awardees to be considered for each order.

(i) Appropriate criteria include performance and quality of deliverables under the current IDCs, an awardee's ability to accomplish the order in the required time, uniquely specialized experience, price (except for A-E services), and other relevant factors.

(ii) Appropriately document the contract file with support for the contracting officer's decision in selecting a particular contractor for task order award.

(5) Each IDC resulting from a multiple award shall include a statement substantially as follows:

“(i) More than one contract is being awarded for the same scope of work as this contract. Each contractor will be afforded a fair opportunity to be considered for each task (or delivery) order in excess of \$2,500, except as provided at FAR 16.505 (b)(2).

(ii) The contracting officer will consider the following factors when awarding a task (or delivery) order: [insert factors such as those listed in FAR 16.505(b)(1) and (b)(1)(i) above].

(iii) If the contractor believes it was not fairly considered for a particular task (or delivery) order, the contractor may present a complaint to the contracting officer. The contractor may appeal the explanation or decision of the contracting officer to the USACE Ombudsman, who is assigned to the USACE Office of the PARC, at the following

ENGINEER FAR SUPPLEMENT (EFARS)

PART 16 — FEDERAL ACQUISITION REGULATIONS SYSTEM

address: Headquarters, U.S. Army Corps of Engineers, Attention: CEPR-P (USACE Ombudsman), 441 G Street, N.W., Washington, D.C. 20314-1000. The ombudsman will review the contractor's complaint in accordance with FAR 16.505 (b)(5)."

SUBPART 16.6 — TIME-AND-MATERIALS, LABOR-HOUR, AND LETTER CONTRACTS

16.603 Letter contracts.

16.603-3 Limitations.

For application to emergency/disaster situations see EFARS 17.74.