

## 17.105-1 Uses.

(a) Except for DoD, NASA, and the Coast Guard, the *contracting officer may* enter into a multi-year contract if the *head of the contracting activity* determines that-

(1) The need for the *supplies* or services is reasonably firm and continuing over the period of the contract; and

(2) A multi-year contract will serve the best interests of the *United States* by encouraging *full and open competition* or promoting economy in administration, performance, and operation of the agency's programs.

(b) For DoD, NASA, and the Coast Guard, the *head of the agency may* enter into a multi-year contract for *supplies* if-

(1) The use of such a contract will result in significant savings of the total estimated costs of carrying out the program through annual contracts;

(2) The minimum need to be purchased is expected to remain substantially unchanged during the contemplated contract period in terms of production rate, *procurement* rate, and total quantities;

(3) There is a stable design for the *supplies* to be acquired, and the technical risks associated with such *supplies* are not excessive;

(4) There is a reasonable expectation that, throughout the contemplated contract period, the *head of the agency* will request funding for the contract at a level to avoid contract cancellation; and

(5) The estimates of both the cost of the contract and the cost avoidance through the use of a multi-year contract are realistic.

(c) The multi-year *contracting* method *may* be used for the *acquisition* of *supplies* or services.

(d) If funds are not appropriated to support the succeeding years' requirements, the agency *must* cancel the contract.

**Parent topic:** [17.105 Policy.](#)