

317.105-1 Uses.

(a) Each head of the contracting activity (HCA) determination to use multi-year contracting, as defined in FAR 17.103, is limited to individual acquisitions where the full estimated cancellation ceiling does not exceed 20 percent of the total contract value over the multi-year term or \$12.5 million, whichever is less. Cancellation ceiling provisions shall conform to the requirements of FAR 17.106-1(c). The determination is not delegable and shall address the issues in FAR 17.105-1(a).

(b)

(1) SPE approval is required for any -

(i) Individual determination to use multi-year contracting with a cancellation ceiling in excess of the limits in 317.105-1(a); or

(ii) Class determination (see FAR subpart 1.7).

(2) A determination involving a cancellation ceiling in excess of the limits in 317.105-1(a) shall present a well-documented justification for the estimated cancellation ceiling. When the estimated cancellation ceiling exceeds \$12.5 million, the determination shall accompany a draft congressional notification letter pursuant to FAR 17.108 and 317.108.

Parent topic: [Subpart 317.1 - Multi-Year Contracting](#)