

# **13.390 Indefinite delivery contracts (IDCs) below the simplified acquisition threshold (SAT).**

(a)(1) Application. SIDCs use simplified acquisition procedures to acquire an indefinite quantity of supplies or services for the total period of performance of the SIDC in amounts not to exceed the SAT; or, for SIDCs using FAR subpart 13.5, the thresholds in FAR 13.500(a). There are two types of SIDCs, bilateral and unilateral. Procurement notes H05 and H06 establish when award occurs for each type. Following award, contracting officers may issue task orders for services or delivery orders for supplies against the SIDC, as applicable. SIDCs are useful when DLA makes repetitive low dollar value purchases for the same item or service, the price is expected to be stable, and the expected yearly or other long-term demands are not sufficient to establish an indefinite-delivery contract using FAR part 15 procedures.

(2) Guaranteed minimum (GM) purchase requirements and obligations.

(i) Contracting officers shall establish a GM quantity or GM dollar value of supplies or services for the SIDC and record an obligation in the amount of the GM at the time of award of the SIDC. Contracting officers shall follow the job aids referenced at 16.504(a)(1)(S-90)(A).

(ii) Failures to include a GM quantity or GM dollar value and/or record an obligation in the amount of the guaranteed minimum purchase requirement when awarding an SIDC are reflected in warrant proficiency scores and require creation of a contracting officer corrective action plan (see 16.504(a)(1)(S-90)(B) and Monthly Review and Reporting Requirements at mandatory PGI 16.504(a)(1)(S-90)(B)).

(iii) See 17.207(S-90) regarding GMs for option periods.

(iv) Contracting officers shall only issue a task or delivery order at the time of award of the basic SIDC if there is a requirement at that time.

(b) Contracting officers shall coordinate expected duration and frequency with the materiel planner for supplies or the originator of the requirement for services before deciding to use an SIDC.

(c) Contracting officers shall establish only one SIDC per item; except that contracting officers may award multiple SIDCs for the same item if each SIDC limits the awardee's performance to a separate and distinct region or physical location.

(d) If during contract performance, the contracting officer does not expect demand during the remaining performance period to fulfill the GM, see 16.504(a)(1)(S-90)(D).

(e) Contracting officers may award unilateral or bilateral SIDCs, depending on the risk associated with the item and contractor.

(f) Contracting officers shall include procurement notes H05 or procurement note H06, as applicable, in RFQs for SIDCs.

\*\*\*\*\* H05 Bilateral Simplified Indefinite-Delivery Contract (SIDC) (SEP 2021)

(1) The Government will award a bilateral SIDC resulting from this request for quote (RFQ) to the responsible offeror whose quote conforms to the terms and conditions in the RFQ and will be most advantageous to the Government, after considering price and other factors. The awardee shall sign the SIDC, which creates a binding contract. The contractor shall return the signed SIDC to the contracting officer.

(2) Pricing of orders. The unit price for orders is based on the price for the quantity range that will cover the total quantity on the order, regardless of destination.

(3) Price evaluation will be based on the price quoted for the estimated annual demand in the schedule.

(4) Once the guaranteed minimum quantity stated in the SIDC is met, the Government is under no obligation to place additional orders. The Government may place additional orders for the period of performance stated in the SIDC, effective from the award date of the SIDC. All additional orders will reference the SIDC, which documents the terms and conditions applicable to each order. The SIDC states the maximum value of each task or delivery orders under the SIDC. The maximum value of the SIDC will not exceed the SAT; or, for SIDCs using FAR Subpart 13.5, the thresholds in 13.500(a).

\*\*\*\*\* H06 Unilateral Simplified Indefinite-Delivery Contract (SIDC) (SEP 2021)

(1) The Government will award a unilateral SIDC resulting from this request for quote (RFQ) to the responsible offeror whose quote conforms to the terms and conditions in the (RFQ) and will be most advantageous to the Government, after considering price and other factors. This initial unilateral SIDC is referred to hereafter as the "basic SIDC".

(2) Pricing of orders. The unit price for orders is based on the price for the quantity range that will cover the total quantity on the order, regardless of destination.

(3) Price evaluation will be based on the price quoted for the estimated annual demand in the schedule.

(4) Acceptable contractor performance on the initial task or delivery order creates the SIDC and constitutes agreement by the contractor to accept additional orders under the same terms and conditions specified in the basic SIDC. The guaranteed minimum quantity stated in the basic SIDC becomes applicable at this point.

(5) Once the guaranteed minimum quantity stated in the basic SIDC is met, the Government is under no obligation to place additional orders. The Government may place additional orders for the period of performance stated in the basic SIDC, effective from the award date of the basic SIDC. All additional orders will reference the basic SIDC, which documents the terms and conditions of the SIDC. The basic SIDC states the maximum value of each task or delivery orders under the SIDC. The maximum value of the SIDC will not exceed the SAT; or, for SIDCs using FAR subpart 13.5, the thresholds in 13.500(a).

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**Parent topic:** SUBPART 13.3 - SIMPLIFIED ACQUISITION METHODS