

# Part 5316 - Types of Contracts

DAFFARS PART 5316 Knowledge Center

*Revised: June 2024*

Subpart 5316.1 - SELECTING CONTRACT TYPES

5316.103 Negotiating Contract Type

Subpart 5316.2 — FIXED-PRICE CONTRACTS

5316.206 — Fixed-Ceiling-Price Contracts With Retroactive Price Redetermination

5316.206-3 Limitations

Subpart 5316.4 — INCENTIVE CONTRACTS

5316.401 General

5316.405-2 Cost-Plus-Award-Fee Contracts

Subpart 5316.5 — INDEFINITE-DELIVERY CONTRACTS

5316.503 Requirements Contracts

5316.504 Indefinite-Quantity Contracts

5316.505 Ordering

5316.505-90 Decentralized Ordering

Subpart 5316.6 — TIME-AND-MATERIALS, LABOR-HOUR, AND LETTER CONTRACTS

5316.601 Time-and-materials contracts

5316.603 Letter Contracts

5316.603-2 Application

5316.603-3 Limitations

## **Subpart 5316.1 - SELECTING CONTRACT TYPES**

### **5316.103 Negotiating Contract Type**

(d) See the tailorable Type of Contract Determination and Findings template.

## **Subpart 5316.2 — FIXED-PRICE CONTRACTS**

### **5316.206 — Fixed-Ceiling-Price Contracts With Retroactive Price Redetermination**

#### **5316.206-3 Limitations**

(d) See [MP5301.601\(a\)\(i\)](#).

## **Subpart 5316.4 — INCENTIVE CONTRACTS**

### **5316.401 General**

(d)(i) See [MP5301.601\(a\)\(i\)](#).

(d)(ii) See [MP5301.601\(a\)\(i\)](#).

(e)(3)(i) See [MP5301.601\(a\)\(i\)](#).

### **5316.405-2 Cost-Plus-Award-Fee Contracts**

(1) See [MP5301.601\(a\)\(i\)](#).

## **Subpart 5316.5 — INDEFINITE-DELIVERY CONTRACTS**

### **5316.503 Requirements Contracts**

(b)(2) See [5316.504 Indefinite-Quantity Contracts\(c\)\(1\)\(ii\)\(D\)](#).

(d) Unless the determination is made by the acquisition approving authority as part of the written acquisition plan, the CO has the authority to make the determinations required by FAR [16.503\(d\)](#) related to limitations on the use of requirements contracts for advisory and assistance services.

### **5316.504 Indefinite-Quantity Contracts**

(a)(2) Upon execution of the contract, an obligation shall be recorded based upon the issuance of a task-order or delivery-order for the cost/price of the minimum quantity specified. (See [DoD7000.14-R, Volume 3, Chapter 8, paragraph 6.4](#))

(c) *Multiple award preference*

(1) (ii)(D)(1) See [MP5301.601\(a\)\(i\)](#). See the tailorable [Limitation on Single Award IDIQ and TO/DO Contracts Determination and Findings](#) template. Provide a copy of the written determination to the [cognizant HCA Workflow](#).

(2) *Contracts for advisory and assistance services.*

(i)(A) Unless the determination is made by the acquisition approving authority as part of the written acquisition plan, the CO has the authority to determine that multiple awards are not practicable.

(B) Unless the determination is made by the source selection authority as part of the written source selection decision document, the CO has the authority to determine that only one offeror is capable of providing the services required at the level of quality required.

(ii) Unless the determination is made by the acquisition approving authority as part of the written acquisition plan, the CO has the authority to determine that the advisory and assistance services are incidental and not a significant component of the contract.

## **5316.505 Ordering**

(b) *Orders under multiple award contracts.*

(1) *Fair opportunity.*

(ii) The contracting officer must use streamlined ordering procedures. SCOs must justify the use of [FAR 15.3](#) Source Selection Procedures for any contract or task-order or delivery-order, regardless of dollar value made in accordance with [FAR 16.505](#). The SCO must submit justifications to the [cognizant HCA Workflow](#) before proceeding with the source selection and/or Clearance session.

(2) *Exceptions to the fair opportunity process.*

(ii) See the tailorable [Justification for an Exception to Fair Opportunity](#) template.

(C) *Approval.* For all exceptions to fair opportunity, follow guidance in [DAFFARS 5306.304](#). For those meeting the definition of a bridge action at [DAFFARS 5302.101](#), also follow [DAFFARS 5306.303-1-90](#).

(4) See [MP5301.601\(a\)\(i\)](#).

(7) *Decision documentation for orders.* Unless designated otherwise by the acquisition approving authority, SADA, or SCO, the contracting officer has decision making authority.

(8) *Task-order and delivery-order ombudsman.* See [DAFFARS 5301.91](#).

## **5316.505-90 Decentralized Ordering**

For contracts that authorize decentralized ordering (i.e., ordering by a contracting office at any other location), the contracting officer with overall responsibility for the contract must:

(a) Ensure that adequate control procedures are in place before any orders are authorized; and

(b) Exercise oversight of decentralized ordering throughout the period of performance under the contract to ensure that the procedures are followed.

## **Subpart 5316.6 – TIME-AND-MATERIALS, LABOR-HOUR, AND LETTER CONTRACTS**

### **5316.601 Time-and-materials contracts**

(c) *Application.* See [5312.207\(b\)](#) for the use of time-and-material contracts for certain commercial services

(d) *Limitations*

(i)(A) *Approval of determination and findings for time-and-materials or labor-hour contracts.*

(1) *Base period plus any option periods is three years or less.* For the Department of the Air Force, the threshold at DFARS 216(d)(i)(A)(1)(i) and (ii) is \$10 million in lieu of \$1 million.

(3) *Exception.* See [MP5301.601\(a\)\(i\)](#).

(B) *Content of determination and findings.* The D&F shall address the requirements of FAR 16.103(d)(1) and DFARS 216.601(d)(i)(B). See the tailorable [Limitation on T&M and LH Contracts Determinations and Findings](#) template.

(1)(ii) See [MP5301.601\(a\)\(i\)](#).

### **5316.603 Letter Contracts**

#### **5316.603-2 Application**

(c)(3) See [MP5301.601\(a\)\(i\)](#).

#### **5316.603-3 Limitations**

See [MP5301.601\(a\)\(i\)](#).