

## 11.701 Supply contracts.

(a) A fixed-price supply contract *may* authorize Government acceptance of a variation in the quantity of items called for if the variation is caused by conditions of loading, shipping, or packing, or by allowances in manufacturing processes. Any permissible variation *shall* be stated as a percentage and it *may* be an increase, a decrease, or a combination of both; however, contracts for subsistence items *may* use other applicable terms of variation in quantity.

(b) There *should* be no standard or usual variation percentage. The overrun or underrun permitted in each contract *should* be based upon the normal commercial practices of a particular industry for a particular item, and the permitted percentage *should* be no larger than is necessary to afford a contractor reasonable protection. The permissible variation *shall* not exceed plus or minus 10 percent unless a different limitation is established in agency regulations. Consideration *shall* be given to the quantity to which the percentage variation applies. For example, when delivery will be made to multiple destinations and it is desired that the quantity variation apply to the item quantity for each destination, this requirement *must* be stated in the contract.

(c) Contractors are responsible for delivery of the specified quantity of items in a fixed-price contract, within allowable variations, if any. If a contractor delivers a quantity of items in excess of the contract requirements plus any allowable variation in quantity, particularly small dollar value overshipments, it results in unnecessary administrative costs to the Government in determining disposition of the excess quantity. Accordingly, the contract *may* include the clause at [52.211-17](#), Delivery of Excess Quantities, to provide that-

(1) Excess quantities of items totaling up to \$250 in value *may* be retained without compensating the contractor; and

(2) Excess quantities of items totaling over \$250 in value *may*, at the Government's *option*, be either returned at the contractor's expense or retained and paid for at the contract unit price.

**Parent topic:** [Subpart 11.7 - Variation in Quantity](#)