

# DFARS Procedures, Guidance, and Information

## PGI 216—Types of Contracts

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(Revised July 13, 2010)

### PGI 216.5--INDEFINITE-DELIVERY CONTRACTS

#### PGI 216.504 Indefinite-quantity contracts.

(c)(1)(ii)(D) ***Limitation on single-award contracts.***

(2)(i) *Prepare and send a separate letter for each of the following congressional defense committees:*

- Committee on Armed Services of the Senate
- Subcommittee on Defense of the Committee on Appropriations of the Senate
- Committee on Armed Services of the House of Representatives
- Subcommittee on Defense of the Committee on Appropriations of the House of Representatives

(ii) *In addition to the above, if the task-order or delivery-order contract concerns intelligence activities of the DoD, the agency head is required to notify, within 30 days of the determination, the Permanent Select Committee on Intelligence of the House of Representatives (if the order relates to tactical intelligence and intelligence-related activities) and the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives (if the order relates to intelligence and intelligence-related activities other than those above).*

(iii) *A sample congressional notification is provided:*

Dear Chairman:

This notification is provided in accordance with 10 U.S.C. 2304a(d)(3) (*when the head of the agency delegates the authority for the determination for a single-award task-order or delivery-order contract greater than \$100 million, include: “and the authority delegated to me by the head of the agency”*).

*(Identify the buying activity, describe the requirement for a single-award task-order or delivery-order contract, and provide the total estimated value and duration of the contract.)*

I have determined, pursuant to the authority in 10 U.S.C. 2304a(d)(3)(A)(\_\_\_) (*insert the basis for the determination; select from one or more of the following:*)

“(i), that the task or delivery orders under the contract are so integrally related that only a single source can reasonably perform the work”;

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“(ii), that the contract provides only for firm-fixed-price task orders or delivery orders for (*select either* “products for which unit prices are established in the contract” or “services for which prices are established in the contract for specific tasks to be performed”);

“(iii), that only one source is qualified and capable of performing the work at a reasonable price to the Government”; or

“(iv), that because of exceptional circumstances, it is necessary in the public interest to award the contract to a single source.” \*

(Signature block of the official  
executing the determination)

cc:  
Ranking Member  
OUSD(AT&L) DPAP/CPIC

\* Note that if option (iv) is selected, the authority cannot be delegated below the senior procurement executive.]

### **PGI 216.505-70 Orders under multiple award contracts.**

(1) *Exception to the fair opportunity process at FAR 16.505(b)(2)(ii) – This exception applies when only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized.*

(i) Use of this exception should be rare. Its use is appropriate when—

(A) No other contractor is capable of providing a supply or service of a comparable nature; and

(B) No other type of supplies or services will satisfy agency requirements.

(ii) When using this exception, explain—

(A) What is unique or highly specialized about the supply or service; and

(B) Why only the specified contractor can meet the requirement.

(2) *Exception to the fair opportunity process at FAR 16.505(b)(2)(iii) – This exception applies when the order must be issued on a sole source basis in the interest of economy*

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*and efficiency because it is a logical follow-on to an order already under the contract, provided that all awardees were given a fair opportunity to be considered for the original order.*

(i) A follow-on order is a new procurement placed with a particular contractor to continue or augment a specific program or service. When using this exception, the justification should discuss why the specific requirement continues and why it is to the benefit of the Government for the particular contractor to continue this work (see FAR 16.505(b)(4)). Examples include--

(A) Award to any other source would likely result in substantial duplication of cost to the Government that is not expected to be recovered through competition;

(B) Award of the order to a different source would cause unacceptable delays in fulfilling the Government's requirements (lack of advance planning is not valid rationale); or

(C) A contractor is already at work on a site, and it would not be practical to allow another contractor to work on the same site.

(ii) When using this exception—

(A) Specify how recent the previous competitive order was and the number of times this exception has been used;

(B) Discuss why the specific requirement continues; and

(C) Discuss why it would be of benefit to the Government for the specified contractor to continue this work.