## 247.271-1 Policy.

- (a) Annual contracts. Normally—
- (1) Use requirements contracts to acquire services for the—
- (i) Preparation of personal property for shipment or storage; and
- (ii) Performance of intra-area movement.
- (2) Award contracts on a calendar year basis.
- (3) Provide for option years.
- (4) Award contracts, or exercise option years, before November 1 of each year, if possible.
- (b) *Areas of performance*. Define clearly in the solicitation each area of performance.
- (1) Establish one or more areas; however, hold the number to a minimum consistent with local conditions.
- (2) Each schedule may provide for the same or different areas of performance. Determine the areas as follows—
- (i) Use political boundaries, streets, or any other features as lines of demarcation. Consider such matters as—
- (A) Total volume;
- (B) Size of overall area; and
- (C) The need to service isolated areas of high population density.
- (ii) Specifically identify frequently used terminals, and consider them as being included in each area of performance described in the solicitation.
- (c) Maximum requirements-minimum capability. The contracting officer must—
- (1) Establish realistic quantities on the Estimated Quantities Report in DoD 4500.9-R, Defense Transportation Regulation, Part IV;
- (2) Ensure that the Government's minimum acceptable daily capability—
- (i) Will at least equal the maximum authorized individual weight allowance as prescribed by the Joint Federal Travel Regulations; and
- (ii) Will encourage maximum participation of small business concerns as offerors.

**Parent topic:** 247.271 Contracts for the preparation of personal property for shipment or storage or for performance of intra-city or intra-area movement.