207.470 Statutory requirements.

(a) *Requirement for authorization of certain contracts relating to vessels, aircraft, and combat vehicles.* The contracting officer shall not enter into any contract for the lease or charter of any vessel, aircraft, or combat vehicle, or any contract for services that would require the use of the contractor's vessel, aircraft, or combat vehicle, unless the Secretary of the military department concerned has satisfied the requirements of 10 U.S.C. 3671-3677, when—

(1) The contract will be a long-term lease or charter as defined in 10 U.S.C. 3674(a)(1); or

(2) The terms of the contract provide for a substantial termination liability as defined in 10 U.S.C. 3674(b). Also see PGI 207.470 .

(b) *Limitation on contracts with terms of 18 months or more.* As required by 10 U.S.C. 3678, the contracting officer shall not enter into any contract for any vessel, aircraft, or vehicle, through a lease, charter, or similar agreement with a term of 18 months or more, or extend or renew any such contract for a term of 18 months or more, unless the head of the contracting activity has—

(1) Considered all costs of such a contract (including estimated termination liability); and

(2) Determined in writing that the contract is in the best interest of the Government.

(c) *Leasing of commercial vehicles and associated equipment*. Except as provided in paragraphs (a) and (b) of this section, the contracting officer may use leasing in the acquisition of commercial vehicles and associated equipment whenever the contracting officer determines that leasing of such vehicles is practicable and efficient (10 U.S.C. 3681).

Parent topic: Subpart 207.4 - EQUIPMENT ACQUISITION