332.703-1 General.

(b) The following requirements govern all solicitations and contracts using incremental funding, as appropriate:

(1) The contracting officer shall consider the estimated total cost of the contract, including all planned increments of performance when determining the requirements that must be met before contract execution (e.g., Justification and Approvals, clearances, and approvals).

(2) The solicitation and resultant contract shall include a statement of work or performance work statement that describes the total project, covers all proposed increments of performance, and contains a schedule of planned increments of performance. No funding increment may exceed 1 year, and the services rendered during each increment of performance must provide a specific material benefit that can stand alone if the remaining effort is not funded. The resultant contract shall also include the corresponding amount of funds planned for obligation for each increment of performance.

(3) The contracting officer shall request that offerors respond to the solicitation with technical and cost proposals for the entire project, and shall require distinct technical and cost break-outs of the planned increments of performance.

(4) Proposals shall be evaluated and any discussions and negotiations shall be conducted based upon the total project, including all planned increments of performance.

Parent topic: Subpart 332.7—Contract Funding