Part 5316 - Types of Contracts

AFFARS PART 5316 Knowledge Center

2019 Edition

Revised: 2 May 2022

Subpart 5316.1 - SELECTING CONTRACT TYPES

5316.103 Negotiating Contract Type

Subpart 5316.206 - FIXED-CEILING-PRICE CONTRACTS WITH RETROACTIVE PRICE REDETERMINATION

5316.206-3 Limitations

Subpart 5316.3 - COST-REIMBURSEMENT CONTRACTS

5316.301-3 Limitations

Subpart 5316.4 - INCENTIVE CONTRACTS

5316.401 General

5316.404 Fixed-Price Contracts with Award Fees

5316.405-2 Cost-Plus-Award-Fee Contracts

Subpart 5316.5 - INDEFINITE-DELIVERY CONTRACTS

5316.503 Requirements Contracts

5316.504 Indefinite-Quantity Contracts

5316.505 Ordering

5316.505-90 Decentralized Ordering

Subpart 5316.6 - TIME-AND-MATERIALS, LABOR-HOUR, AND LETTER CONTRACTS

5316.601 (d) Limitations

5316.603-2 Application

5316.603-3 Limitations

Subpart 5316.1 - SELECTING CONTRACT TYPES
5316.103 Negotiating Contract Type

(d) See the tailorable Determination and Findings template.

Subpart 5316.206 - FIXED-CEILING-PRICE CONTRACTS WITH RETROACTIVE PRICE REDETERMINATION

5316.206-3 Limitations

(d) Submit requests through the SCO to SAF/AQC for HCA approval (See MP5301.601 (a)(i) Head of the Contracting Activity (HCA) Matrix.

Subpart 5316.3 - COST-REIMBURSEMENT CONTRACTS

5316.301-3 Limitations

(2) See MP5301.601 (a)(i) Head of the Contracting Activity (HCA) Matrix.

Subpart 5316.4 - INCENTIVE CONTRACTS

5316.401 General

(d)(i) See MP5301.601 (a)(i) Head of the Contracting Activity (HCA) Matrix Forward a copy of the award fee D&F to SAF/AQC when the conditions at DFARS PGI 216.401(e)(iii) apply.

(d)(ii) See MP5301.601 (a)(i) Head of the Contracting Activity (HCA) Matrix Forward a copy of the cost-reimbursement award fee D&F to SAF/AQC when the conditions at DFARS PGI 216.401(e)(iii) apply.


5316.404 Fixed-Price Contracts with Award Fees

See 5316.401 General above.

5316.405-2 Cost-Plus-Award-Fee Contracts

(1) Award-fee pool. Submit requests through the SCO to SAF/AQC for HCA approval (see
Subpart 5316.5 - INDEFINITE-DELIVERY CONTRACTS

5316.503 Requirements Contracts

(b)(2) Determinations for requirements contracts in an amount estimated to exceed $112M (including all options) must be approved in accordance with 5316.504 Indefinite-Quantity Contracts.

5316.504 Indefinite-Quantity Contracts

(a) Description.

(2) Upon execution of the contract, an obligation shall be recorded based upon the issuance of a delivery or task order for the cost/price of the minimum quantity specified. The Government’s actual obligation must be recorded at the time of contract award. (See DoD 7000.14-R Volume 3, Chapter 8, paragraph 080604)

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

(1) The SCO has the authority to make the written determination required by FAR 16.504(c)(1)(ii)(D)(1). When a J&A is required, a separate written determination is not required if the J&A addresses one of the circumstances at FAR 16.504(c)(1)(ii)(D)(1)-(iv). Provide a copy of the written determination to SAF/AOC.

(c)(2)(i)(A) See MP5301.601-90.

(c)(2)(i)(B) See MP5301.601-90.

(c)(2)(ii) See MP5301.601-90.

5316.505 Ordering

(b) Orders under multiple award contracts.

(1) Fair opportunity.

(ii) The contracting officer must use streamlined ordering procedures. SCOs must justify the use of FAR Subpart 15.3 Source Selection Procedures for any contract or task/delivery order, regardless of dollar value made in accordance with FAR 16.505. The SCO must submit justifications to SAF/AQC before proceeding with the source selection and/or Clearance session.

(2) Exceptions to the fair opportunity process. See 5306.304 Approval of the Justification for the approving officials for a proposed task or delivery order using the fair opportunity exceptions at FAR 16.505(b)(2). See the tailorable Justification for an Exception to Fair Opportunity template. For exceptions to fair opportunity that are intended for purposes of awarding a “Bridge Action” see
For contracts that authorize decentralized ordering (i.e., ordering by a contracting office at any other location), the contracting officer with overall responsibility for the contract must:

(a) Ensure that adequate control procedures are in place before any orders are authorized; and

(b) Exercise oversight of decentralized ordering throughout the period of performance under the contract to ensure that the procedures are followed.

Subpart 5316.6 - TIME-AND-MATERIALS, LABOR-HOUR, AND LETTER CONTRACTS

5316.601 (d) Limitations

(i)(A)(1) Base period plus any option periods exceeds three years.

(i) For the Air Force, the threshold at DFARS 216.601(d)(i)(A)(1)(i) is $10 million in lieu of $1 million.

(ii) For the Air Force, the threshold at DFARS 216.601(d)(i)(A)(1)(i) is $10 million in lieu of $1 million.

(i)(A)(2) Base period plus any option periods exceeds three years. The SCO is authorized to approve individual determinations. In addition to the D&F requirements outlined in DFARS 216.601(d)(i)(B), the contracting officer shall address the plan to maintain appropriate government surveillance of contractor performance, including cost controls, and ensure that the contract clearly defines the supplies or services being acquired. The HCA retains the authority to approve class determinations when the contract length exceeds three years, regardless of dollar value. When HCA approval is required submit the D&F through the SCO to SAF/AQC for approval. See MP5301.601 (a)(i) Head of the Contracting Activity (HCA) Matrix.


5316.603-2 Application

(c)(3) See MP5301.601 (a)(i) Head of the Contracting Activity (HCA) Matrix.

5316.603-3 Limitations

(8) Task-order and delivery-order ombudsman. See 5301.91.
See MP5301.601 (a)(i) Head of the Contracting Activity (HCA) Matrix.