Subpart 11.7 - Variation in Quantity

Parent topic: Part 11 - Describing Agency Needs

11.701 Supply contracts.

(a) A fixed-price supply contract *may* authorize Government acceptance of a variation in the quantity of items called for if the variation is caused by conditions of loading, shipping, or packing, or by allowances in manufacturing processes. Any permissible variation *shall* be stated as a percentage and it *may* be an increase, a decrease, or a combination of both; however, contracts for subsistence items *may* use other applicable terms of variation in quantity.

(b) There *should* be no standard or usual variation percentage. The overrun or underrun permitted in each contract *should* be based upon the normal commercial practices of a particular industry for a particular item, and the permitted percentage *should* be no larger than is necessary to afford a contractor reasonable protection. The permissible variation *shall* not exceed plus or minus 10 percent unless a different limitation is established in agency regulations. Consideration *shall* be given to the quantity to which the percentage variation applies. For example, when delivery will be made to multiple destinations and it is desired that the quantity variation apply to the item quantity for each destination, this requirement *must* be stated in the contract.

(c) Contractors are responsible for delivery of the specified quantity of items in a fixed-price contract, within allowable variations, if any. If a contractor delivers a quantity of items in excess of the contract requirements plus any allowable variation in quantity, particularly small dollar value overshipments, it results in unnecessary administrative costs to the Government in determining disposition of the excess quantity. Accordingly, the contract *may* include the clause at <u>52.211-17</u>, Delivery of Excess Quantities, to provide that-

(1) Excess quantities of items totaling up to 250 in value may be retained without compensating the contractor; and

(2) Excess quantities of items totaling over \$250 in value *may*, at the Government's *option*, be either returned at the contractor's expense or retained and paid for at the contract unit price.

11.702 Construction contracts.

Construction contracts *may* authorize a variation in estimated quantities of unit-priced items. When the variation between the estimated quantity and the actual quantity of a unit-priced item is more than plus or minus 15 percent, an equitable adjustment in the contract price *shall* be made upon the demand of either the Government or the contractor. The contractor *may* request an extension of time if the quantity variation is such as to cause an increase in the time necessary for completion. The *contracting officer must* receive the request *in writing* within 10 days from the beginning of the period of delay. However, the *contracting officer may* extend this time limit before the date of final settlement of the contract. The *contracting officer shall* ascertain the facts and make any adjustment for extending the completion date that the findings justify.

11.703 Contract clauses.

(a) The *contracting officer shall* insert the clause at <u>52.211-16</u>, Variation in Quantity, in *solicitations* and contracts, if authorizing a variation in quantity in fixed-price contracts for *supplies* or for services that involve the furnishing of *supplies*.

(b) The *contracting officer may* insert the clause at <u>52.211-17</u>, Delivery of Excess Quantities, in *solicitations* and contracts when a fixed-price supply contract is contemplated.

(c) The *contracting officer shall* insert the clause at <u>52.211-18</u>, Variation in Estimated Quantity, in *solicitations* and contracts when a fixed-price *construction* contract is contemplated that authorizes a variation in the estimated quantity of unit-priced items.