

16.501-2 General.

(a) There are three types of indefinite-delivery contracts: definite-quantity contracts, requirements contracts, and indefinite-quantity contracts. The appropriate type of indefinite-delivery contract *may* be used to acquire *supplies* and/or services when the exact times and/or exact quantities of future deliveries are not known at the time of contract award. Pursuant to 10 U.S.C. 3401 and 41 U.S.C. 4101, requirements contracts and indefinite-quantity contracts are also known as *delivery-order contracts* or *task-order contracts*.

(b) The various types of indefinite-delivery contracts *offer* the following advantages:

(1) All three types permit-

(i) Government stocks to be maintained at minimum levels; and

(ii) Direct *shipment* to users.

(2) Indefinite-quantity contracts and requirements contracts also permit-

(i) Flexibility in both quantities and delivery scheduling; and

(ii) Ordering of *supplies* or services after requirements materialize.

(3) Indefinite-quantity contracts limit the Government's obligation to the minimum quantity specified in the contract.

(4) Requirements contracts *may* permit faster deliveries when production lead time is involved, because contractors are usually willing to maintain limited stocks when the Government will obtain all of its actual purchase requirements from the contractor.

(c) Indefinite-delivery contracts *may* provide for any appropriate cost or *pricing* arrangement under part 16. Cost or *pricing* arrangements that provide for an estimated quantity of *supplies* or services (*e.g.*, estimated number of labor hours) *must* comply with the appropriate procedures of this subpart.

Parent topic: 16.501 [Reserved]