



**DEFENSE LOGISTICS AGENCY
DEFENSE ENERGY SUPPORT CENTER
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FORT BELVOIR, VIRGINIA 22060-6222**

IN REPLY
REFER TO

JUL 17 2003

DESC-CPA

CONTRACTING INSTRUCTION (CI): 03-13
MEMORANDUM FOR CI DISTRIBUTION

SUBJECT: Part 17 Multiyear Contracting

A recent amendment to USC Chapter 141, title 10, added section 2410o authorizing The Secretary of Defense to enter into contracts for the purchase of dinitrogen tetroxide, hydrazine, and hydrazine related products for a period of ten years with an extension period not to exceed ten years.

This results in a change being incorporated into this Contracting Instruction to update coverage to Parts 17.101 and 17.204 to reflect an exception to the length of award, and resulting option periods, when contracts are awarded for dinitrogen tetroxide, hydrazine, and hydrazine related products.

The amended DEPI coverage is attached to this CI.

This CI is effective immediately and expires upon inclusion in the DEPI. Point of contact is Sherry Wilson, extension 7392.

Gabriella M. Earhardt
GABRIELLA M. EARHARDT
DESC Center Senior Procurement Official

Attachment:
DEPI coverage



PART 17

SPECIAL CONTRACTING METHODS

SUBPART 17.1 - MULTIYEAR CONTRACTING

17.101 Definitions.

A multiyear contract is a contract covering more than one year's requirements but not in excess of five years' requirements except when a contract is awarded for the purchase of dinitrogen tetroxide, hydrazine, and hydrazine related products which may be for a period up to ten year's requirements but not in excess of twenty years requirements.

17.102 Policy.

17.102-3 Objectives.

The Director, DESC, has delegated authority to the CSPO to make approvals required by FAR 17.104(b), 105-1(b), 106-3(f) and (g), DFARS 217.170, and 217.171(a)(3), and DLAD 17.104(b) and 17.105-1(b) concerning the use of the multiyear contracting method. He has delegated authority to the division chief to make the approval required by FAR 17.106-3(g) regarding the use of variable unit pricing in the case of service contracts. In addition, class Determinations and Findings (D&Fs) are in effect for certain multiyear approvals (see Table 17-1 below).

17.103 Procedures.

17.103-1 General.

The Director, DESC, has determined that the use of multiyear contracts for services is authorized provided certain conditions are met. The contracting officer must verify that such is the case for each contract and document the contract file accordingly.

17.105-1 Uses.

(c) For the Defense Energy Support Center, the authority to enter into a multiyear contract for services pursuant to FAR 17.105-1(c) is delegated to the Head of the Contracting Activity (HCA), with redelegation to the Center Senior Procurement Official (CSPO). No further delegation is permissible.

SUBPART 17.2 - OPTIONS

17.204 Contracts.

(e) FAR 17.204(e) provides that contracts with options shall not exceed five years with the exception of contracts awarded for dinitrogen tetroxide, hydrazine, and hydrazine-related products which may be extended for ten years with an extension period not to exceed ten years in accordance with USC Chapter 141, title 10, section 2410o. DLAD 17.204(e) delegates authority to waive the five year requirement to the chief of the contracting office provided no statutory restriction limits the term of the contract. Requests for waiver shall be routed for coordination through DESC-G to the CBU Director.

17.205 Documentation.

(a) When the contracting officer determines that the use of an option provision in an acquisition is appropriate (see FAR 17.202), Item 23 of DESC Form 15.10 will be appropriately completed. A written determination, fully justifying the option quantity/period and the period during which the option may be exercised, will be attached to the acquisition plan prior to requesting the approval of the CBU Director. The written determination will comply with the requirements set forth in FAR 17.205 and will include the applicable section M solicitation provisions with regard to (1) option pricing restrictions, (2) any FMS requirements to be covered, and (3) the method of evaluation.