# PART 5316 - Types of Contracts

**2019 Edition**

*Revised: 2 May 2022*

**Table of Contents**

[PART 5316 - Types of Contracts 1](#_Toc101282896)

[5316.103 Negotiating Contract Type 1](#_Toc101282897)

[SUBPART 5316.206 — FIXED-CEILING-PRICE CONTRACTS WITH RETROACTIVE PRICE REDETERMINATION 2](#_Toc101282898)

[5316.206-3 Limitations 2](#_Toc101282899)

[SUBPART 5316.3 — COST-REIMBURSEMENT CONTRACTS 2](#_Toc101282900)

[5316.301-3 Limitations 2](#_Toc101282901)

[SUBPART 5316.4 — INCENTIVE CONTRACTS 2](#_Toc101282902)

[5316.401 General 2](#_Toc101282903)

[5316.404 Fixed-Price Contracts with Award Fees 2](#_Toc101282904)

[5316.405-2 Cost-Plus-Award-Fee Contracts 2](#_Toc101282905)

[SUBPART 5316.5 — INDEFINITE-DELIVERY CONTRACTS 2](#_Toc101282906)

[5316.503 Requirements Contracts 2](#_Toc101282907)

[5316.504 Indefinite-Quantity Contracts 3](#_Toc101282908)

[5316.505 Ordering 3](#_Toc101282909)

[5316.505-90 Decentralized Ordering 3](#_Toc101282910)

[SUBPART 5316.6 — TIME-AND-MATERIALS, LABOR-HOUR, AND LETTER CONTRACTS 4](#_Toc101282911)

[5316.601(d) Limitations 4](#_Toc101282912)

[5316.603-2 Application 4](#_Toc101282913)

[5316.603-3 Limitations 4](#_Toc101282914)

### 5316.103 Negotiating Contract Type

(d) See the tailorable [Determination and Findings](https://usaf.dps.mil/sites/AFCC/KnowledgeCenter/contracting_templates/type_of_contract.pdf) 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](mailto:SAF.AQ.SAF-AQC.Workflow@us.af.mil) for HCA approval (See [MP5301.601(a)(i)](mp_5301.601(a)(i).docx#p53162063d)).

## SUBPART 5316.3 — COST-REIMBURSEMENT CONTRACTS

### 5316.301-3 Limitations

(2) See [MP5301.601(a)(i)](mp_5301.601(a)(i).docx).

## SUBPART 5316.4 — INCENTIVE CONTRACTS

### 5316.401 General

(d)(i) See [MP5301.601(a)(i)](file:///\\periwinkle_vnx\saf_aqc_org\AQCP\5640%20-%20AFFARS\Archive%20--%20AFACs\!_Previous%20AFACs\2022\2022%20(01)\2.%20%20Changes%20Accepted\mp_5301.601(a)(i).docx). Forward a copy of the award fee D&F to SAF/AQC when the conditions at [DFARS PGI 216.401(e)(iii)](https://www.acquisition.gov/dfars/part-216-types-contracts#DFARS-216.401) apply.

(d)(ii) See [MP5301.601(a)(i)](file:///\\periwinkle_vnx\saf_aqc_org\AQCP\5640%20-%20AFFARS\Archive%20--%20AFACs\!_Previous%20AFACs\2022\2022%20(01)\2.%20%20Changes%20Accepted\mp_5301.601(a)(i).docx). Forward a copy of the cost-reimbursement award fee D&F to

SAF/AQC when the conditions at [DFARS PGI 216.401(e)(iii)](https://www.acquisition.gov/dfars/part-216-types-contracts#DFARS-216.401) apply.

(e)(3)(i) See [MP5301.601(a)(i)](mp_5301.601(a)(i).docx#p5316401e3i).

### 5316.404 Fixed-Price Contracts with Award Fees

See 5316.401(e)(3)(i) above.

### 5316.405-2 Cost-Plus-Award-Fee Contracts

(1) *Award-fee pool.* Submit requests through the SCO to [SAF/AQC](mailto:SAF.AQ.SAF-AQC.Workflow@us.af.mil) for HCA approval (see [MP5301.601(a)(i)](mp_5301.601(a)(i).docx#p531640521)).

## SUBPART 5316.5 — INDEFINITE-DELIVERY CONTRACTS

### 5316.503 Requirements Contracts

(b)(2) Determinations for requirements contracts that exceed the amount specified in [FAR 16.504(c)(1)(ii)(D)(1)](https://www.acquisition.gov/far/part-16#FAR_16_504) must be approved in accordance with 5316.504(c)(1)(ii)(D) below.

### 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](http://comptroller.defense.gov/Portals/45/documents/fmr/current/03/03_08.pdf), 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)](https://www.acquisition.gov/far/part-16#FAR_16_504). 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)(i)-(iv)](https://www.acquisition.gov/far/part-16#FAR_16_504). Provide a copy of the written determination to [SAF/AQCP](mailto:SAF.AQ.SAF-AQCP.Workflow@us.af.mil).

(c)(2)(i)(A) See [MP5301.601-90](mp_5301.601-90.docx).

(c)(2)(i)(B) See [MP5301.601-90](file:///\\periwinkle_vnx\saf_aqc_org\AQCP\5640%20-%20AFFARS\Archive%20--%20AFACs\!_Previous%20AFACs\2022\2022%20(01)\2.%20%20Changes%20Accepted\mp_5301.601-90.docx).

(c)(2)(ii) See [MP5301.601-90](file:///\\periwinkle_vnx\saf_aqc_org\AQCP\5640%20-%20AFFARS\Archive%20--%20AFACs\!_Previous%20AFACs\2022\2022%20(01)\2.%20%20Changes%20Accepted\mp_5301.601-90.docx).

### 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 15.3](https://www.acquisition.gov/far/part-15#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](https://www.acquisition.gov/far/part-16#FAR_16_505). The SCO must submit justifications to [SAF/AQC](mailto:SAF.AQ.SAF-AQC.Workflow@us.af.mil) before proceeding with the source selection and/or Clearance session.

(2) *Exceptions to the fair opportunity process*. See [5306.304(a)](5306.docx#p5306304) for the approving officials for a proposed task or delivery order using the fair opportunity exceptions at [FAR 16.505(b)(2)](https://www.acquisition.gov/far/part-16#FAR_16_505). See the tailorable [Justification for an Exception to Fair Opportunity](https://usaf.dps.mil/sites/AFCC/KnowledgeCenter/contracting_templates/fair_opportunity_exception_justification.pdf) template. For exceptions to fair opportunity that are intended for purposes of awarding a “Bridge Action” see [5306.303-1-90](5306.docx#p5306_303_1_90).

(8) *Task-order and delivery-order ombudsman*. See [5301.91](5301.docx#s530191).

### 5316.505-90 Decentralized Ordering

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 is three years or less.

*(i)* For the Air Force, the threshold at [DFARS 216.601(d)(i)(A)(1)(i)](https://www.acquisition.gov/dfars/part-216-types-contracts#DFARS-216.601) is $10 million in lieu of $1 million.

*(ii)* For the Air Force, the threshold at [DFARS 216.601(d)(i)(A)(1)(i)](https://www.acquisition.gov/dfars/part-216-types-contracts#DFARS-216.601) 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)](https://www.acquisition.gov/dfars/part-216-types-contracts#DFARS-216.601), 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](mailto:SAF.AQ.SAF-AQC.Workflow@us.af.mil) for approval. See [MP5301.601(a)(i)](mp_5301.601(a)(i).docx#p5316601d1A2).

(i)(A)*(3)* See [MP5301.601(a)(i)](mp_5301.601(a)(i).docx#p53166032c3).

### 5316.603-2 Application

(c)(3) See [MP5301.601(a)(i)](mp_5301.601(a)(i).docx#p53166032c3).

### 5316.603-3 Limitations

See [MP5301.601(a)(i)](mp_5301.601(a)(i).docx#p53166033).