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### 13.390 Indefinite delivery contracts (IDCs) below the simplified acquisition threshold (SAT).

(a) IDCs below the SAT use simplified procedures to acquire an indefinite quantity of supplies in amounts not to exceed the simplified acquisition threshold for the total contract period. The basic contract will establish the terms and conditions of the IDC below the SAT. IDCs below the SAT are useful when repetitive low dollar value purchases are made for the same item, the price of the item is expected to be stable, and expected yearly or other long–term demands are not sufficient to establish an indefinite delivery contract using FAR Part 15 procedures. A guaranteed minimum (GM) must be established for the base period and is optional for any option periods. To satisfy the GM, the first delivery order shall be issued with the basic contract or a GM account shall be established.

(b) Contracting officers shall coordinate expected duration and frequency with the materiel planner before deciding to use an IDC below the SAT.

(c) Only one IDC below the SAT shall be established per item; except that multiple IDCs below the SAT for the same item may be awarded if the awardee's performance under each IDC below the SAT is limited to a separate and distinct region or physical location.

(d) IDCs below the SAT may be unilateral or bilateral depending on the risk associated with the item and contractor.

(e) Contracting officers shall include procurement notes H05 or H06 in IDCs below the SAT RFQs.

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H05 Bilateral Indefinite-Delivery Contract (IDC) Below the Simplified Acquisition Threshold (SAT) (SEP 2017)

(1) The Government will award a bilateral IDC below the SAT resulting from this request for quote to the responsible offeror whose offer conforming to the terms and conditions in the request for quote will be most advantageous to the Government, price and other factors considered. The offeror receiving the award is required to sign the basic contract and return the signed contract to the contracting officer.

(2) Price evaluation will be based on the price quoted for the estimated annual demand in the schedule.

(3) Once the guaranteed minimum quantity for the IDC is met, the Government is under no obligation to place additional orders. The Government may place additional orders for the period of performance stated in the basic contract, effective from the date of the basic award. All additional orders will reference the basic contract, which documents the terms and conditions of the IDC. The maximum aggregate value of orders under the IDC below the SAT is stated in the basic contract; the aggregate value of all orders will not exceed the simplified acquisition threshold or, for IDCs below the SAT using FAR Subpart 13.5, the thresholds in 13.500(a).

(4) Pricing of orders. The unit price for orders is based on the price for the quantity range that will cover the total quantity on the order, regardless of destination, if applicable.

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H06 Unilateral Indefinite-Delivery Contract (IDC) Below the Simplified Acquisition Threshold (SAT) (SEP 2017)

(1) The Government will award an IDC below the SAT resulting from this request for quote to the responsible offeror whose offer conforming to the terms and conditions in the request for quote will be most advantageous to the Government, price and other factors considered.

(2) Price evaluation will be based on the price quoted for the estimated annual demand in the schedule.

(3) Acceptable contractor performance on the initial delivery order creates the IDC below the SAT, and is agreement by the contractor to accept additional orders under the same terms and conditions specified in the basic award.

(4) Once the guaranteed minimum quantity for the IDC is met, the Government is under no obligation to place additional orders. The Government may place additional orders for the period of performance stated in the basic award, effective from the award date. All additional orders will reference the basic award, which documents the terms and conditions of the IDC. The maximum aggregate value of orders under the IDC below the SAT is stated in the basic award; the aggregate value of all orders will not exceed the simplified acquisition threshold or, for IDCs below the SAT using FAR Subpart 13.5, the thresholds in 13.500(a).

(5) Pricing of orders. The unit price for orders is based on the price for the quantity range that will cover the total quantity on the order, regardless of destination, if applicable.

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