



DEPARTMENT OF THE ARMY
US ARMY MEDICAL RESEARCH AND MATERIEL COMMAND
504 SCOTT STREET
FORT DETRICK, MD 21702-5012

MCMR-AAP-A

22 March 2005

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Procurement Advisory Notice PAN 05-03
Task and Delivery Order Contract Length Change

1. **Introduction.** On December 15, 2004, the Department of Defense issued an Interim Rule under Defense Federal Acquisition Regulation Supplement (DFARS) Case 2004-DO23 implementing Section 813 of the National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375) specifying a revised ordering period duration for task and delivery order contracts ("D" contracts) awarded pursuant to 10 U.S.C. 2304(a).

2. **Background.** Contract length has become a prevalent issue, due in part to the number of contracts used by the US Army Medical Research and Materiel Command (USAMRMC). In accordance with Federal Acquisition Regulation (FAR) Subpart 217.4, definite quantity contracts ("C" contracts) accomplished in accordance with 10 U.S.C. 2304(c) for supplies and services have been and continue to be relegated to contract lengths of five years, inclusive of basic and option quantities/periods. However, this FAR Subpart has a few applicable exceptions: they are construction contracts; architect and engineering contracts; information technology contracts; and research and development contracts.

3. **Regulatory Change.** The DFARS, which supplements the FAR, had its Subpart 217.204 changed by the Interim Rule denoted in paragraph 1 herein to permit an ordering period for task or delivery order contracts awarded pursuant to 10 U.S.C. 2304(a) for any period up to five years. However, the ordering period may be subsequently extended for one or more successive periods in accordance with an option provided in the contract or a modification to the contract. This ordering period shall not exceed 10 years unless the Head of the Contracting Activity determines in writing that exceptional circumstances require a longer ordering period

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of up to one additional year. Also, subsequent to this extension, a senior procurement executive within the Army (Assistant Secretary of the Army (Acquisition, Logistics & Technology) may again determine in writing the need to extend the ordering period up to yet one more additional year.

4. **Effect.** This change to the DFARS permits longer range planning for requirements when an actual commodity or service is needed but the specific quantities and deliveries/performances cannot be predetermined or for definite amounts of supplies and services whose specific deliveries/performances schedules cannot be established at time of initial contract award. This change is specific to "D" contracts, including information technology task or delivery order contracts, awarded pursuant to 10 U.S.C. 2304(a). It is not applicable to: task or delivery order contracts awarded under other statutory authority; advisory and assistance service task order contracts authorized by 10 U.S.C. 2304(b); definite quantity contracts awarded under 10 U.S.C. 2304(c); General Service Administration (GSA) schedule contracts ("F" awards); or to multi-agency contracts awarded by agencies other than the National Aeronautic and Space Administration (NASA), DOD, or the Coast Guard.

5. **Incorporation.** This Procurement Advisory Notice will be incorporated in the next iteration of USAMRMC Regulation 715-1.

6. **Point of Contact.** Raegon B. Clutz, Chief, Policy and Quality Assurance Branch, US Army Medical Research Acquisition Activity. Raegon.Clutz@det.amedd.army.mil (301) 619-2395.



PAUL G. MICHAELS
Principal Assistant
Responsible for Contracting

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