



PREP ASSIGNMENT
SEASON 2023, EPISODE ELEVEN
FAR PART 16: Types of Contracts

Preparation Assignment (20 points each)

Fill In the Blank Questions:

1. An indefinite-quantity contract provides for **an indefinite quantity**, within **stated limits**, of supplies or services during **a fixed period**. The Government places orders for **individual requirements**. Quantity limits may be stated as **number of units** or as **dollar values**. [Hint: Check out FAR 16.504]
2. The contracting officer shall use cost-reimbursement contracts only when-
 - (1) **Circumstances do not allow the agency to define its requirements sufficiently to allow for a fixed-price type contract** (see 7.105); or
 - (2) **Uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use any type of fixed-price contract**. [Hint: Check out FAR 16.301-2]
3. A time-and-materials contract provides for acquiring **supplies** or **services** on the basis of-
 - (1) Direct **labor hours** at specified fixed **hourly** rates that include **wages, overhead, general and administrative expenses**, and **profit**; and
 - (2) Actual **cost** for **materials** (except as provided for in 31.205-26(e) and (f).)
4. Incentive contracts as described in this subpart are appropriate when a **firm-fixed-price contract** is not appropriate and the required supplies or services can be acquired at **lower costs** and, in certain instances, **with improved delivery or technical performance**, by relating the amount of **profit** or **fee** payable under the contract to the contractor's **performance**. [Hint: Check out FAR 16.504]
5. A basic agreement shall not
 1. **Cite appropriations or obligate funds;**
 2. **State or imply any agreement by the Government to place future contracts or orders with the contractor; or**
 3. **Be used in any manner to restrict competition** [Hint: Check out FAR 16.702]

"Look 'Em Ups" (Enter the FAR cite and Answer)

1. What should a contracting officer consider when determining the number of contracts to be awarded under a multiple award indefinite delivery/indefinite quantity type contract?
FAR 16.504
 - (1) **The scope and complexity of the contract requirement.**
 - (2) **The expected duration and frequency of task or delivery orders.**
 - (3) **The mix of resources a contractor must have to perform expected task or delivery order requirements.**

(4) The ability to maintain competition among the awardees throughout the contracts' period of performance.

2. Under what circumstances is it appropriate to use a firm fixed price contract with economic price adjustments?

FAR 16.203-2

A fixed-price contract with economic price adjustment may be used when (i) there is serious doubt concerning the stability of market or labor conditions that will exist during an extended period of contract performance, and (ii) contingencies that would otherwise be included in the contract price can be identified and covered separately in the contract. Price adjustments based on established prices should normally be restricted to industry-wide contingencies. Price adjustments based on labor and material costs should be limited to contingencies beyond the contractor's control.

FAR Question: The FAR Council informs in FAR Part 16.7 that a basic ordering agreement (BOA) is NOT a contract. Under what circumstances is a contracting officer permitted to make a "final commitment" and authorize/order a contractor to begin work under a BOA?

FAR 16.703 (d)(3)

(3) The contracting officer shall neither make any final commitment nor authorize the contractor to begin work on an order under a basic ordering agreement until prices have been established, unless the order establishes a ceiling price limiting the Government's obligation and either-

(i) The basic ordering agreement provides adequate procedures for timely pricing of the order early in its performance period; or

(ii) The need for the supplies or services is compelling and unusually urgent (i.e., when the Government would be seriously injured, financially or otherwise, if the requirement is not met sooner than would be possible if prices were established before the work began). The contracting officer shall proceed with pricing as soon as practical. In no event shall an entire order be priced retroactively.

FUN Question: Speaking of "boas", one of my favorite books involves an early encounter between a young boy "who lives under the stairs" and a boa constrictor at the London Zoo. During their meeting, the boy unexpectedly finds that he is able to speak with the snake and releases him from his glass cage. What is the name of that book. For an additional twenty (20) FUN points tell me the name of the author of the book AND the word she created for "the language of snakes".

**Harry Party and the Sorcerer's Stone
J.K. Rowling
Parseltongue**