



DEFENSE LOGISTICS AGENCY
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J-336

IN REPLY PROCLTR 02- 08
REFER TO

APR 29 2002

MEMORANDUM FOR PROCLTR DISTRIBUTION LIST

SUBJECT: Revision to Defense Logistics Acquisition Directive (DLAD) 17.1, Multi-Year Contracting

The purpose of this PROCLTR is to revise DLAD section 17.104 concerning multi-year contracting. Specifically, the PROCLTR clarifies when FAR/DFARS procedures do not apply, and establishes other procedures to follow in such cases to ensure business and fiscal issues are properly addressed.

This PROCLTR is effective immediately and expires upon incorporation into the DLAD. The point of contact for this PROCLTR is Mr. Frank Pane at (703) 767-1461 (DSN 427). He may also be reached via email at francis_pane@hq.dla.mil.

CLAUDIA S. KNOTT
Executive Director
Logistics Policy and Acquisition Management

Attachment



17.104 General

(a) DLA contracts that have a base and/or an option period of performance greater than one year that includes more than one year's worth of requirements are not considered multi-year contracts as set forth in FAR/DFARS 17.1 or as defined in the DoD Financial Management Regulation if 1) they are funded exclusively with working capital funds, and 2) funds are fully obligated at time of award to cover the contract commitment (i.e., guaranteed minimum). However, such acquisitions must comply with the following:

(1) An analysis must be conducted during the acquisition planning process to determine the most beneficial period of performance length, and for indefinite-quantity contracts, the appropriate guaranteed minimum. This analysis must address why the proposed duration and contract minimum provide pricing and business benefits, and also must address the degree of Government risk associated with a longer-term arrangement. Items that should be considered at a minimum include: cost, future potential for competition on the solicited items, whether the resultant contract will contain an EPA clause, associated contractor start-up costs, and potential impact on the current/future small business base. Results of the analysis must be documented in the Acquisition Plan.

(2) Acquisition personnel must coordinate with their comptroller's office to ensure adequate funding procedures are in place so that such acquisitions do not, singly or cumulatively, create a negative impact on cash flow or obligation authority that impedes support to other procurement requirements.

SUBPART 90.11 - ACQUISITION PLANNING

90.1101 Contents of written acquisition plans. (*Paragraphs are numbered to conform with coverage at FAR 7.105 and DFARS 207.105.*)

(5) Delivery or performance-period requirements. Provide estimates of production lead times. Describe whether supplies or services are required by specified times to support other supplies, services, systems, or program requirements. Describe management considerations of the supplies, as appropriate, e.g., depot capabilities, stock rotational requirements, and shelf life. Describe production surveillance reporting requirements. ***If the acquisition is structured with a base and/or option period of performance greater than one year that includes more than one year's worth of requirements in that base and/or option, describe the results of the analysis required by DLAD 17.104(a) identifying benefits of recommended period of performance length and associated guaranteed minimum quantities (if applicable).***