

What is a task order, or indefinite delivery contract?

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You will hear and read the terms “task order contract” and “issuance of task orders” frequently in discussions and documents that pertain to GSA schedules. Even though the FAR 8.4 provides specific authorities for GSA schedule contracts that supercede the FAR 16.5’s specific provisions for task order or indefinite delivery contract types, an understanding of these vehicles will help to better understand the way a GSA schedule works.



Acquisition Tool

An indefinite delivery contract is an acquisition tool that has grown substantially in popularity over the last decade. There are three types of indefinite delivery contracts: definite quantity, indefinite-quantity and requirements contracts. All three are used to acquire supplies and/or services when the exact times and/or exact quantities of future deliveries are not known at the time of contract award. Requirements contracts and indefinite quantity contracts are also known as delivery order or “task order” contracts.

Task order contracts permit government stocks of specific items to be maintained at minimum levels and allow direct shipments to the users of products or services. They also permit great flexibility in both quantities and delivery scheduling and the ability of buyers to order supplies and services only after specific requirements for them materialize. Perhaps most significantly, task order contracts limit the Government’s obligation to the minimum quantity specified in the contract. Task order contracts are used by buyers who cannot predetermine the precise quantities of supplies or services they will require during the contract period when it is inadvisable for them to commit to any more than a minimum quantity.

Using an IDIQ vehicle, buyers place orders for individual requirements, and quantity limits may be stated as number of units or as dollar values. The contract must require the buyer to order and the contractor to furnish at least a stated minimum quantity of supplies or services. An task order contract must specify the period of performance, including the number of option periods, and must specify the total minimum and maximum quantity of supplies or services the Government will acquire under the contract.

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