



## 1. PURPOSE

This document provides SPAWAR policy on the acquisition of services which are not already covered under the DoD/DoN 5000 series documents.

A Contract Term Length Waiver is used to request approval for a period of performance longer than the timespan prescribed.

Related guidance is available under [CMPG 1.2.2.2 Determine Duration](#).

## 2. POLICY

### 2.1 Period of Performance Standards

DON has established contract period of performance standards based on service portfolios. Service portfolios, based on groupings of Product Service Codes (PSCs), are detailed in the DPAP memo, "[Taxonomy for the Acquisition of Services](#)" ([DFARS PGI 201.1](#)). Check the [Toolbox](#) for additional resources.

### 2.2 Period of Performance



Unless otherwise approved via waiver, the total of basic and option years **shall not exceed 5 years** (see [FAR 17.204](#)(e) and (d)). *As of Feb 2014, Knowledge Based Service (KBS) contract term requirements have been removed from NMCARS.*

### 2.3 Waivers

Any extension of the period of performance described above must be accompanied by a [waiver](#) that analyzes individual requirements and determines appropriate term lengths. These should be supported by a sound business case addressing market, risk, and cost effectiveness. Additional factors to consider may include:

- Unique service/Sole source
- High solicitation costs
- Strategic requirement/relationship
- Ramp-up/infrastructure requirement
- Efficiencies available through long term contract
- Advantageous contract terms

## 3. RESPONSIBILITIES

**3.1 Acquisition Team** - Determines appropriate length of contract based on requirements; provides detailed information for the waiver.

**3.2 Contracting Officer** - Submits waiver to Approval Authority; sends approved waivers to SPAWAR Policy 2.3A3 for reporting purposes at [hq\\_contracts\\_policy@navy.mil](mailto:hq_contracts_policy@navy.mil).

**3.3 Approval Authority** - Signs waiver, as appropriate.

**3.4 SPAWAR Policy 2.3A3** - Collects waivers; reports to DON.

## 4. PROCEDURE

**4.1 Acquisition Team** completes waiver.

**4.2 Contracting Officer** sends completed waiver to the appropriate Approval Authority.

**4.3 Approval Authority** reviews the request for a waiver.

◇ Waiver approved? If yes:



- 4.4 Contracting Officer forwards waiver to SPAWAR Policy 2.3A3 - [hq\\_contracts\\_policy@navy.mil](mailto:hq_contracts_policy@navy.mil).
- 4.5 SPAWAR Policy 2.3A3 reports to DON.

5. APPROVALS

| Value (x)          | Approval Authority  |
|--------------------|---|
| \$100M < x         | DASN(AP) Senior Services Manager. Email completed waiver to <a href="mailto:seniorservicesmanager.fct@navy.mil">seniorservicesmanager.fct@navy.mil</a> ; use subject line "KBS Term Length Waiver Request." |
| \$50M ≤ x ≤ \$100M | SPAWAR 2.0 Director of Contracts  |
| x < \$50M          | 1. Chief of the Contracting Office (SSC CCO)<br>2. SPAWAR 2.0 Director of Contracts   |

6. TOOLBOX

- 1. [Contract Term Length Waiver Template](#)
- 2. [Taxonomy for the Acquisition of Services](#) - DPAP, Nov 2010
- 3. [Product Service Code Manual](#) - Aug 2011
- 4. [Enhancing Competition for Service Contracts](#) - ASN(RDA)(AP), Dec 2011

7. CHANGE HISTORY

Updated material is highlighted by *purple text* and an Alert/New  icon.

| Date        | Description of Changes   |
|-------------|--|
| August 2014 | Content taken from Acquisition of Services SCPPM to create this more focused Contract Term Length Waivers SCPPM. Updated content to reflect the removal of 3-year limit for KBS. Updated format, reorganized content, and updated links. |
| March 2014  | Last version created in old format. Latest change under this topic was to add email address and subject line for DASN(AP) approvals.   |