

PGI 217.202 Use of options.

- (1) Options may be used for foreign military sales (FMS) requirements.
- (2) For sole source major systems for U.S. and U.S./FMS combined procurements, contracting officers, in coordination with program managers, are encouraged to—
 - (i) Establish priced options for two years beyond the base year, so that negotiations of major systems will be conducted approximately every three years; and
 - (ii) In those cases where exact quantities are subject to variation, or FMS customers are not yet identified, establish range option pricing for both U.S. and FMS quantities.
- (3) Consider use of surge options to support industrial capability. A surge option allows the Government, prior to final delivery, to—
 - (i) Accelerate the contractor's production rate in accordance with a surge production plan or a delivery schedule provided by the contractor under the terms of the contract; and
 - (ii) Purchase additional quantities of supplies or services.
- (4) See DFARS Subpart 217.74 for limitations on the use of undefinitized options.

Parent topic: [PGI 217.2 -OPTIONS](#)