Subpart 217.2 - OPTIONS

Parent topic: Part 217 - SPECIAL CONTRACTING METHODS

217.202 Use of options.

(1) See PGI 217.202 for guidance on the use of options.

(i) See PGI 217.202 (1) for guidance on the use of options with foreign military sales (FMS).

(ii) See PGI 217.202 (2) for the use of options with sole source major systems for U.S. and U.S./FMS combined procurements.

(2) For a contract that is initially awarded from the competitive selection of a proposal resulting from a broad agency announcement, see 234.005-1 for the use of contract options for the development and demonstration or initial production of technology developed under the contract or the delivery of initial or additional items.

217.204 Contracts.

(e)(i) Notwithstanding FAR 17.204(e), the ordering period of a task order or delivery order contract (including a contract for information technology) awarded by DoD pursuant to 10 U.S.C. 3403—

(A) May be for any period up to 5 years;

(B) May be subsequently extended for one or more successive periods in accordance with an option provided in the contract or a modification of the contract; and

(C) Shall not exceed 10 years unless the head of the agency determines in writing that exceptional circumstances require a longer ordering period.

(ii) Paragraph (e)(i) of this section does not apply to the following:

(A) Contracts, including task or delivery order contracts, awarded under other statutory authority.

(B) Advisory and assistance service task order contracts (authorized by 10 U.S.C. 3405 that are limited by statute to 5 years, with the authority to extend an additional 6 months (see FAR 16.505(c)).

(C) Definite-quantity contracts.

(D) GSA schedule contracts.

(E) Multi-agency contracts awarded by agencies other than NASA, DoD, or the Coast Guard.

(iii) Obtain approval from the senior procurement executive before issuing an order against a task or delivery order contract subject to paragraph (e)(i) of this section, if performance under the order is expected to extend more than 1 year beyond the 10-year limit or extended limit described in paragraph (e)(i)(C) of this section (see FAR 37.106 for funding and term of service contracts).

217.207 Exercise of options.

(c) In addition to the requirements at FAR 17.207(c), exercise an option only after—

(1) Determining that the contractor's record in the System for Award Management database is active and the contractor's unique entity identifier, Commercial and Government Entity (CAGE) code, name, and physical address are accurately reflected in the contract document. See PGI 217.207 for the requirement to perform cost or price analysis of spare parts prior to exercising any option for firm-fixed-price contracts containing spare parts; and

(2) Working with the program office or requiring activity to verify in the Supplier Performance Risk System (https://piee.eb.mil) that—

(i) The summary level score of a current NIST SP 800-171 DoD Assessment (i.e., not more than 3 years old, unless a lesser time is specified in the solicitation) for each covered contractor information system that is relevant to an offer, contract, task order, or delivery order are posted (see 204.7303); and

(ii) If there is a requirement for the contractor to have a Cybersecurity Maturity Model Certification (CMMC) status at a specific CMMC level, the contractor has a current CMMC statusat the CMMC level required by the contract, or higher, for each of the CMMC unique identifiers applicable to each of the contractor information systems that process, store, or transmit Federal contract information or controlled unclassified information (see 204.7503(c)).

217.208 Solicitation provisions and contract clauses.

Sealed bid solicitations shall not include provisions for evaluations of options unless the contracting officer determines that there is a reasonable likelihood that the options will be exercised (10 U.S.C. 3206(e)). This limitation also applies to sealed bid solicitations for the contracts excluded by FAR 17.200.

217.208-70 Additional clauses.

(a) Use the basic or the alternate of the clause at 252.217-7000 , Exercise of Option to Fulfill Foreign Military Sales Commitments, in solicitations and contracts when an option may be used for foreign military sales requirements. Do not use the basic or the alternate of this clause in contracts for establishment or replenishment of DoD inventories or stocks, or acquisitions made under DoD cooperative logistics support arrangements.

(1) Use the basic clause when the foreign military sales country is known at the time of solicitation or award.

(2) Use the alternate I clause when the foreign military sale country is not known at the time of solicitation or award.

(b) When a surge option is needed in support of industrial capability production planning, use the clause at 252.217-7001 , Surge Option, in solicitations and contracts.

(1) Insert the percentage or quantity of increase the option represents in paragraph (a) of the clause to ensure adequate quantities are available to meet item requirements.

(2) Change 30 days in paragraphs (b)(2) and (d)(1) to longer periods, if appropriate.

(3) Change the 24-month period in paragraph (c)(3), if appropriate.