# Subpart 5117.2 - Options

**Parent topic:** Part 5117 - Special Contracting Methods

## 5117.204 Contracts.

(e) The HCA approves the use of contract terms in excess of the limitations specified in FAR 17.204(e). See Appendix GG for delegation.

(i)(C) DFARS 217.204(e)(i)(C) requires an “exceptional circumstances” determination to authorize task and delivery order contracts (including contracts for information technology) with ordering periods that would exceed 10 years. The Assistant Secretary of the Army (Acquisition, Logistics and Technology) approves the “exceptional circumstances” determination. See Appendix GG for further delegation.

(iii) The senior procurement executive shall approve use of options that extend performance under the order that extend more than 1 year beyond the 10-year limit or extended limit as stated in DFARS 217.204(e)(iii). See Appendix GG for further delegation.

## 5117.206 Evaluation.

In awarding the basic contract, if a Contracting officer determines that the Government is reasonably likely to exercise the option at FAR 52.217-8, Option to Extend Services, the Contracting officer shall evaluate the price of the option as part of the source selection. The solicitation shall include the basis for evaluating the option price (see FAR 17.203(b)). If the Contracting officer does not evaluate the option at FAR 52.217-8 at the time of award, but later decides to exercise the option, the Contracting officer shall prepare a justification and approval (J&A) in accordance with FAR 6.303 prior to exercising the option (see FAR 17.207(f)).

## 5117.207 Exercise of options.

(c) In addition to the requirements at FAR 17.207(c) and DFARS 217.207(c), the Contracting officer may exercise options only after determining, when applicable, that –

(i) Government performance monitors have used a written quality assurance surveillance plan to ensure that services and supplies conform to contractual requirements (see FAR 37.603, 37.604, 46.102 and 46.401);

(ii) The Contracting officer has appointed a properly trained Contracting officer’s representative for the contract or task order, or has documented the file to support retention of surveillance duties by the Contracting officer (see DFARS PGI 201.602-2);

(iii) The Contracting officer has verified registration in the Contractor Performance Assessment Reporting System of the contract or task order for the current period (see FAR 42.1502, DFARS 242.1502, and 5142.1502), and that the assessing official will complete the final report within 120 days following the end of the current performance period; and

(iv) There are monthly surveillance reports in the Virtual Contracting Enterprise (VCE) PCF, along with necessary corrective actions.

## 5117.290 Addition of option clause or quantities to contracts after award.

Contracting officers shall obtain prior approval in accordance with FAR 6.304 before modifying a contract to incorporate option clauses or additional option quantities after award. Justifications shall include the reason for the proposed modification and the potential impact of disapproval.