Subpart 2417.2 - Options

Parent topic: PART 2417 - SPECIAL CONTRACTING METHODS

2417.204 Contracts.

(e)

(1) The Senior Procurement Executive (SPE) is authorized to approve contract periods for other than information technology contracts that exceed the 5-year limit set forth at FAR 17.204(e) that are not otherwise limited by statute (e.g., the Service Contract Act). Except as provided for in paragraphs (e)(2) and (4) of this section, the SPE shall approve any contract period that will exceed 5 years, including all option periods, prior to the award of the basic contract.

(2) With regard to HUD indefinite-delivery contracts, the “contract period” requiring the SPE's prior approval in paragraph (e)(1) of this section shall mean the ordering period of a contract. Unless otherwise specified within the contract, the 5-year limit shall not apply to the period that any task or delivery order issued within the contract's ordering period extends beyond the final end date of the contract's ordering period, regardless of whether the performance period of the order causes the total period of the contract to exceed 5 years. The issuance of any such task or delivery order does not require the SPE's approval. Task or delivery orders with end dates extending beyond the ordering period of the contract may not exceed the final delivery date that the contracting officer has stated in the applicable indefinite-delivery FAR clause included in the contract (i.e., 52.216-20, “Definite Quantity,” paragraph (d); 52.216-21, “Requirements,” paragraph (f); or 52.216-22, “Indefinite Quantity,” paragraph (d)).

(3) The SPE's authority described in paragraphs (e)(1) and (2) of this section shall not be used as the basis to retroactively increase or extend the period of any existing contract.

(4) The SPE is not required to approve any option properly exercised pursuant to the FAR clause at 52.217-8, “Option to Extend Services,” that extends the contract period beyond 5 years; provided that the total length of all options exercised pursuant to FAR clause 52.217-8 may not exceed 6 months; and provided that exercise of any such options shall be in accordance with FAR 37.111. Any proposed extension of a contract beyond the 6-month maximum permitted by FAR 52.217-8 shall be considered a new requirement and shall be subject to the competition requirements of FAR part 6.