# PART 3417—SPECIAL CONTRACTING METHODS

Authority: 31 U.S.C. 1535 and 20 U.S.C. 1018a.

Source: 88 FR 60542, Sept. 1, 2023, unless otherwise noted.

Subpart 3417.1—Multiyear Contracting

3417.104 General.

Subpart 3417.2—Options

3417.204 Contracts.

3417.207 Exercise of options.

Subpart 3417.5—Interagency Acquisitions

3417.501 General.

Subpart 3417.70—Modular Contracting

3417.700 Modular contracting.

**Parent topic:** SUBCHAPTER C—CONTRACTING METHODS AND CONTRACT TYPES

## Subpart 3417.1—Multiyear Contracting

### 3417.104 General.

(b) The Head of the Contracting Activity (HCA) is the agency head for the purposes of FAR 17.104(b).

## Subpart 3417.2—Options

### 3417.204 Contracts.

(e) Except as otherwise provided by law, contract periods that exceed the five-year limitation specified in FAR 17.204(e) must be approved by—

(1) The HCA for individual contracts; or

(2) The SPE for classes of contracts.

### 3417.207 Exercise of options.

(f)(2) The Federal Government may accept price reductions offered by contractors at any time during contract performance. Acceptance of price reductions offered by contractors will not be considered renegotiations as identified in this subpart if they were not initiated or requested by the Federal Government.

(h) If a contract provision allows an option to be exercised within a specified time frame after funds become available, it must also specify that the date on which funds “become available” is the actual date funds become available to the contracting officer for obligation.

## Subpart 3417.5—Interagency Acquisitions

### 3417.501 General.

No other Federal department or agency may purchase property or services under contracts established or administered by FSA unless the purchase is approved by SPE for the requesting Federal department or agency.

## Subpart 3417.70—Modular Contracting

### 3417.700 Modular contracting.

(a) FSA may incrementally conduct successive procurements of modules of overall systems. Each module must be useful in its own right or useful in combination with the earlier procurement modules. Successive modules may be procured on a sole source basis under the following circumstances:

(1) Competitive procedures are used for awarding the contract for the first system module; and

(2) The solicitation for the first module included the following:

(i) A general description of the entire system that was sufficient to provide potential offerors with reasonable notice of the general scope of future modules;

(ii) Other sufficient information to enable offerors to make informed business decisions to submit offers for the first module; and

(iii) A statement that procedures, *i.e.,* the sole source awarding of follow-on modules, could be used for the subsequent awards.

(b) [Reserved]