

SUBPART 17.2 - OPTIONS

(Revised February 17, 2017 through PROCLTR 2017-10)

Parent topic: PART 17 - SPECIAL CONTRACTING METHODS

17.204 Contracts.

(e)(1) HCAs are authorized to approve use of contracts exceeding 5 years and up to 10 years (including base and options), provided no statutory restriction limits the term of the contract or specifically authorizes a longer duration. Include the HCA signed approval memorandum in the contract file.

(2) Submit requests for an ordering period in excess of 10 years to the DLA Acquisition Operations Division for SPE approval.

17.206 Evaluation.

(b) The determination not to evaluate an option prior to contract award (or definitization, if an undefinitized contract) must be in the contract file. Unevaluated options must not be used except in unusual circumstances.

17.207 Exercise of options.

(c)(7) The contracting officer must ensure the contractor's compliance with small business subcontract plan requirements are in the contract. Request DCMA small business office assistance for evaluation.

(d)(2) The contracting officer must include actual demands in informal option price analysis.

(S-90) Contracting officers may elect to issue solicitations with guaranteed minimum (GM) quantities for any option periods. GMs are not required for option periods. Contracting officers should only consider offering GMs for option periods if expected to increase competition, result in better price and/or there are special circumstances indicating it is in the best interest of the Government to do so. If option period GMs are used, contracting officers shall only record an obligation for a GM for the period of performance of an option at the time each option is exercised.