

## Subchapter 3017.2 Options

### 3017.203 Solicitation.

(b) When including FAR clause 52.217-8, Option to Extend Services, in a solicitation, include in Section M (or equivalent section), a statement describing how options will be evaluated. For sample solicitation language, see the job aid for FAR Clause 52.217-8 at <http://dhsconnect.dhs.gov/org/comp/mgmt/ocpo/APL/Pages/Guides&Tools.aspx>.

### 3017.204 Contracts.

(e)(1) Except for task or delivery order contracts awarded by the USCG, DHS COCOs, without redelegation, may approve total contract periods exceeding five years. Contract period means the performance period or for indefinite delivery contracts, the ordering period. In calculating the total contract period contracting officers:

(i) Must include all options to extend the term of the contract pursuant to FAR clause 52.217-9, Option to Extend the Term of the Contract.

(ii) Will not include potential extensions that may later be made pursuant to FAR clause 52.217-8, Option to Extend Services, if included in the contract. (Note: Do not include the additional six months of services available under FAR clause 52.217-8 when specifying the total contract duration in paragraph (c) of FAR clause 52.217-9.)

(2) Documentation shall include rationale describing circumstances that warrant a period longer than five years, the results of market research, benefits to the Government and how price risks normally associated with a long performance period are being mitigated.

(3) The ordering period of a task or delivery order contract awarded by USCG pursuant to 10 U.S.C. 3403—

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

(ii) 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

(iii) Shall not exceed 10 years unless the HCA determines in writing that exceptional circumstances require a longer ordering period.

(4) For USCG only, paragraph (e)(1) of this section—

(i) Also applies to information technology task or delivery order contracts;

(ii) Does not apply to contracts, including task or delivery order contracts, awarded under other statutory authority; and

(iii) Does not apply to the following:

(A) 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))).

(B) Definite-quantity contracts.

(C) GSA schedule contracts.

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

(5) For USCG only, obtain approval from the HCA before issuing an order against a task or delivery order contract subject to paragraph (e)(1) 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)(1)(iii) of this section (see FAR 37.106 for funding and term of service contracts).

(70)(a) When including FAR clause 52.217-8, Option to Extend Services, the resulting contract/order shall not include a priced Contract Line Item Number (CLIN) or specified performance period for the additional six months of services. Including the option as a priced CLIN with a defined period of performance at contract/order award will preclude the Government from exercising the option at any other time given that an option must be exercised in strict compliance with the terms of the contract/order. Contracting Officers shall add a new CLIN to the contract/order and a performance period when an option is exercised per the terms of FAR clause 52.217-8.

(b) Do not include the evaluated price of FAR clause 52.217-8 as part of the contract/order price at the time of initial contract/order award for purposes of Congressional notification or reporting in the Federal Procurement Data System. Contracting officers shall submit a Congressional notification before exercising the option at FAR clause 52.217-8 when required by HSAM 3005.303-70 and as summarized at HSAM 3017.207-70(f)(4).

#### **3017.205-70 Documentation.**

(a) Independent government cost estimates are not to include an estimated cost for the options at 52.217-8, Option to Extend Services, as the decision to exercise the option for continued performance is at the discretion of the Contracting Officer.

#### **3017.206 Evaluation.**

(a)(1) The award decision document shall address how all options were evaluated, including the option at FAR clause 52.217-8, Option to Extend Services, and how the total evaluated price is determined fair and reasonable. For sample documentation language see the job aid for FAR

Clause 52.217-8 at

<http://dhsconnect.dhs.gov/org/comp/mgmt/ocpo/APL/Pages/Guides&Tools.aspx>.

(2) 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, as applicable, a justification and approval in accordance with FAR 6.303 (or the applicable equivalent), prior to exercising the option.

### **3017.207-70 Exercise of options.**

(c) In addition to the requirements at FAR 17.207(c), a contracting officer shall exercise an option only after determining that the contractor's record in the System for Award Management (SAM) database is active and that the contractor's unique entity identifier, Commercial and Government Entity (CAGE) code, name, and physical address are accurately reflected in the contract file.

(f) For FAR clause 52.217-8, Option to Extend Services,

(1) the option may be exercised at the end of the base period or the end of any option period available under clause 52.217-9. However, once the 52.217-8 option is exercised, unexercised options under FAR clause 52.217-9 are no longer available to exercise (for additional information go to <http://dhsconnect.dhs.gov/org/comp/mgmt/ocpo/APL/Pages/Guides&Tools.aspx>).

(2) the determination required by FAR 17.207(c) shall:

(i) Include a detailed description of the specific events or circumstances that created the need for an extension of services and an explanation of why the events and circumstances were beyond the control of the contracting office (see FAR 37.111).

(ii) Be approved by the Component Competition Advocate (non-delegable) when the contracting officer exercises an option at 52.217-8 that extends services beyond the end of the contract's/order's final performance period. A contracting officer may obtain the required approvals for up to six months and incrementally exercise the options at FAR clause 52.217-8 as needed.

(3) The requirements of FAR 22.1007(b)(1) for obtaining a wage determination apply to the exercise of each option extension.

(4) For DHS contracts, Blanket Purchase Agreements (BPAs) issued under FAR part 13, and orders issued under DHS multiple award contracts, Congressional notification is required before exercising an option under FAR clause 52.217-8 that exceeds \$4 million or when the exercise of the option causes the total value of the contract, BPA, or order to now exceed \$4 million. Congressional notification is also required when exercising an option under FAR clause 52.217-8 for any order awarded using multiyear or no-year funds that

exceeds \$10M or when the exercise of the option will cause the total value of the order to now exceed \$10M. See HSAM 3005.303-70 and HSAM Appendix (D) for details on Congressional notification requirements.