# Subpart 517.2 - Options

**Parent topic:** Part 517 - Special Contracting Methods

## 517.200 Scope of subpart.

(a) Except as provided in paragraph (b) of this section, this subpart applies to contracts for supplies and services, including architect-engineer services.

(b) Policies and procedures for the use of options in solicitation provisions and contract clauses for services involving construction, alteration, or repair (including dredging, excavating, and painting) of buildings, bridges, roads, or other kinds of real property are prescribed in 536.270. FAR subpart 17.2 and this subpart do not apply to the use of options in solicitation provisions and contract clauses for services involving construction, alteration, or repair (including dredging, excavating, and painting) of buildings, bridges, roads, or other kinds of real property.

## 517.202 Use of options.

(a) Options may be used when they meet one or more of the following objectives:

(1) Reduce procurement lead time and associated costs.

(2) Ensure continuity of contract support.

(3) Improve overall contractor performance.

(4) Facilitate longer term contractual relationships with those contractors that continually meet or exceed quality performance expectations.

(b) An option is normally in the Government’s interest in the following circumstances:

(1) There is an anticipated need for additional supplies or services during the contract term.

(2) When there is both a need for additional supplies or services beyond the basic contract period and the use of multi-year contracting authority is inappropriate.

(3) There is a need for continuity of supply or service support.

(c) An option shall not be used if the market price is likely to change substantially and an economic price adjustment clause inadequately protects the Government's interest.

## 517.208 Solicitation provisions.

(a) Insert a provision substantially the same as the provision at 552.217-70, Evaluation of Options, in solicitations for the Special Order Program when the following conditions apply:

(1)The solicitation contains an option to extend the term of the contract; and

(2)The contract will be fixed price and contain an economic price adjustment clause.

(b)Insert a provision substantially the same as the provision at 552.217-71, Notice Regarding Option(s), in solicitations that include an option for increased quantities of supplies or services or an option clause to extend the term of the contract.