

17.604 Identifying management and operating contracts.

A *management and operating contract* is characterized both by its purpose (see [17.601](#)) and by the special relationship it creates between Government and contractor. The following criteria can generally be applied in identifying *management and operating contracts*:

- (a) Government-owned or -controlled facilities *must* be utilized; for instance-
 - (1) In the interest of *national defense* or mobilization readiness;
 - (2) To perform the agency's mission adequately; or
 - (3) Because private enterprise is unable or unwilling to use its own facilities for the work.
- (b) Because of the nature of the work, or because it is to be performed in Government facilities, the Government *must* maintain a special, close relationship with the contractor and the contractor's personnel in various important areas (*e.g.*, safety, security, cost control, site conditions).
- (c) The conduct of the work is wholly or at least substantially separate from the contractor's other business, if any.
- (d) The work is closely related to the agency's mission and is of a long-term or continuing nature, and there is a need-
 - (1) To ensure its continuity; and
 - (2) For special protection covering the orderly transition of personnel and work in the event of a change in contractors.

Parent topic: [Subpart 17.6 - Management and Operating Contracts](#)