

17.605 Award, renewal, and extension.

(a) Effective work performance under *management and operating contracts* usually involves high levels of expertise and continuity of operations and personnel. Because of program requirements and the unusual (sometimes unique) nature of the work performed under *management and operating contracts*, the Government is often limited in its ability to effect competition or to replace a contractor. Therefore *contracting officers should* take extraordinary steps before award to assure themselves that the prospective contractor's technical and managerial capacity are sufficient, that organizational conflicts of interest are adequately covered, and that the contract will grant the Government broad and continuing rights to involve itself, if necessary, in technical and managerial decisionmaking concerning performance.

(b) The *contracting officer shall* review each *management and operating contract*, following agency procedures, at appropriate intervals and at least once every 5 years. The review *should* determine whether meaningful improvement in performance or cost might reasonably be achieved. Any extension or renewal of an operating and management contract *must* be authorized at a level within the agency no lower than the level at which the original contract was authorized in accordance with [17.602\(a\)](#).

(c) Replacement of an incumbent contractor is usually based largely upon expectation of meaningful improvement in performance or cost. Therefore, when reviewing contractor performance, *contracting officers should* consider-

(1) The incumbent contractor's overall performance, including, specifically, technical, administrative, and cost performance;

(2) The potential impact of a change in contractors on program needs, including safety, *national defense*, and mobilization considerations; and

(3) Whether it is likely that qualified *offerors* will compete for the contract.

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