

DFARS Procedures, Guidance, and Information

PGI 217—Special Contracting Methods

(Revised May 12, 2006)

PGI 217.2—OPTIONS

PGI 217.202 Use of options.

(1) Options may be used for foreign military sales requirements.

(2) Consider use of surge options to support industrial capability. A surge option allows the Government, prior to final delivery, to—

(i) Accelerate the contractor's production rate in accordance with a surge production plan or a delivery schedule provided by the contractor under the terms of the contract; and

(ii) Purchase additional quantities of supplies or services.

(3) See DFARS Subpart 217.74 for limitations on the use of undefinitized options.

PGI 217.204 Contracts.

(e) By October 31st of each year, the military departments and defense agencies must submit a report addressing each extension of an ordering period for a task or delivery order contract, granted during the previous fiscal year, that resulted in a total ordering period of more than 10 years.

(1) Include in the report--

(i) A discussion of the exceptional circumstances on which the extension was based; and

(ii) The justification for the head of the agency's determination of exceptional circumstances.

(2) Submit the report to--

Director, Defense Procurement and Acquisition Policy
OUSD(AT&L)DPAP
3060 Defense Pentagon
Washington, DC 20301-3060

(3) The Director, Defense Procurement and Acquisition Policy, will submit a consolidated DoD report to Congress.

(4) This reporting requirement—

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(i) Complies with subsection 813(b) of the National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375); and

(ii) Expires after submission of the report for fiscal year 2009.