

517.203

(b) *Construction.* For limitations on the use of options, see 536.213 and 536.270.

517.203 Solicitations.

A solicitation that includes an option to extend should inform offerors that the contract could result in a long term contractual relationship subject to both of the following conditions:

- (a) Continuing need by GSA.
- (b) Level of contract performance that at least meets GSA's quality performance expectations.

517.207 Exercise of options.

Before exercising an option, you must:

- (a) Synopsise it unless you meet of the following conditions:
 - (1) The option was evaluated as part of the original competition.
 - (2) The contract action meets an exception in FAR 5.202.
- (b) Conclude that the contractor's performance under the contract met or exceeded the Government's expectation

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for quality performance, unless another circumstance justifies an extended contractual relationship.

- (c) Determine that the option price is fair and reasonable.

517.208 Solicitation provisions and contract clauses.

(a) For solicitations under FSS's Stock or Special Order Program, insert a provision substantially the same as the provision at 552.217–70, Evaluation of Options, if both of the following conditions apply:

- (1) The solicitation contains an option to extend the term of the contract.
 - (2) The contract will be fixed price and contain an economic price adjustment clause.
- (b) Insert the provision at 552.217–71, Notice Regarding Option(s), or a similar provision, in solicitations that include an option for increased quantities of supplies or services or an option to extend.