

Part 517 - Special Contracting Methods

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Parent topic: General Services Administration Acquisition Manual

Subpart 517.1 - Multi-year Contracting

517.101 Authority.

(a) In addition to the multi-year authority described in FAR 17.101, GSA is authorized to enter into contracts for periods not to exceed-

(1) Five years for the inspection, maintenance, and repair of fixed building equipment in federally owned buildings (40 U.S.C. 581(c)(6)); or

(2) Ten years for public utility services (40 U.S.C. 501(b)(1)(B)).

(b) Contracting officers may award contracts under the authority of paragraph (a)(1) or paragraph (a)(2) of this section without a cancellation clause.

517.103 Definitions.

“Fixed equipment in federally-owned buildings” means all GSA mechanical equipment, including heating/cooling (geothermal), ventilation, electrical (wind/photovoltaic), elevator, escalator, and fire safety systems, components, and devices.

517.109 Contract clause.

Use of the FAR clause at [52.217-2](#) is optional in multi-year contracts authorized by—

(a) [40 U.S.C. 581\(c\)\(6\)](#) for the inspection, maintenance, and repair of fixed equipment in a federally-owned building; and

(b) [40 U.S.C. 501\(b\)\(1\)\(B\)](#) for public utility services.

Subpart 517.2 - Options

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.

517.204 Contracts.

- (a) Telecommunication contracts may not exceed 10 years.
- (b) Public utility contracts are limited to 10 years (40 U.S.C. 501(b)(1)(B)).
- (c) *Requests to exceed 5-year limitation.* A deviation request to exceed the 5-year limitation specified in FAR 17.204(e) must provide all the following information:
 - (1) Clearly explain the contract(s) and organization(s) covered by the request.
 - (2) Support the need for and reasonableness of the extension. Consider factors such as the following:
 - (i) The results of market research.
 - (ii) Stability of the requirement(s).
 - (iii) Benefits to the Government.
 - (iv) Use of a performance-based contracting approach.
 - (v) Availability of funds to cover estimated cancellation costs as well as costs for the first contract period.
 - (vi) Customary commercial practice.
 - (vii) Mechanisms to adjust for economic fluctuations.
- (d) *Approval authority.* Deviation requests to exceed the 5-year limitations specified in FAR 17.204(e) must be approved by-
 - (1) The head of the contracting activity for individual contracts; and
 - (2) GSA's Senior Procurement Executive for classes of contracts.

517.207 Exercise of options.

In addition to the requirements of FAR 17.207, the contracting officer shall:

- (a) Document the contract file with the rationale for exercising the contract option to extend the period of performance if the contractor's performance under the contract is less than satisfactory.

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

(c) If applicable, consider any tiered solutions (see subpart [Subpart 507.71 - Category Management](#)) or mandated solutions that were otherwise not available at the time of award.

(d) Conduct a Personal Identity Verification card review to determine the need for continued access, see 504.1370(c). This function may be delegated to the COR.

(e) For FSS contracts, verify the contractor is currently in compliance with GSAR clause [552.238-77 Submission and Distribution of Authorized Federal Supply Schedule \(FSS\) Price Lists.](#), [Submission and Distribution of Authorized Federal Supply Schedule Price Lists.](#)

(f) If applicable, verify that the contractor's subcontracting plan goals have been reviewed and approved (inclusive of any amendments) and review the contractor's performance and compliance under the subcontracting plan (see FAR [19.705-6](#) and [19.706](#), and [519.706 Responsibilities of the cognizant administrative contracting officer.](#)).

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.

Subpart 517.5 - Interagency Acquisitions

517.502 Procedures.

(a) *General.*

(1) GSA provides interagency acquisition (IA) services to support the mission of federal agencies, foster competition and use of economies of scale, and provide options for agencies to meet their administrative and procurement needs.

(2) The Office of Acquisition Policy maintains tools and resources for the acquisition workforce on the GSA Acquisition Portal (<http://insite.gsa.gov/interagencyacquisition>).

(3) When conducting interagency acquisitions, an interagency agreement must be signed by the HCA. HCAs may designate approval authority for the interagency agreement to a level no lower than the Contracting Director.

(4) For PBS Reimbursable Work Authorizations (RWA), only authorized PBS Officials shall accept an

RWA in accordance with PBS National RWA Policy available at www.gsa.gov/rwa.

(b) *Cut-Off Dates.*

(1) Heads of Contracting Activities shall devise and publicize cut-off dates to accept interagency acquisitions for their respective organization(s) in support of this subpart. The decision to accept funds near the end of the fiscal year must be determined on a case-by-case basis taking into consideration the following at a minimum:

- (i) funding requesting agency assurance that the funds are current;
- (ii) understanding of the type of funds (*e.g.* one-year, multi-year, no-year);
- (iii) time required for GSA to properly obligate the funds; and
- (iv) confirmation that the requesting agency has submitted a “bona fide needs” statement.

(2) Cut-off dates do not apply when accepting no-year funds. Cutoff dates do not apply to multi-year funds not near expiration or within the final year that the funds are eligible for use.

(3) Once accepted, GSA must expeditiously and diligently begin work on all interagency acquisitions it accepts.

(c) *Reasonable Time.*

(1) Policy. When establishing interagency agreements, contracting activities must obligate funds in a reasonable time.

(2) Definition. A reasonable time is considered to be 90 calendar days unless otherwise established in the interagency agreement or other policy. Contracting activities must examine with particular care if the 90 calendar day acquisition lead time can be achieved by:

- (i) using an existing contract or task/delivery order which can be awarded or modified expeditiously to meet the requesting agency’s requirement; and
- (ii) validating that the requesting agency-specific fiscal policy attached to the funds (*e.g.*, DoD 7000.14-R Financial Management Regulation Volume 11A Chapter 18) does not have any applicable restrictions which would prevent the use of 90 calendar days as a “reasonable time”.

(3) Criteria for establishing “reasonable time”. For interagency acquisitions in which the contracting activity has determined the “reasonable time” to be in excess of 90 calendar days, the contracting officers must:

- (i) ensure that the “reasonable time” is mutually agreed upon and documented between the requesting agency and the GSA contracting activity at the time funds' are accepted (*e.g.* date specified on GSA Form 2957);
- (ii) ensure that the requesting agency-specific fiscal policy restrictions are adhered to (*e.g.*, DoD 7000.14-R Financial Management Regulation Volume 11A Chapter 18); and
- (iii) document the rationale for establishing a “reasonable time” which is in excess of 90 calendar days.

(d) *Periodic Reviews.* Contracting officers must review all interagency acquisition obligations for

goods or services that have been ordered but not yet received (undelivered orders/unfilled customer orders) at fiscal year-end. Generally speaking, if the interagency acquisition is for goods or services that were not delivered within the funds period of availability, the funds must be deobligated and current funds used, unless the goods could not be delivered because of delivery, production or manufacturing lead time, or unforeseen delays that are out of the control and not previously contemplated by the contracting parties at the time of contracting.

(e) *Resolving Interagency Policy Differences.* Any inconsistency in the applicability of requesting agency and GSA policy shall be resolved by considering the following:

(1) Where there is a conflict between the requesting agency and GSA policy, refer to the interagency agreement to resolve the conflict. If the interagency policy is not clear, document what the conflict is and request guidance as to what the governing policy is from the Office of General Council (OGC).

(2) When the requesting agency's policy is less restrictive than GSA's policy (e.g., higher dollar authority, streamlined procedures) and the interagency agreement does not identify which policy to follow, the contracting officer has discretion on which policy to follow. However, the contracting officer must consult with Service-level acquisition management (e.g., FAS OPC, PBS OAM) and OGC if following the less restrictive policy to ensure GSA has adequate controls in place and has the authority to utilize the less restrictive policy.

(3) A number of agencies have authorities which GSA does not have. GSA cannot use a requesting agency's given program authority (e.g., Other Transaction Authority (OTA)) unless the authority is specifically delegated to GSA by the requesting agency in a formal delegation.

517.502-70 Information Technology Procurements.

(a) The requesting agency is responsible for the required information technology coordination and approval outlined in Federal Information and Technology Acquisition Reform Act (FITARA) (Pub L. No. 113-291) if the procurement involves information technology for the use of the requesting agency and not for GSA use. This requirement for CIO coordination by the requesting agency should be confirmed by GSA as the servicing agency by ensuring this CIO coordination requirement is documented in the interagency agreement or a separate document.

(b) The requesting agency is responsible for identifying any special or higher level requirements for network connectivity (e.g. security, basic connectivity and communications) beyond the minimum Internet Protocol Version 6 (IPv6) requirements in FAR 11.002(g) for information technology that will have the capability to access the Internet or any network utilizing Internet protocol (IPv4 or IPv6). The special or higher level requirements as well as any deviation from the requirement in FAR 11.002(g) shall be documented in the interagency agreement.

Subpart 517.70 - Delegation of Procurement Authority

517.7001 Delegating authority.

(a) *General.* The GSA Administrator may delegate GSA's statutorily prescribed acquisition authorities to other Federal agencies for accomplishment of mission requirements.

(b) *Purpose*. GSA's delegation of procurement authority (DPA) to another Federal agency can be—

(1) To perform a specific acquisition; or

(2) To perform functions that could include acquisitions as a component thereof.

(c) *Scope*. GSA's delegation of authority to another Federal agency includes all delegations of procurement authority regardless of type or dollar value.

(d) *Specific roles and responsibilities*. Within the scope of GSA's ability to delegate procurement authorities to other Federal agencies, there are specific roles and responsibilities for GSA components:

(1) HCAs are responsible for:

(i) Developing policies and procedures governing all DPAs, tailored to the mission and organizational structure of the office, which, at a minimum, will consist of the following:

(A) Criteria for identifying those programs and projects that are appropriate for delegation of procurement authority.

(B) Criteria for identifying those programs and projects that are appropriate for delegation of procurement authority.

(C) Procedures for ensuring that each DPA request is appropriately documented, and an accountable official provided by the delegated agency.

(D) Procedures for monitoring and providing oversight of the delegated agency to ensure adherence to the terms of the delegation and all applicable laws and regulations, which may include acquisition management reviews.

(E) Criteria for withdrawal of the delegation of procurement authority.

(F) Appointment of a director to manage and monitor the DPA program.

(G) Notification to the GSA Office of Acquisition Policy of the name and email of the director responsible for the DPA program via email to spe.request@gsa.gov.

(2) The GSA Office of Acquisition Policy is responsible for:

(i) Coordinating approval of the delegation with the Administrator;

(ii) Assisting HCAs, as requested, in establishing DPA programs; and

Providing support to HCAs, as requested, in conducting acquisition management reviews of acquisitions by delegated agencies.(iii)

517.7002 Limitations and exclusions.

(a) *Limitations*. GSA's delegation of procurement authorities are subject to the following limitations:

(1) GSA must determine that such delegation would serve the Government's interests by providing

an economical and efficient means of supplying the required property, supplies, or services;

(2) The delegated Federal agency is willing and able (based on sufficient contracting activity staffing and training levels) to effectively assume the delegated acquisition authority; and

(3) GSA oversees the exercise of the delegated Federal agency's authority, to ensure compliance with the terms of the delegation and applicable laws and regulations.

(b) *Exclusions.* The following are not GSA delegations of procurement authority and are excluded from GSA's ability to delegate procurement authorities to other Federal agencies:

(1) Situations where a Federal agency has the authority to act without further delegation from GSA but is required to obtain GSA approval;

(2) Situations that arise pursuant to GSA's role as a central management agency (e.g., waivers to GSA Stock Items under Federal Property Management Regulations (FPMR));

(3) Procurements otherwise authorized by the terms of a GSA contract.