

# 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.

**Parent topic:** [Subpart 517.2 - Options](#)