

HHSAR Part 317—Special Contracting Methods

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Part 317—Special Contracting Methods

Authority: 5 U.S.C. 301; 40 U.S.C. 121(c)(2).

Subpart 317.1—Multi-year Contracting

317.104 General.

(b) The Senior Procurement Executive (SPE) is the agency approving official for determinations under Federal Acquisition Regulation ([FAR 17.104\(b\)](#)).

317.105 Policy.

317.105-1 Uses.

(a) Each head of the contracting activity (HCA) determination to use multi-year contracting, as defined in [FAR 17.103](#), is limited to individual acquisitions where the full estimated cancellation ceiling does not exceed 20 percent of the total contract value over the multi-year term or \$12.5 million, whichever is less. Cancellation ceiling provisions shall conform to the requirements of [FAR 17.106-1\(c\)](#). The determination is not delegable and shall address the issues in [FAR 17.105-1\(a\)](#).

(b)(1) SPE approval is required for any—

(i) Individual determination to use multi-year contracting with a cancellation ceiling in excess of the limits in [317.105-1\(a\)](#); or

(ii) Class determination (see [FAR subpart 1.7](#)).

(2) A determination involving a cancellation ceiling in excess of the limits in [317.105-1\(a\)](#) shall present a well-documented justification for the estimated cancellation ceiling. When the estimated cancellation ceiling exceeds \$12.5 million, the determination shall accompany a draft congressional notification letter pursuant to [FAR 17.108](#) and [317.108](#).

317.107 Options.

When included as part of a multi-year contract, use of options shall not extend the performance of the original requirement beyond 5 years. Options may serve as a means to acquire related services (severable or non-severable) and, upon their exercise, shall receive funding from the then-current fiscal year's appropriation.

317.108 Congressional notification.

(a) The SPE shall give the approval of the written notification required by [FAR 17.108\(a\)](#). Upon approval of the determination required by [317.105-1\(b\)\(1\)](#), the HCA will finalize and sign the congressional notification letter and provide it to the appropriate House and Senate committees.

Subpart 317.2—Options

317.204 Contracts.

(e)(1) **Information technology contracts.** Notwithstanding [FAR 17.204\(e\)](#), the 5-year limitations apply also to information technology contracts unless a longer period is authorized by statute.

(2) **Requests to exceed 5-year limitation.** A request to exceed the 5-year limitation specified in [FAR 17.204\(e\)](#) must follow guidance in [FAR Part 1.7](#).

(3) **Approval authority.** All requests to exceed the 5-year limitations specified in [FAR 17.204\(e\)](#) must be supported with a Determination and Finding and approved by:

(i) The HCA; and

(ii) The HHS SPE.