



## **POLICY FLASH 2010-47**

**DATE:** May 6, 2010

**TO:** Procurement Directors

**FROM:** Office of Procurement and Assistance Policy, MA-61  
Office of Procurement and Assistance Management

**SUBJECT:** Acquisition Letter/ Financial Assistance Letter (AL/FAL 2010-05) - Contract Periods of Performance Exceeding 5 Years

**SUMMARY:** AL/FAL 2010-05 provides guidance and instructions with respect to the Department of Energy's processes and procedures for approving contract periods of performance in excess of five years under the requirements of Federal Acquisition Regulation (FAR) 17.204(e). This FAR permissive authority is intended to allow agencies the flexibility, consistent with fiscal law, labor law, and other restrictions, to address the requirements of an instant acquisition and seek approval to extend the contract period of performance beyond 5 years as part of the acquisition planning process. Under certain conditions (i.e. when there is a long term requirement, the program office can define with certainty the desired requirements and outcomes and identify clear measures for Government acceptance of work, the requirement can be priced with reasonable certainty; and there is a funding profile consistent with and adequate for contract performance) the Senior Procurement Executive may elect to approve a longer period of performance.

All requests for such approval must be accompanied by an analysis which documents the value of such an extension to the Department. The thrust of the analysis and rationale should clearly explain why the longer period of performance will result in obtaining the best value for DOE where the services contemplated are readily available in the open market by a consideration of the past competition history, current and future market conditions, and by an explanation as to why competition is not appropriate for a lesser contract term. In support of this analysis, the explanation should identify the contract and project management controls that will be used during contract performance to ensure that the services provided under the contract will fulfill program/project needs and that the contract is the best means of satisfying requirements

This flash and its attachment will be available at the following website  
[http://management.energy.gov/policy\\_guidance/policy\\_flashes.htm](http://management.energy.gov/policy_guidance/policy_flashes.htm).

Questions concerning this policy flash should be directed to the undersigned at (202) 287-1330  
or [melissa.rider@hq.doe.gov](mailto:melissa.rider@hq.doe.gov).

A handwritten signature in black ink, appearing to read 'Melissa D. Rider', with a stylized flourish at the end.

Melissa D. Rider  
Director  
Office of Procurement and  
Assistance Policy

Attachment