



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

SEP 3 0 2010



Department of the Interior Acquisition Policy Release (DIAPR) 2010-25

Subject: Approval Procedures for Contracts Exceeding 5 Years

**References: Federal Acquisition Regulation (FAR) 17.204, 22.1002-1
Service Contract Act of 1965, as amended, 41 U.S.C. 353(d)**

1. Purpose:

This DIAPR establishes procedures for approval of service and supply contracts exceeding 5 years in length. The procedure does not apply to contracts for information technology; construction, alteration, or repair; architect-engineer services; and research and development services.

2. Effective Date:

Upon signature.

3. Expiration Date:

This DIAPR will remain in effect until cancelled or superseded. This procedure may be implemented in the Department of the Interior Acquisition Regulation (DIAR) as appropriate.

4. Background and Explanation:

The FAR imposes a 5-year limit on the length of supply and service contracts, unless otherwise approved in accordance with agency procedures. This DIAPR establishes procedures for approval of contracts with total basic and option periods or quantities exceeding five years. This higher-level approval is not required for use of the Option to Extend Services clause at FAR 52.217-8, unless required by bureau or local procedures, because the Option to Extend Services is an exception to the 5-year limitation.

In addition to the FAR limitation, the Service Contract Act imposes a statutory limit of 5 years on service contracts over \$2,500. However, in this case, the limitation is that no service contract period (basic or option period) may exceed 5 years. In addition, any service contract must provide for the periodic adjustment of wages and fringe benefits pursuant to future wage determinations made by the Department of Labor, at least once every two years, covering the various classes of service employees.

5. Action Required:

The Head of the Contracting Activity (HCA) is authorized to approve justifications for contracts exceeding the 5-year limitation in 17.204(e). This authority may be delegated, but must not be delegated lower than Bureau Procurement Chief level.

The justification must describe the requirement and contract type, discuss the proposed length and structure (basic and option periods), and explain why a contract exceeding 5 years will provide the best value to the Government. The justification must be reviewed by the local Solicitor and approved by the HCA prior to release of the solicitation. The Solicitor review is required to ensure that the proposed contract length and structure is not otherwise prohibited by statute.

Please disseminate this guidance within your bureau. It will also be available on the web at <http://www.doi.gov/pam/diapr.html>. You may contact Tiffany Schermerhorn of PAM on (202) 513-0747 or Tiffany_Schermerhorn@ios.doi.gov if you have any questions regarding this policy issuance.



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