**Department of Energy**
Washington, DC 20585

2010I-123

March 19, 2010

Ms. Susan Leckband, Chair
Hanford Advisory Board
EnviroIssues Hanford Project Office
713 Jadwin Avenue, Suite 4
Richland, Washington 99352

Dear Ms. Leckband:

Thank you for your recent letter providing a recommendation to include option periods in Department of Energy Requests for Proposals for prime contracts.

The Federal Acquisition Regulation (FAR) provides the total of the basic and option period of a contract for services shall not exceed 5 years, unless approved in accordance with agency procedures. In determining to approve inclusion of an option beyond the 5-year base period specified in FAR, many additional factors must be taken into consideration. These factors include: an expectation that the work requirements will continue beyond the base period of the contract; a reasonable expectation that funding will be available for the contract and option periods; and a determination that inclusion of options is in the best interest of the Government. Other factors that must be taken into consideration are statutory mandates that require contract competition and ensuring price reasonableness over the life of a contract.

As part of the planning process, the Department carefully reviews each procurement action on a case-by-case basis to determine the appropriate contract length, taking into consideration known requirements, those that can be reasonably projected during the contract period of performance, and the factors referenced above.

We appreciate your recommendation and will continue to work with the Office of Management and Administration to consider the inclusion of options in an effort to improve future procurements. If you have any questions, please contact Mr. J. E. Surash, Deputy Assistant Secretary for Acquisition and Contract Management, at (202) 586-6382.

Sincerely,

Inés Triay

Inés R. Triay
Assistant Secretary for
Environmental Management

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