



Replacement Task Orders

Overview

The Government includes language in the original solicitation and resulting contract that allows for the issuance of a Replacement Task Order, enabling cancellation of the awarded contract after a stated period of time while the Government proceeds to make an award to the next best offeror identified during the initial competition. This can be accomplished by having the awarded base period be six months followed by options and asking the next best contractor to keep their proposal valid for 210 days (to cover the six months and additional 30 days to start things back up). If the Government runs into time constraints, then it can utilize the FAR 52.217-8 clause and exercise one-month options should it need the time. The Government can decide what dates they use for this solicitation language; however, the six months and 210 days are recommendations.

Sometimes the Government decides to take a calculated risk on a contractor; there may be considerable reward available with some (mitigated) risk. OR at times, the Government may choose to take a calculated risk on a contractor, recognizing that while some risk is involved, the potential rewards could be significant. Using this process, we mitigate the risk. Sometimes contractors prevail using smoke and mirrors, either by underbidding or overselling their capabilities; especially when a vague and non-specific evaluation approach indirectly permits it. This can leave the Government in a bind as the costs associated with re-procurement are severe, frowned upon (or discouraged), the mission can't support it, and ultimately, the end result leads to the exercise of follow-on option periods. Unfortunately, these option periods are often exercised with CPARS ratings reflecting satisfactory or good performance, even when the program office believes the contractor is underperforming.

It is imperative that the program office makes a good faith effort to prepare the contractor to be successful during transition, leading to the start of performance. Additionally, the program should document the performance of the contractor monthly and offer monthly feedback sessions to course correct the contractor's performance. This commitment to meet serves multiple purposes and can increase the chances of success while also contributing to more accurate and comprehensive CPARS narratives which benefits both parties.

Include the language below (in the [Consider This Language](#) section), and consider using the [Select Best-Suited, then Negotiate](#) technique from the [Periodic Table of Acquisition Innovations \(PTAI\)](#) in the initial evaluation and award process. The language allows for updated evaluations, relying solely on the initial evaluation, and more; the language is yours to modify.

Key Considerations

- Eliminates re-procurement costs and reduces the total timeline to continue operations.
- Allows the Government to mitigate the risk associated with a new entrant to the market, or to their specific mission space.
- The acquisition team should document its efforts to support the contractor prior to deciding to award a Replacement Task Order.
- Must include the language in the solicitation and resultant contract award.



- Must have each contractor, perhaps in the second phase when using a [Down-Select](#), include their proposal and price validity period when submitting their business volume.
- Including the language in the solicitation and resultant award may incentivize the awardee to put their best foot forward, no matter if they are new or an incumbent.

Consider This Language

- **Award of a Replacement Task Order**
 - a) As provided elsewhere in this solicitation, the Government intends to make one task order award resulting from this solicitation to the multiple-award IDIQ contractor (or schedule contractor) that provides the best value to the Government (the first task order). However, after awarding the first task order, the Government may award a second, or replacement, task order to another multiple-award IDIQ contractor (or schedule contractor) as provided below.
 - b) If the Government decides to (1) terminate the task order under the termination provisions of the contract, or (2) not exercise a performance period option under the task order, the Government may award the task order work to one of the offerors from the initial task order competition based upon the results from the evaluation that supported the award of the initial task order. Offerors shall indicate in their proposal the duration their proposal is valid for under this clause but no longer than **eighteen (18) months** from the initial task order award. Selection of the contractor may also be made using the results of an updated evaluation.
 - c) *Acceptance Period.* If the period for acceptance of offers (or quotations) has expired and the prospective awardee does not agree to extend its acceptance period, another contractor may be selected.
 - d) *Updated Evaluation Results.* The Government may invite updated offers (or quotations) from those contractors whose offers were most highly rated in the evaluation that supported the award of the first task order. The updated offers (or quotations) will be used to update the evaluation results without changing the evaluation factors. The updated offer (or quotation) shall specify the period for its acceptance.
 - e) The decision as to how the award will be made for the replacement task order will be at the sole discretion of the Government.

Why Is This Innovative?

This approach represents a departure from standard government practices for FAR-based procurements. Currently, there are no federal agencies actively implementing this technique except for the FDIC, which has only piloted it with a couple use cases. Most importantly, the FAR does not prohibit this practice, meaning it is permissible and could be implemented without any statutory barriers. By leveraging this process, agencies can move beyond traditional norms to drive better performance, enhance accountability, and improve contract outcomes.



Questions? Contact The LAB at thelab@doc.gov. The LAB is happy to connect and think through the next steps with you.

***Disclaimer:** The information contained in this document is merely an idea or opinion of The LAB and does not constitute formal legal or policy guidance of any kind.

