



MILITARY SEALIFT COMMAND

Types of Government Contracts

Prepared for Military Sealift Command
by Emprise Corporation

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Learning Objectives

- **The overarching objective of this module is to introduce you to the different types of contracts commonly used by MSC for the procurement of goods and services**
- **At the conclusion of this module, you will understand and be able to describe the basic principles associated with:**
 - **Firm fixed price contracts**
 - **Indefinite-delivery, indefinite-quantity contracts**
 - **Cost-reimbursement contracts**



MSC Contracting Authority

- **MSC is one of eleven designated Head of Contracting Activities (HCAs) within the Department of the Navy**



Government Contract Types

- **FAR Part 16 describes the types of contracts that may be used in Government acquisitions:**
 - **Fixed-Price contract**
 - **Cost-Reimbursement contract**
 - **Indefinite-Delivery contract**
 - **Incentive contract**
 - **Time-and-Materials contract**
 - **Labor-Hour contract**
 - **Letter contract**
 - **Agreement**



Firm Fixed-Price (FFP) Contract

- **Contractor agrees to deliver a definite quantity of specific goods and/or services for a negotiated firm fixed-price by a specific date, or during a specific period of performance**



Indefinite-Delivery, Indefinite-Quantity (IDIQ) Contract

- **Contractor agrees to deliver an indefinite quantity of specific goods and services at a negotiated firm fixed-price at indefinite delivery dates within a specific period of performance**



Cost-Reimbursement Contract

- **Contractor agrees to deliver best effort to complete a notionally defined scope of work within a specific fixed period of performance and negotiated cost ceiling**



Performance Incentives

- **Intended to:**
 - Motivate contractor performance in certain areas of interest to government
 - Encourage contractor innovation and efficiency
- **Common performance incentives include:**
 - Fixed fee
 - Incentive fee
 - Award fee
 - Cost-sharing



Let's Review

- **What are the three types of contracts commonly used by MSC?**
- **Describe each of the three types of contracts commonly used by MSC with respect to:**
 - Requirements for definition of scope of work
 - Requirements for definition of delivery dates
 - Assumption of risk



Summary

- **During this module , we have discussed:**
 - **Firm fixed price contracts**
 - **Indefinite-delivery, indefinite-quantity contracts**
 - **Cost-reimbursement contracts**



Additional Information

- **For additional information, please refer to:**
 - **Federal Acquisition Regulations, Part 16, Types of Contracts**
 - **DOD Education Activity Procurement Customer Guide, October 2005**
 - **DOD Guidebook for the Acquisition of Services**



Final Questions





Revision History

Date	Version	Description	Author
5/7/19	1.0	Revised slide template.	Gary Fields
7/6/20	1.1	Minor editorial and clarification revisions	Gary Fields