



U.S. Army Research, Development and Engineering Command



TECHNOLOGY DRIVEN. WARFIGHTER FOCUSED.

Defense Contracting Alternatives for Small Business Innovators
DARPA SBIR Phase I Training Workshop
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Highlight:

- Differences between the various contracting alternatives
- **CPFF**
 - Cost Plus Fixed Fee – (CPFF Contract) Labor rates, overhead categories and rates are established and have been previously approved by the Defense Contract Audit Agency (DCAA)
 - Approved accounting system is in place that allows costs to be properly segregated
 - Provides for periodic rate adjustments (annual)
 - Often used when doing research since there is some latitude for unknowns
 - Places less risk on the Contractor and Government
 - Provides a fixed fee or profit, established prior to contract award
- **FFP**
 - Firm Fixed Price – (FFP) Labor rates and overhead categories and rates MAY OR MAY NOT BE established and typically have not been previously approved by DCAA
 - May be utilized on an “exception” basis for P2, the work or product are specifically or “well defined”
 - Can be utilized without an established or “Government Approved Accounting System”
 - Places the primary risk on the Contractor, Government shares risk
 - May be used in year 1 or 2 of a Phase 2 SBIR
 - On an exception basis, may use a FFP for Year 1 and pursue an approved accounting system (to allow CPFF) for Year (2)
 - Requires monthly submission, review and approval of invoices