



# *Win – People - Transform* ***US Special Operations Command***

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## **(U) TYPES OF GOVERNMENT CONTRACTS & AGREEMENTS**

**24 MAR 26**

**Nicky Stevens**  
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# Types of Government Contracts & Agreements

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- **Speaker introduction**
- **Briefing Goals and Misconceptions**
- **Determining Contract types**
- **FAR-based Contract Types**
  - **Competition**
  - **FAR-based Vehicles**
- **Non-FAR/Non-Traditional Instruments**
- **SOCOM Rapid Acquisition Tools**
- **How to Engage with USSOCOM**



# Briefing Goals & Misconceptions

## ■ SEEK TO:

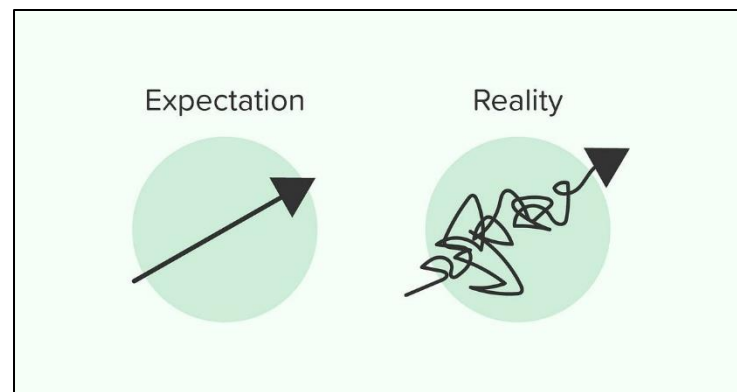
- Improve industry understanding and participation
- Inform on multiple acquisition instruments including FAR contracts & non-FAR instruments
- Illuminate contracting pathways for USSOCOM

## ■ WILL:

- Do my best to answer questions and provide resources

## ■ LIKELY CAN NOT:

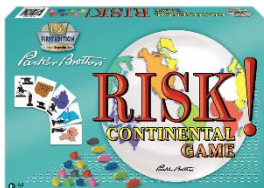
- Atone for KO sins of the past
- Tell you why did/didn't get a Government contract
- Speculate on future requirements
- Give you special access to anyone (other than Ms. Farrier)





# Determining Contract Type

- It's mostly about Risk...



RISK IMPACT  
ON PROJECT  
COST FOR  
BUYER

High

Low

## TYPES OF CONTRACTS

Cost plus Fixed Fee  
(CPFF)

Cost plus Incentive Fee  
(CPIF)

Cost plus Award Fee  
(CPAF)

Time & Material  
IDIQ Contracts

Fixed Price with Economic  
Adjustment  
(FPEPA)

Fixed Price Incentive Fee  
(FPIF)

Firm Fixed Price  
(FFP)

Low

INITIAL CLARITY  
OF SCOPE

High



# Determining Contract Type (cont'd)

- ...but not just cost risk
  - Adequate price competition
  - Degree to which cost/price can be realistically estimated
  - Type and complexity of requirement
  - Urgency of the requirement
  - Period of performance/length of production
  - Contractor's technical capability
  - Contractor's financial responsibility
  - Concurrent contracts
  - Extent of subcontracting
  - Acquisition history
  - Budget implications
- Can also combine contract types
- Matter of negotiation



# FAR-Based Contract Types (cont'd)



- **Firm-Fixed Price (FFP):** Stable requirements, low risk.
  - Basic profit motivation; profits determined by ability to meet requirement within the contract price
- **Cost-Reimbursement:** Uncertain requirements, higher oversight.
  - Appropriately tie profit to contractor performance

- *Time & Materials / Labor-Hour:  
Defined labor categories, actual work/materials expensed*

	<u>COST-REIMBURSEMENT</u>	<u>FIXED-PRICE</u>
PROMISE	Best Effort	Shall Deliver
RISK TO CONTRACTORS	Low	High
RISK TO GOVERNMENT	High	Low
CASH FLOW	As Incurred	On Delivery
PROGRESS PAYMENTS	None	% of Actual
ADMINISTRATION	Max Government	Min Government
FEE/PROFIT	Max: 6/10/15 % CPFF Contracts	NO Limit

# FAR-Based Contract Types (cont'd)

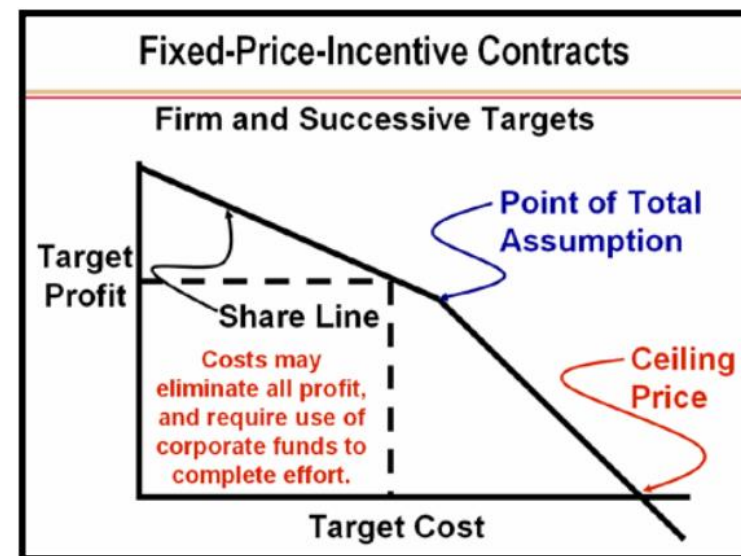


## ■ Contract Incentives

- Various incentive structures for performance, schedule, cost\*

## ■ Fixed-Price Incentive (FPI) Contracts:

- **Firm Target (FPIF):** Specifies a target cost, target profit, and price ceiling. It is ideal for production or development when solid data is available
- **Successive Targets (FPIS):** Used when a firm target cannot be negotiated initially.
- **Price Ceiling:** FPI contracts must include a maximum price ceiling (above which the contractor covers costs), typically 50/50 share ratio



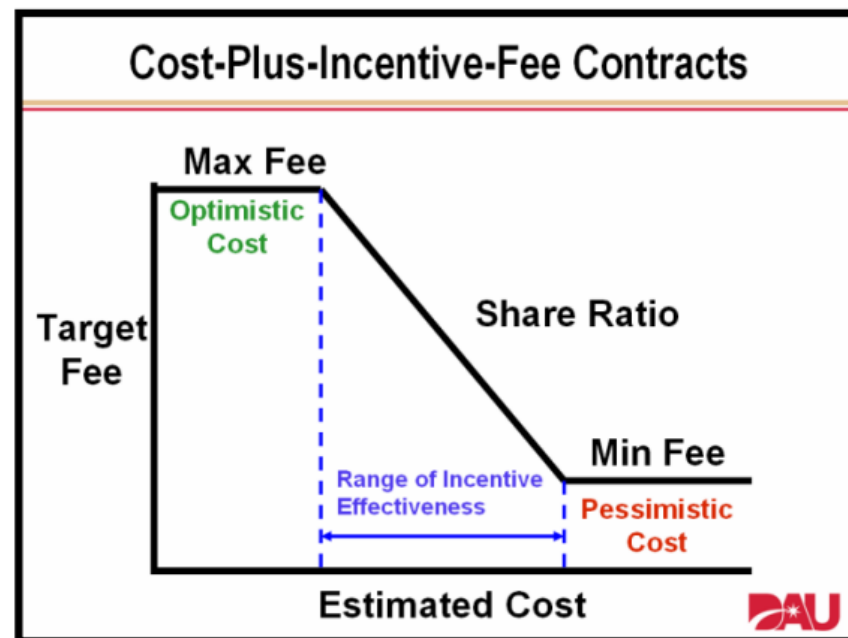
# FAR-Based Contract Types (cont'd)



## ■ Cost-Plus Incentive (CPI)

### Contracts:

- **Cost-Plus-Incentive-Fee (CPIF):**  
allowable costs & fee that is adjusted based on a formula
- **Cost-Plus-Award-Fee (CPAF):**  
allowable costs & opportunity to earn for award fee based on evaluation of their performance
- **Cost-Plus-Fixed-Fee (CPFF):**  
allowable costs & predetermined, fixed fee





# FAR-Based "Competition" Pathways

- Goal = Commercial/Full & Open Competition
- Mandatory Sources
- Full & Open After Exclusions
  - Small Business Set-Asides
  - Brand Name / Limited Source
- Other than Full and Open
  - Sole Source / Urgency authorities
  - **\*\*National Security\*\***





# FAR-Based Contract Vehicles

- **Indefinite Delivery, Indefinite Quantity (IDIQ):** indefinite quantity of supplies or services during a fixed period.
  - "Task Orders" (for services) or "Delivery Orders" (for supplies)
- **Government-Wide Acquisition Contracts (GWACs):** IDIQ specifically for IT
  - GSA's Alliant 2 and NASA SEWP
- **GSA Schedules (Multiple Award Schedules):** long-term, government-wide contract, provides access to millions of commercial products and services at volume-discount pricing
- **Blanket Purchase Agreements (BPAs):** fill anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources
- **Multiple Award Contracts:** Awarded to more than one vendor and competed per order
- **Multi-Agency Contracts (MACs):** AKA decentralized contracts; task-order or delivery-order contracts established by one agency for use by other agencies.



# Non-FAR/Non-Traditional Instruments (cont'd)

- Offer flexibility to attract innovative commercial companies that do not typically work with the government

- **Grants and Cooperative Agreements:**

- **Federal funding opportunities for orgs & entities supporting government-funded programs & projects**

- For USSOCOM, “grants” typically BAAs, SBIR, STTR

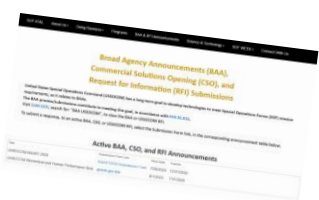
- **Broad Agency Announcements (BAA):** for basic and applied research and that part of development not related to a specific system or hardware requirement

- **Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR):** funding to help small businesses develop and commercialize high-risk tech

- Phase I (Feasibility): technical merit and commercial potential. Typically \$50k–\$300k for 6–12 months.

- Phase II (Prototype): continues R&D and prototype development. Typically \$750k–\$2M over ~24 months.

- Phase III (Commercialization): move into the marketplace. No SBIR/STTR funds are used





# Non-FAR/Non-Traditional Instruments (cont'd)

- **Grants and Cooperative Agreements (cont'd):**
  - **Cooperative Research & Development Agreements (CRADA)**
    - Non-procurement, non-FAR: 15 USC 3710a authorized process accelerates innovation for specific identified gaps
    - No funds exchanged; enables early collaboration, shared R&D, expertise, IP, facilities and equipment



the Company has entered into a Cooperative Research and Development Agreement (CRADA) with U.S. Special Operations Command (USSOCOM) to create advanced, durable High Performance edge Computer (HPeC) solutions that can process vast amounts of data quickly and efficiently in the field.



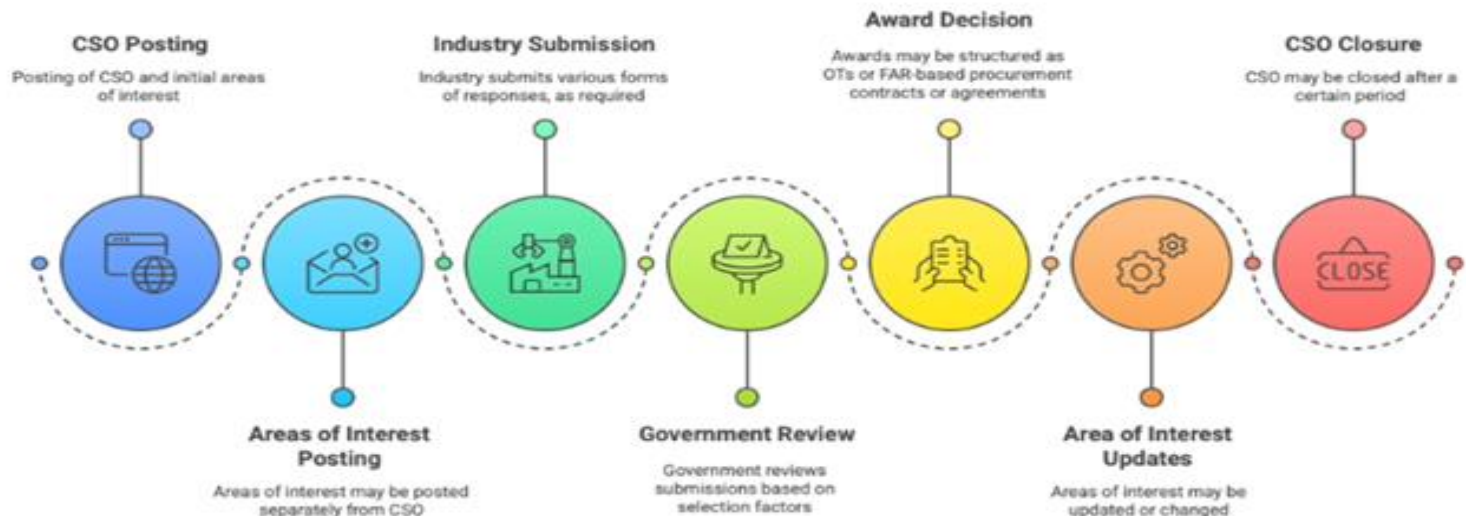
April 29, 2025 - Reston, VA - Seerist, a leader in AI-driven threat intelligence and risk analysis, has entered into a five-year Cooperative Research and Development Agreement (CRADA) with U.S. Special Operations Command (SOCOM). This collaboration will focus on advancing artificial intelligence (AI) and machine learning (ML) modeling to enhance global event detection, risk assessment, and operational decision-making.



# Non-FAR/Non-Traditional Instruments (cont'd)

- **Commercial Solutions Opening (CSO):** to obtain innovative commercial items, technologies, or services that fulfill agency
  - Specifically tech available in the commercial marketplace with a government or military application (dual-use)
  - Wide range of solutions and leverages commercial market
  - Propose existing solutions to problem or a capability gap

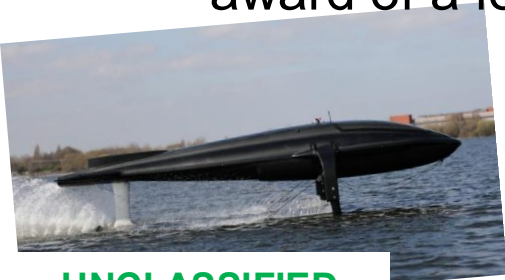
CSO Process Workflow



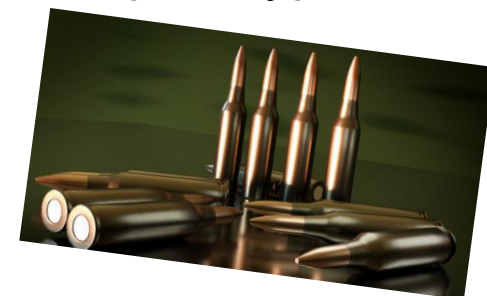
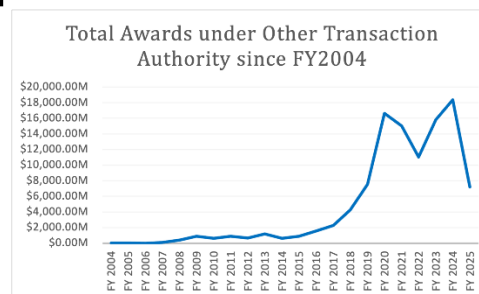


# Non-FAR/Non-Traditional Instruments (cont'd)

- **Other Transactions (OTAs) - Non-FAR agreements for research, prototyping, production**
  - **Flexibility to move as fast as the commercial industry by bypassing the rigid regulations of FAR**
    - Faster execution and flexibility
  - **Goal to attract “non-traditional” contractors**
  - **Research OTs (10 U.S.C. § 4021):** basic and applied research; often require a 50/50 cost-share between the government and the contractor
  - **Prototype OTs (10 U.S.C. § 4022):** to design and demonstrate working concepts; most common and can transition into production.
  - **Production OTs (10 U.S.C. § 4022(f)):** allow for non-competitive award of a follow-on production contract after successful prototype



UNCLASSIFIED





# SOCOM Rapid Acquisition Tools

PEOPLE | WIN | TRANSFORM

UNCLASSIFIED

## SOF ACQUISITION MODEL – DESIGNED FOR SPEED

- Laser focused on SOF-peculiar capabilities and services
- Close partnership with operator through life cycle
- High performing, small, multi-functional teams
  - Decision authority pushed to lowest appropriate level
- Streamlined processes – early adoption of tech
  - Pathfinder for SOF and greater DoD
  - Use of modern tools to get on contract quickly
- Network of networks with services, industry, academia, labs, and international partners





# SOCOM Rapid Acquisition Tools (cont'd)

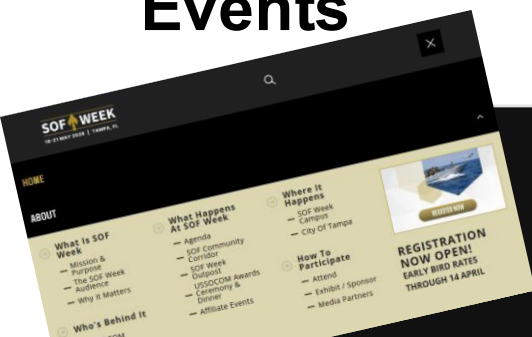
- **Partnership Intermediary Agreement (PIA) with SOFWERX**
  - Connects industry, academia, and labs with SOF to solve complex warfighter challenges
- **SOF-RACER (Rapid Agile Consortium for Enabling Research)**
  - Commercial Solutions Opening (CSO) for nontraditional vendors
  - Currently seeking consortium management
  - Will enable rapid prototyping of technology solutions across Areas of Interest supporting USSOCOM Special Operations Forces





# How to Engage with USSOCOM

- Know the Areas of Interest (AOIs)/Hard Problems
- Engage SOF (eSOF) on Vulcan
- SOF Week
- Technical Experimentation (TE) Events
- Small Business Office
- Register in SAM.gov.
- Find opportunities to sub-contract
- Work with private capital investors
- SOFWERX events
- Broad Agency Announcements (BAAs)



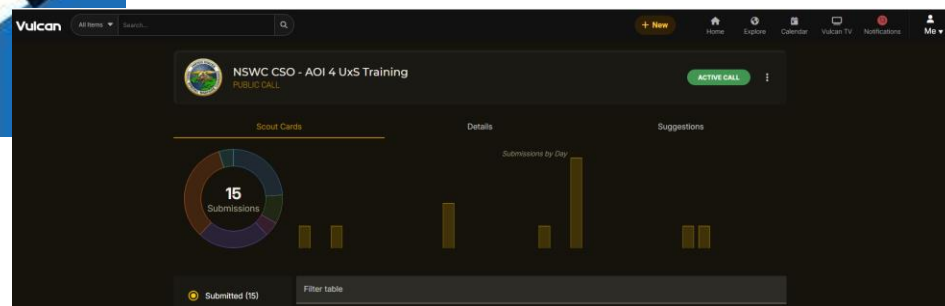
**Vulcan**





# Key Takeaways

- Understanding contract types increases competitiveness
- Contract type can be a matter of contract negotiation
- Two overarching FAR-based contract “types”
- Non-FAR instruments are increasingly sought and enable nontraditional participation
- Be proactive and active; Vulcan, Sam.gov, etc.





# Questions

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