

What is a Federal Contract?

Federal Contract

A **federal contract** is a binding contract or agreement with an authorized official of any agency or department of the U.S. Government for the purpose of purchasing goods, products or services of any kind, or purchasing, renting, or leasing property, for the direct use or benefit of the U.S. Government. Federal contracts are the procurement mechanism the U.S. Government uses to obtain such goods, products, services, and property across all sectors and industries. Federal contracts may be express or implied and may be of various different types, e.g., fixed-price, cost-reimbursement, time and materials, indefinite delivery/indefinite quantity (IDIQ).

Federal contracts commonly include awards and notices of awards, job orders or task letters, and purchase orders (see FAR 2.101) and usually are subject to the Federal Acquisition Regulations (FAR). Comprehension and compliance with the FAR are essential for government contractors to avoid civil and criminal legal penalties. Further, if a government contractor uses subcontractors to assist with the fulfillment of its federal contract, the prime contractor must identify all mandatory regulatory FAR clauses (often referred to as “flow down clauses”) by which the subcontractor must abide. Claims can also be brought against the U.S. Government for breach of federal contracts at the U.S. Court of Federal Claims or the Civilian or Armed Services Boards of Contract Appeals.

Winston & Strawn’s Government Contracts Team is experienced at reviewing, analyzing, and interpreting federal contracts, conducting FAR flowdown analyses for prime and subcontractors, protesting, or defending the award of federal contracts, and filing claims against the U.S. Government for breaches of federal contracts. Visit our Government Contracts Practice page for more information.

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