



Tuesday Tips is a new outreach effort by OGCA. The idea behind *Tuesday Tips* is to convey tips, tricks and other helpful information around the area of research administration. Our goal is to post on (almost every) Tuesdays. If there is something you would like to see covered on *Tuesday Tips*, email: UAF-GCReATE@alaska.edu. For more Tips visit [OGCA website](#).

What is a Contract?

Contract

A mechanism for procurement of a product or service with specific obligations for both sponsor and recipient. Typically, the sponsor specifies a research topic or a service and the methods for conducting the research/service in detail, although some sponsors award contracts in response to unsolicited proposals. There is an expectation of specific deliverables within a specified time frame. There is generally less flexibility in the method used for carrying out the plan of action. The idea for the project generally originates with the sponsor. If the sponsor is a Federal Agency, then it is governed by the Federal Acquisitions Regulations. [Grants.gov Community Blog](#)

Fixed Price Contracts

This type of contract provides a total-sum payment or lump sum payment schedule for performance of specific tasks or delivery of a certain number of products or services. Fixed price contracts should only be used when costs for quantity and/or delivery are readily and easily definable. This type of contract offers more risk to the University and the PI because the delivery

of the product or service is still required even if there are additional costs over the contracted amount.

In general, the criteria for identifying a contract are the same as those for a grant, except that:

1. The award is subject to formal conditions outlined in a contractual instrument signed by both parties.
2. The sponsor often places more restrictions upon expenditures allowed in the pursuit of the activity (e.g., clauses concerning "Buy American", ceiling on certain spending, etc.).
3. Financing may be on a cost-reimbursable basis, although the University tries to arrange some method of advance funding where necessary. Some fixed-price contracts may provide for lump sum or incremental payments as work progresses.
4. The sponsor requires periodic progress reports and some array of others including invention reports, royalty reports, financial status reports, equipment inventory reports, etc.
5. Often there is intellectual property, confidentiality, and/or publication conditions associated with receipt of the funds.
6. A closing audit is sometimes required.

The University has developed various contracts or agreements to meet the needs of the wide variety of research interests and service commitments of the faculty. These agreements are good starting points to develop contracts with various agencies. Also, agencies may have their own agreements and wish to use those as starting points for negotiations.

It is important to remember that no two projects are the same and there will be some differences in specific agreements. The University has some flexibility in terms and conditions, but there are some specific requirements, which are governed by certain laws, that cannot be altered. The Office of Grants and Contracts Administration (OGCA) will negotiate terms, conditions, and language depending on the circumstances of each specific project.

<https://www.uaf.edu/ogca/lifecycle/3-develop/agreement-types/>