

# Government-Unique Requirements for Federal Government Contractors Checklist

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A Checklist of government-unique requirements for federal government contractors. This checklist covers government-unique requirements as well as exemptions available to commercial product and commercial service contractors.

This Checklist is a high-level review of general requirements unique to federal government contracting. It is not intended as an exhaustive enumeration of requirements, which can vary depending on the contract type and contracting agency. For more information on federal government contracting, see [Practice Note, Federal Government Contracts: Overview](#).

## Government-Unique Requirements for Federal Government Contractors

### Comply with The Truthful Cost or Pricing Data Statute (formerly known as the Truth in Negotiations Act (TINA))

Federal government contractors must:

- Disclose to the government all of their cost or pricing data as of the date of the price agreement.
- Certify that their disclosure is current, accurate and complete.

(41 U.S.C § 3501 *et seq.*)

For more information, see [Practice Note, Federal Government Contracts: Overview: The Truthful Cost or Pricing Data Statute](#).

### Comply with Cost Accounting Standards (CAS)

The CAS rules and regulations:

- Impose major accounting requirements on government contractors.

- Require the negotiation of impacts of changes to the contractor's cost accounting practices.

(48 C.F.R. §§ 9903.101 to 9904.420.)

### Be Aware of the Government's Intellectual Property Rights

Contractors providing or developing intellectual property (IP) under a federal government contract should remember that the government usually obtains specific license rights, depending on which party pays for the development of the IP, as follows:

- **Government funded: unlimited rights.** The government can do nearly anything with the data and software, including disclosing to competitors in response to a FOIA request (FAR 52.227-14).
- **Privately funded: limited rights.** The government may use technical data only for certain specified purposes under the applicable regulations (FAR 52.227-14).
- **Privately funded: restricted rights.** Restricted rights are similar to limited rights, but apply to computer software (FAR 52.227-14).
- **Mixed funding (Department of Defense only): government purpose rights.** The government can use the IP for "government purposes," while the contractor retains exclusive commercial rights to the technology for a specified period of time (DFARS 252.227-7013 and 252.227-7014).

For more information, see [Practice Note, Government Contracts: Protecting Intellectual Property](#).

### Comply with Equal Employment Opportunity (EEO) and Affirmative Action Requirements

- Executive Order 11246 (September 24, 1965) Equal Employment Opportunity (30 Fed. Reg. 12319).
- Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA) (38 U.S.C. § 4212).
- Section 503 of the Rehabilitation Act of 1973 (29 U.S.C. § 701).

Be aware that the above require federal government contractors to:

- Post notices.
- File annual compliance reports.
- If applicable, prepare and keep on file an affirmative action plan and provide annual certifications of compliance.
- Include EEO clauses in subcontracts and purchase orders.

For more information, see [Practice Note, Federal Government Contracts: Overview: Labor Requirements](#).

### Comply with Wage and Hour Laws

For certain types of services contracts, such as construction contracts, federal government contractors may need to comply with:

- Service Contract Labor Standards (formerly known as the Service Contract Act) (41 U.S.C. §§ 6701 to 6707). (For more information, see [Practice Note, Government Contracts: Service Contract Labor Standards Compliance](#).)
- Walsh-Healey Public Contracts Act (41 U.S.C. §§ 6501 to 6511).
- Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701 to 3708).
- Construction Wage Rate Requirements Statute (formerly known as the Davis-Bacon Act (40 U.S.C. §§ 3141 to 3148)). (For more information, see [Practice Note, Davis-Bacon Act: Overview](#).)

### Comply with Foreign Acquisition Laws

Comply with laws and regulations governing the acquisition of materials, products, and services from foreign sources for use under a federal government contract, such as:

- The Buy American Act (see [Practice Note, Buying American: Country of Origin Requirements in US Government Contracts: Buy American Act](#)).
- The Trade Agreements Act (see [Practice Note, Buying American: Country of Origin Requirements in US Government Contracts: Trade Agreements Act](#)).
- Specialty metals restrictions (DFARS 252.225-7009).
- Covered telecommunications equipment and services restrictions (FAR 52.204-25).
- Prohibition on acquiring certain export-controlled items from Communist Chinese military companies (DFARS 252.225-7007).
- Domestic commodity restrictions (for example, food, clothing, tents, canvas, cotton, silk and wool) (DFARS 252.225-7012).

For more information, see [Practice Note, Federal Government Contracts: Overview: Foreign Acquisition](#).

### Comply with US Export Controls and Sanctions

For sales to agencies within the Department of Defense and potentially other agencies, be aware of and comply with US export control laws and regulations, such as:

- International Traffic in Arms Regulations (ITAR) (22 C.F.R. §§ 120.1 to 130.17): Controls on munitions items.
- Export Administration Regulations (EAR) (15 C.F.R. §§ 730.1 to 774.1): Controls on dual-use goods and technology (items with a commercial and military utility) and purely commercial products and commercial services.
- Foreign Assets Control Regulations (FACR) (31 C.F.R. §§ 501.101 to 598.901): US economic embargoes and prohibitions on dealing with terrorists and drug traffickers.

For more information, see [Practice Notes, Federal Government Contracts: Overview: US Export Controls and Sanctions](#) and [Export Regulations: EAR, ITAR, and FTR](#).

### Comply with Cybersecurity Requirements

Government contractors must implement certain safeguards to protect government information intended for public release or subject to dissemination controls, with heightened requirements applying to most Department of Defense prime contracts and subcontracts (FAR 52.204-21 and DFARS 252.204-7012.)

### Be Aware of the Government's Right to Make Unilateral Contract Changes

- Remember that the government may unilaterally change a contract if:
  - the changes are within the general scope of the contract; and
  - the contract is not a commercial product or commercial service contract (see Changes Clauses Exemption).
- If appropriate, remember to timely submit a request for an equitable adjustment (REA) for an increase in the contract price, delivery schedule, or both.

(See [Practice Note, Federal Government Contracts: Overview: Contract Changes](#).)

### Be Aware of the Government's Right to Terminate for Convenience

- Remember that the government has the unilateral right to terminate for its convenience, with the only limitation being that it cannot act in bad faith.
- If the government terminates for convenience, the contractor is reimbursed for work performed before the termination, but is not eligible to receive lost profits for the terminated portion of the contract (see [Practice Note, Federal Government Contracts: Overview: Contract Terminations](#)).

### Commercial Product and Commercial Service Contracting Exemptions from Government-Unique Requirements

Remember that commercial product and commercial service contracts are exempt from many traditional federal government contracting requirements that increase administrative costs and risk.

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### The Truthful Cost or Pricing Data Statute Exemption

Be aware that commercial product and commercial service contracts are exempt from the requirement to disclose all of their cost or pricing data to the government under the Truthful Cost or Pricing Data statute (formerly TINA) (see [Comply with The Truthful Cost or Pricing Data Statute \(formerly known as the Truth in Negotiations Act \(TINA\)\)](#)).

### Cost Accounting Standards (CAS) Exemption

Recall that commercial product and commercial service contracts are exempt from the substantial accounting burdens imposed by the CAS rules and regulations (48 C.F.R. §§ 9903.301 to 9903.307) (see [Practice Note, Federal Government Contracts: Overview: Cost Accounting Standards](#)).

### Intellectual Property Rights Exemption

Be aware that commercial product and commercial service contracts are:

- Exempt from having to grant the government rights in technical data and computer software developed using government funds.
- Only obligated to grant the government their standard commercial license in technical data pertaining to commercial products, commercial services, and commercial computer software.
- Not required to mark with specific restrictive legends the technical data and computer software delivered to the government in which the contractor wants to limit the government's rights.

### Changes Clauses Exemption

Remember that commercial product and commercial service contracts:

- Are exempt from the requirement to perform unilateral, government-directed changes.
- Can negotiate with the government regarding the impact of the changes, before being required to proceed with the changes.

For more information about commercial product and commercial service contracts, see [Practice Note, Government Contracts: Reduced Risk Through Commercial Product and Commercial Service Contracting](#).