Contract Modifications

By: Brendan Miller
“Because only one thing counts in this life – get them to sign on the line which is dotted.”

-Alec Baldwin, “Glengarry Glen Ross”
Establish the Requirement

How the Government described it.
Solicit the Requirement

How industry understood it.
Review the Proposals

What the winning contractor proposed.
Make Award

What the government thought it was getting.
Administer the Contract

What the contractor delivered.
Pay the Invoice

What the contractor billed.
What the government wanted.
What is a Contract Modification

A contract modification is a written change in the terms of the contract.

Must be within the original scope of the contract.

Depending on what is being modified, modifications can be either Unilateral or Bilateral (FAR 43.103)
Modification types

Unilateral
• Signed only by the Contracting Officer

Purpose
• To make admin. changes to the contract
• To issue a change order
• To make changes authorized by other clauses (eg: Exercising an option)
• To issue termination notices

Bilateral
• Signed by Contractor and Contracting Officer

Purpose
• Make negotiated equitable adjustment resulting from issuing change order
• Definitize Letter Contracts
• Reflect other agreements of the parties modifying the terms of the contract
## Roles in Modifications

<table>
<thead>
<tr>
<th>Role</th>
<th>Authority/Guidance</th>
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<tbody>
<tr>
<td><strong>CO</strong></td>
<td>Authority to negotiate and sign the modification for the change in terms to the contract for the Government.</td>
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<tr>
<td><strong>COR</strong></td>
<td>Authority to recommend a change in the terms of the contract to CO. Will technically evaluate proposal submission for modification from the contractor.</td>
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<tr>
<td><strong>Contractor</strong></td>
<td>Shall inform CO when they have been instructed to perform work outside the contract scope. Also responsible for submitting proposals for contract modifications.</td>
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Why issue a modification?

To prevent turning:

into

and costing