Federal Contracts vs. Grants – Be Sure You Can Deliver

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This is a series of tips published in UMMS Research News about writing proposals.

If you see a solicitation for a federal contract (as opposed to a grant) that is suited to your scientific strengths, just know that there are differences between the two mechanisms.

A contract addresses specific programmatic needs, such as a clinical trial, product development, product testing, or development of an animal model. At NIH, contracts are handled by the Office of Acquisition Management and Policy.

The U-M Office of Research & Sponsored Projects (ORSP) states that a grant from a federal sponsor generally is constructed to allow greater discretion than a contract in the conduct of the research, and to provide less specificity in the definition of the intended outcome of the research.
A few other ways contracts are different from grants are:

- Contracts are legally binding with specific deadlines and deliverables
- Government oversight of work
- Relatively inflexible as to scope of work
- Payment often based on deliverables and milestones
- Budget and other changes
- The contractor usually has the first right to the data produced
- Do not contact anyone in NIH outside of the Office of Acquisition ahead of time to discuss the opportunity
- Typically not renewable.

For more information, visit this page on the ORSP website or the related article in the National Institute of Allergy and Infectious Diseases Funding Newsletter.