**CSIS**

**Services Contracting Project**

**Propositions for Empirical Analysis**

**Key Study Variables**

**1. Service Complexity (Transaction Costs)**

Proposition: As service complexity increases (decreases), the likelihood of cost ceiling breaches and terminations increases (decreases)

Measure: Average compensation by industry?

**2. Contract Management Capacity**

Proposition: As government’s contract management capacity increases (decreases), the likelihood of cost ceiling breaches and terminations decreases (increases)

Measure: Annual contract expenditures by contracting office (larger offices, greater capacity)?

**3. Extent of Prior Relationship (Trust)**

Proposition: As the extent of the government’s prior relationship with its vendor increases (decreases), the likelihood of cost ceiling breaches and terminations decreases (increases)

Measurement: Cumulative number or cumulative dollar value of past transactions between the government and the contractor?

**Other Variables**

Competition

Contract Pricing

Contract Vehicle

Initial Contract Ceiling

Initial Contract Length

UCA vs. non-UCA

International vs. Domestic

Agency/Component

Industry/NAICS

Concentration Measure/HHI