

## 204.1701 Definitions.

As used in this subpart—

“First-tier subcontract” means a subcontract awarded directly by the contractor for the purpose of acquiring services for performance of a prime contract. It does not include the contractor’s supplier agreements with vendors, such as long-term arrangements for materials or supplies or services that benefit multiple contracts and/or the costs of which are normally applied to a contractor’s general and administrative expenses or indirect costs.

**Parent topic:** [Subpart 204.17 - SERVICE CONTRACTS INVENTORY](#)