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# Contract Ceiling vs Backlog: Award and Option Worksheet

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## Executive Summary

A contract ceiling is not backlog. This report separates seven claims that public contract headlines routinely blur: vehicle access, a contractor's own awarded order, base-plus-exercised value, obligations, remaining performance, potential option value, and company-defined backlog. Under the Federal Acquisition Regulation (FAR), an indefinite-delivery, indefinite-quantity (IDIQ) contract provides for an indefinite quantity "within stated limits" (www.acquisition.gov), the Government must order only a stated minimum (www.acquisition.gov), and that minimum should not exceed what it is fairly certain to order. The maximum is a cap on cumulative orders (www.acquisition.gov), not a commitment. A Government Accountability Office (GAO) study found IDIQ funds are obligated through orders as needed (www.gao.gov).

Source-native fields keep the layers apart. USAspending defines current value as the base plus exercised options (api.usaspending.gov) and potential value as including all options (api.usaspending.gov), with a worked example of a $13M potential amount. Potential end dates assume options are exercised (api.usaspending.gov), whereas current end dates do not. Option exercise needs a contracting officer determination (www.acquisition.gov) and written notice. For a single comparable award and snapshot, the screen records potential value minus base-and-exercised value as a "disclosed potential-value difference", never as backlog, and keeps negative values visible.

Company backlog is a management definition, not a public field. Six public contractors' fiscal 2025 and 2026 annual reports differ on whether unexercised options count (Booz Allen counts 100% of priced options (www.sec.gov); one firm's remaining performance obligations exclude them) and on IDIQ work (one excludes estimates (www.sec.gov), another includes expected sole-source orders (www.sec.gov)). One reported $12.8 billion of remaining performance obligations against $32.0 billion of total backlog (www.sec.gov). The Securities and Exchange Commission (SEC) removed the explicit backlog dollar line from Regulation S-K in 2020 (www.sec.gov) and acknowledged reduced comparability.

Timing matters at this handoff. Department of Defense data in the Federal Procurement Data System (FPDS) are subject to a 90-day delay (www.fpds.gov), so late-September defense actions may not be visible until late December. A continuing resolution funds federal agencies through December 11, 2026 (www.whitehouse.gov); see also reporting (www.nextgov.com). The practical rule: label every public number by layer, and keep remaining funded work "unknown" until executed orders, modifications, billing and the target's own backlog definition arrive. This is early evidence screening, not valuation, accounting advice or acquisition approval.

## Introduction and Background

Private equity origination analysts covering government services meet the same sentence repeatedly: "the company won a $X million contract." The sentence may describe a shared vehicle ceiling, a single signed order, an option the agency has not exercised, or an estimate. Each supports a different provisional claim about recurring work, and none by itself establishes backlog. This worksheet-style explainer gives reviewers a ladder of evidence rungs and a claim ledger so a headline can be classed as supported, conditional, contradictory or unknown before anyone spends diligence time on it.

The scale of the data explains why the distinction is not academic. GAO reported that the federal government committed about $793 billion on contracts in fiscal year 2025 (www.gao.gov), and GAO's separate fiscal 2024 snapshot gave a total of $755.1 billion (www.gao.gov). The Congressional Research Service (CRS) reports that approximately 57% of Department of Defense (DOD) contract award dollars and 63% of non-DOD dollars in fiscal year 2024 went through indefinite-delivery vehicles (www.everycrsreport.com), and an earlier GAO analysis found IDIQ contracts accounted for about a third of total government contract obligations (www.gao.gov). About two-thirds of IDIQ obligations were for services (www.everycrsreport.com), which is the segment most relevant to government-services targets.

Scope and boundaries. This report assumes recipient identity is already frozen. Matching a System for Award Management (SAM.gov) entity to a USAspending recipient is covered in a separate identity crosswalk guide, and the UEI and CAGE resolution guide addresses legal names. Exposure denominators by agency are treated in the agency concentration worksheet, and subawards in the federal subaward guide. Those checks are linked, not repeated. This guide is published by Docket, an evidence-backed research service for private equity origination teams; the method here is source-first and makes no performance claims. Nothing here is valuation, accounting or legal advice; contract-type-specific measures need accountant and counsel review, and agency deviations can change the rules for a given contract.

Competing coverage exists. A September 2026 accounting-firm review tells contractors to review each contract at the task-order level (www.vsinghcpa.com) and to compare incurred and forecast costs with funding (www.vsinghcpa.com). That guidance assumes access to internal records. This report addresses the narrower question a researcher faces before any data room opens: what the public record can and cannot say.

# Definitions and the Evidence Ladder

## The seven claims

The ladder below orders claims from weakest to strongest evidentiary demand. A reviewer should state which rung a headline reaches and stop there.

- **Rung 1, vehicle access.** The firm is one of the awardees on an IDIQ or similar vehicle. The FAR states a preference for multiple awards of indefinite-quantity contracts (www.acquisition.gov), so the ceiling often belongs to a group.
- **Rung 2, own award value.** A task or delivery order issued to the firm. The FAR requires orders to stay within the period of performance and the contract's maximum value (www.acquisition.gov).
- **Rung 3, base plus exercised options.** The value currently committed by contract terms. USAspending glosses current value as the base amount and any exercised options (api.usaspending.gov).
- **Rung 4, obligations.** Money the government has legally committed. USAspending describes an obligation as a legally binding agreement that will result in outlays, immediately or in the future (api.usaspending.gov).
- **Rung 5, remaining performance.** Work not yet performed. No public award field measures this; it needs cost, billing or revenue records.
- **Rung 6, potential option value.** Value that exists only if options are exercised. USAspending defines potential award amount as including the base plus options (api.usaspending.gov).
- **Rung 7, company-defined backlog.** A management metric whose scope varies by firm, examined below.

## Ceiling, minimum and maximum

The FAR defines an indefinite-quantity contract as one that provides for an indefinite quantity, within stated limits (www.acquisition.gov). It requires the contract to oblige the Government to order, and the contractor to furnish, at least a stated minimum quantity (www.acquisition.gov), and the minimum must be more than nominal (www.acquisition.gov). The maximum is set from market research (www.acquisition.gov). The standard clause adds that the quantities in the Schedule are estimates only (www.acquisition.gov) and that performance is made only as authorized by orders issued (www.acquisition.gov). The CRS reproduces the same FAR definition (www.everycrsreport.com), and a defense-policy commentary article cites the FAR for the point that an in-place contract is no guarantee of obligated funds (warontherocks.com).

An accounting-firm paper says available IDIQ ceiling is normally excluded from unfunded contract backlog (rsmus.com). This is a practice statement, not a regulation, but it aligns with the FAR text, under which orders must stay within the maximum value of the contract (FAR 16.505(a)(2)).

## A note on current FAR text

The FAR pages cited here displayed Federal Acquisition Circular (FAC) 2026-01, effective March 13, 2026. The Revolutionary FAR Overhaul (RFO) model-deviation text restates the order limits in a new section: orders must be within the scope, issued within the specified ordering period (www.acquisition.gov), and it renames the

contract period as an ordering period (www.acquisition.gov). Agencies adopt the overhaul text through their own deviations, so a reviewer should record which text governs a given contract rather than assume the general rule. That uncertainty is itself a ledger entry.

## Walking the Rungs: Source-Native Fields

### What the public fields say

The Treasury-backed USAspending glossary defines "Award Amount" as the cumulative amount obligated by the federal government for an award (api.usaspending.gov). The Treasury data-transparency whitepaper defines current total value of award as the total amount obligated to date on a contract, including the base and exercised options (fedspendingtransparency.github.io), and potential total value as the total amount that could be obligated (fedspendingtransparency.github.io). The Federal Procurement Data System help page describes Base and Exercised Options Value as the base contract plus all options that have been exercised (fpds.gov), and Base and All Options Value as a mutually agreed total estimated contract or order value (fpds.gov).

Two cautions follow. First, naming is not uniform. The official application programming interface (API) contract for an award's detail describes the base-and-all-options field as the ceiling and amount of the award (github.com), while the glossary and whitepaper call the same concept potential value. A reviewer should store the field name and the definition text together. Second, the same words can mean different things for vehicles and orders. For an indefinite delivery vehicle, the whitepaper says potential value is the estimated value for all orders expected to be placed against the vehicle (fedspendingtransparency.github.io): an estimate, not an obligation.

*Table 1* below maps each public field to the claim it can support and the claim it cannot. Field names follow the Treasury award-detail contract (total_obligation, base_exercised_options, base_and_all_options, parent_award and the period_of_performance dates); the API documentation's example payloads are fixtures, not evidence about any current award.

| Ladder rung and public field | Source meaning (as documented) | Supports | Does not support |
|---|---|---|---|
| Vehicle access: parent_award and IDV record | A parent award is the identifier of the procurement award under which a specific award is issued (api.usaspending.gov) | That a firm sits under a named vehicle | That any dollar of the ceiling is the firm's |
| Own award: PIID of the order | The order is linked to its parent IDV by a parent-award PIID field (www.usaspending.gov) | A signed order exists in the record | Performance, funding beyond obligations |
| Base plus exercised: base_exercised_options | FPDS: base plus options that have been exercised (fpds.gov) | The committed contract value at a snapshot | That the value is funded or unperformed |
| Obligation: total_obligation | Cumulative amount obligated for an award (api.usaspending.gov); an individual action can be an obligation or de-obligation (fpds.gov) | Legally committed funds to date | Remaining work; recognized revenue |

| Ladder rung and public field | Source meaning (as documented) | Supports | Does not support |
|---|---|---|---|
| Potential value: base_and_all_options | Includes the base plus all options (api.usaspending.gov) | A disclosed ceiling for that award | That options will be exercised |
| Current end date | Excludes any pre-determined extension options (api.usaspending.gov) | Current period of performance | Renewal |
| Potential end date | Assumes options are exercised (api.usaspending.gov) | A question about future periods | Evidence of renewal |
| Company backlog | None; management definition | Nothing from public records | Everything not in a filing or data room |

Only the first four rows describe things that have already happened, and only the fourth describes money; the rest describe contract terms or conditional futures. A field can support a claim only at its own rung or below.

### Option mechanics

Option exercise is a discretionary government act. The FAR allows a contracting officer to exercise options only after making determinations, including that the requirement covered by the option fulfills an existing Government need (www.acquisition.gov). It requires written notice to the contractor within the time period specified in the contract (www.acquisition.gov), and the contracting officer's documentation must show that exercise is in accordance with the terms of the option (www.acquisition.gov). The contract must state the window in which an option may be exercised (www.acquisition.gov), and basic plus option periods for services are generally limited to five years unless approved under agency procedures (www.acquisition.gov). A separate extension clause permits extension of performance by written notice (www.acquisition.gov) and caps total extension at six months (www.acquisition.gov). An advisory-firm explainer notes that option years are often not yet exercised and funded (decerio.com).

A potential end date after the current end date is an unanswered question about an option, not a prediction. Record the field and the document that would answer it: the signed option-exercise modification.

## Layers, Denominators and Deduplication

### Shared ceilings

Whether a vehicle ceiling is shared must be read from the contract, not assumed. The Alliant 2 conformed contract describes one maximum contract ceiling value of all contracts resulting from the multiple-award procurement (www.gsa.gov), established at $90.75 billion (www.gsa.gov). Each awardee's guaranteed minimum is $2,500 (www.gsa.gov), the Government has no obligation to issue task orders beyond that (www.gsa.gov), and there is no maximum dollar ceiling for an individual task order (www.gsa.gov), so one order can draw on the shared pool. GSA's 2022 release raised that ceiling to $75 billion at the time (www.gsa.gov) and reported more than 465 task order awards exceeding $36 billion (www.gsa.gov). The ceiling is a pool-level cap; the order total is an order-level fact.

Other vehicles differ. A GSA fact sheet for OASIS+ states no contract ceiling or cap on awards (www.gsa.gov) and describes six separate, distinct IDIQ contracts (www.gsa.gov). For NITAAC's CIO-SP3 small business vehicle, the conformed contract states a single total ceiling under the governmentwide acquisition contract (www.nitaac.nih.gov) and says on-ramped awardees share in the ceiling (www.nitaac.nih.gov). Program web pages and conformed contracts can describe ceilings differently, so the ledger needs the executed contract for the specific vehicle and a note on which source controls.

Single-award vehicles are not the exception either: GAO found approximately 60 percent of governmentwide IDIQ obligations went through single-award IDIQs (www.gao.gov), and about three-quarters of DOD IDIQ awards in fiscal years 2015 through 2017 were made to a single contractor (www.gao.gov). The shared-versus-single determination therefore varies and must be made per vehicle.

### No equal splits

Dividing a multi-award ceiling by the number of awardees invents a number no document states. The same applies to dividing an IDIQ's ceiling by years. GAO has noted that, for these contracts, the overall value cannot be reliably obtained from FPDS (www.gao.gov), and its sample included contracts that carried only a ceiling value (www.gao.gov). The disciplined approach is to leave vehicle ceiling in a separate column, never aggregate it across firms, and use order-level obligations as the only dollars attributable to a recipient.

### The parent and order ledger

USAspending describes an IDV as something that may contain many contract prime award summaries and other IDVs (www.usaspending.gov). An official endpoint exists to populate the federal account funding tab of the IDV summary page (github.com), which signals that child-order rollups are computed separately from the parent record. Adding a parent's potential value to its child orders' values double counts. Use this ledger discipline:

1. **Record each layer once.** Vehicle row (ceiling, awardee count, shared or single), then one row per order.
2. **Never sum across layers.** Parent potential value and child obligations are different measures.
3. **Attribute dollars only at the order.** Only a recipient's own orders carry recipient-attributable obligations.
4. **Flag prime versus sub.** Subaward value is a different disclosure; do not merge it into prime totals.
5. **Freeze identifiers.** Store the order PIID, the parent PIID and the modification number with the snapshot date.

## Timing, Modifications and Snapshot Discipline

### Compare at one snapshot

Award amounts change with each modification. The FAR distinguishes a bilateral modification, signed by the contractor and the contracting officer (www.acquisition.gov), from a unilateral one, signed only by the contracting officer (www.acquisition.gov). A negative modification or de-obligation reduces the net figure: an FPDS action obligation can be a net amount obligated or de-obligated by the transaction (fpds.gov), and the

Treasury whitepaper describes the federal action obligation as an obligation, de-obligation or liability for an award transaction (fedspendingtransparency.github.io). When comparing potential value with base-and-exercised value, both must come from the same award at the same snapshot, otherwise the arithmetic mixes dates.

For a comparable pair, the screen shows: disclosed potential-value difference = base-and-all-options value minus base-and-exercised value. The label matters. It is the disclosed value of unexercised options, not backlog, not expected revenue. If the difference is negative, report it as an exception requiring a modification review; it should never be clipped to zero, because a negative value signals a field mismatch, a descoping or a data-entry timing problem.

## Reporting lags

USAspending's data documentation states that new FPDS data come to USAspending two days after submission to FPDS (www.usaspending.gov). Contracting officers generally complete the contract action report within three business days after contract award (www.acquisition.gov), with a 30-day window for certain urgent authorities (www.usaspending.gov). DOD and Army Corps of Engineers data in FPDS are delayed 90 days (www.usaspending.gov); FPDS itself states that the availability of DoD data is subject to a 90-day delay (www.fpds.gov). By our arithmetic, a defense action dated September 30, 2026 would not be public before about December 29, 2026. The October 2026 fiscal-year transition therefore does not make September public-data reporting complete.

The documentation also cautions that data from award systems may not always align with the data standards, definitions, and requirements of OMB and Treasury (www.usaspending.gov), and lists examples of non-reporting entities (www.usaspending.gov). Awards present in only one source are "unlinked" and lack account-level fields and outlays (www.usaspending.gov). GAO found that 36 of the 70 agencies reporting FY2023 data (51 percent) confirmed completion of procurement data quality reports (files.gao.gov), though those agencies accounted for over 99 percent of the $759.2 billion in obligations (files.gao.gov). The government-wide data are broadly usable at aggregate scale, but any single award record may lag.

## Fiscal-year-end context

A Treasury Data Lab analysis found September's spending spike accounted for between six and eight percent of that year's total spend over the prior ten years (www.fedscoop.com) (a 2018 analysis, so a dated reference rather than a current rate). A stopgap, H.R. 6500, was signed into law on September 2, 2026 (www.whitehouse.gov) and funds federal agencies through December 11, 2026 (www.whitehouse.gov), as Nextgov also reported (www.nextgov.com). The lesson is procedural: the snapshot date and funding-year assumption belong in the ledger.

# Backlog as a Company-Defined Metric

## RPO is not backlog

Accounting standards require public entities to disclose the aggregate transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied (viewpoint.pwc.com). Remaining performance obligations (RPO) are limited to the period in which enforceable rights and obligations exist (viewpoint.pwc.com), and the standard defines a contract by enforceable rights and obligations (storage.fasb.org). A practitioner guide illustrates that units above a contractual minimum, which the customer has not yet committed to purchase, are excluded (viewpoint.pwc.com). There is a practical expedient for contracts with an original expected duration of one year or less (viewpoint.pwc.com).

Backlog, by contrast, is a non-GAAP management metric. Before 2020, Regulation S-K Item 101(c) listed the dollar amount of backlog orders believed to be firm (www.sec.gov). The adopting release says the final amendments no longer explicitly reference it (www.sec.gov), while registrants must still disclose such topics if they are material to an understanding of the business and not otherwise disclosed (www.sec.gov). The SEC acknowledged that dropping prescriptive items may diminish comparability across registrants (www.sec.gov).

## How six public contractors define it

*Table 2* summarizes definitions disclosed in recent annual reports. It is a definitional comparison to show variance, not an assessment of any company. Dollar figures are as reported; the ratio is this report's arithmetic.

| Contractor (fiscal period) | Funded backlog | Unexercised options | IDIQ treatment | RPO vs total backlog |
|---|---|---|---|---|
| Booz Allen Hamilton (FY ended 3/31/2026) | Orders under existing contracts for which funding is appropriated or authorized, less revenue recognized (www.sec.gov) | Priced options counted at 100% of future option periods (www.sec.gov) | Excluded unless task orders have been awarded (www.sec.gov) | RPO excludes negotiated but unexercised options (www.sec.gov); total backlog is inclusive of RPO |
| CACI (FY ended 6/30/2026) | Contract value with appropriated funding, less revenue recognized | Included in backlog; task orders under multiple-award IDIQ excluded until issued (www.sec.gov) | Excluded until issued | $12.8 billion RPO (www.sec.gov); total backlog equals RPO plus unexercised options; $32.0 billion total |
| SAIC (FY ended 1/30/2026) | Funded portion of backlog | Unexercised priced options in negotiated unfunded backlog (www.sec.gov) | No estimates of revenue from IDIQ contracts (www.sec.gov) | About $6.2 billion RPO (www.sec.gov), excluding unexercised options (www.sec.gov); $22,622 million total backlog (about 3.6 times) |
| Leidos (FY ended 1/2/2026) | Funded portion of backlog | Included in negotiated unfunded backlog (www.sec.gov) | Multiple-award IDIQ task orders excluded; expected sole-source IDIQ task orders included (www.sec.gov) | $18.5 billion RPO (www.sec.gov); $49,032 million total backlog (about 2.7 times) |

| Contractor (fiscal period) | Funded backlog | Unexercised options | IDIQ treatment | RPO vs total backlog |
|---|---|---|---|---|
| ICF (FY ended 12/31/2025) | Limited to amounts authorized by the client to proceed up to a stated dollar amount | Priced, unexercised options included (www.sec.gov) | Expected work under IDIQs held by few firms included (www.sec.gov) | Separate unfulfilled performance obligations measure excludes negotiated unexercised options (www.sec.gov) |
| V2X (FY ended 12/31/2025) | Unfunded means not currently contractually obligated by the customer (www.sec.gov) | Unexercised options and IDIQ contracts are treated as separate performance obligations in the filing's revenue discussion (www.sec.gov); RPO scope not confirmed | Total backlog excludes potential IDIQ orders (www.sec.gov) | Total backlog of about $11.1 billion (www.sec.gov); the RPO figure was not confirmed, so no multiple is computed |

Reading across the rows, the same word covers different things. Some firms include priced options and some measure only exercised work; some exclude all IDIQ estimates and one includes expected sole-source orders. One filing disclosed adding estimated sole-source IDIQ task-order revenue, increasing prior-year unfunded backlog by $4,836 million (www.sec.gov). Such definitional changes are ordinary disclosure; they are why a target's backlog number cannot be compared with another company's, or with a public record, without the definition in hand.

A software vendor defines funded backlog as contract funding less inception-to-date revenue (help.deltek.com), which shows why funded backlog needs revenue records that public awards lack. Advisers add that backlog quality should be assessed across funding, timing, margin and concentration (www.cbh.com), that backlog is not automatically revenue (www.cbh.com), and that unfunded backlog carries a risk that funds are not allocated as expected (rsmcanada.com).

# Implementation Guidance: The Public-Data Claim Ledger

## Public versus management-supplied evidence

The ledger separates what the researcher can observe from what only the target or its accountants hold.

- **Publicly observed:** vehicle existence and awardee list, order PIID and parent link, signed dates, base-and-exercised and base-and-all-options values, cumulative obligations, current and potential end dates, outlays at award level where reported (File C carries obligation and outlay data for awards (www.usaspending.gov)).
- **Executed documents, sometimes public:** the conformed IDIQ contract, task orders, option-exercise modifications and funding modifications. Where not public, mark "requested".
- **Management-supplied:** the backlog definition, funded and unfunded split, cost incurred, billing, recognized revenue, estimates to complete, and the contract waterfall.
- **Always unknown from public data:** the unperformed balance. Obligations minus outlays is not company backlog, because outlays are payments and GAO notes that outlays in a year may pay obligations incurred in prior years (www.gao.gov), and a USAspending glossary entry says an outlay

occurs when federal money is actually paid out (api.usaspending.gov).

A professional-services firm's review checklist tells contractors that using total ceiling or expected funding is the wrong basis for a funded position (www.vsinghcpa.com) and to build a controlled carry-forward list (www.vsinghcpa.com). A researcher cannot build that list but can ask for it.

### Minimum record per ledger row

- **Claim layer:** which of the seven rungs the statement actually names.
- **Identifiers:** order PIID, parent PIID, modification number, recipient identifier.
- **Source and date:** field name, definition text, extraction date, and the source's own update date.
- **Status:** supported, conditional, contradictory or unknown.
- **Next document:** the single artifact that would change the status.

### The ledger procedure

1. **Restate the claim.** Write the headline as the layer it actually names (for example, "firm holds a place on vehicle V").
2. **Freeze identity and identifiers.** Link to the identity checks; capture PIIDs, parent PIIDs, UEI.
3. **Pull source-native fields** with field name, definition text, and extraction date.
4. **Check the ceiling status:** shared, single-award or award-specific; cite the conformed contract.
5. **Log modifications** with dates, signed or unilateral status, and sign of the dollar change.
6. **Compute only permitted arithmetic:** disclosed potential-value difference for one award at one snapshot; nothing else.
7. **Assign a status:** supported, conditional, contradictory or unknown.
8. **Name the next document** that would move an unknown to supported.

No public formula converts a ceiling into earnings before interest, taxes, depreciation and amortization (EBITDA), annual recurring revenue or enterprise value. Contract type (fixed price, time and materials, cost reimbursement) changes how remaining work and revenue relate, and under cost-reimbursement incremental funding, for example, the government's reimbursement obligation is tied to funds allotted (www.acquisition.gov); an availability-of-funds clause makes the Government's obligation contingent on appropriated funds (www.acquisition.gov). That is why the generic remaining-funded-work formula is withheld here: the compatible cost or revenue measure needs accountant review. For related quality-of-earnings scope questions, see the quality of earnings guide and the customer concentration screen.

## Data Analysis and Evidence

The quantitative record supports three observations, each limited by its source.

**Scale and structure.** GAO's fiscal 2024 snapshot gave a total of $755.1 billion (www.gao.gov), and its fiscal 2025 snapshot reported that the government committed about $793 billion on contracts (www.gao.gov). This report does not subtract the two nominal totals to infer a year-over-year change. CRS reports over $750 billion spent in FY2024 (www.everycrsreport.com). The earlier GAO study found agencies obligated more than $130 billion annually on IDIQ contracts in its fiscal 2011 to 2015 window (www.gao.gov), and a later GAO analysis

found roughly 40 percent of DOD contract obligations in fiscal years 2015 through 2017 were on indefinite-delivery contracts (www.gao.gov). These figures show that IDIQ-style work is a large share of spending, and they are about obligations on orders, not ceilings. Ceiling totals are not reliably available at the vehicle level, as GAO noted (www.gao.gov).

**Ceiling versus orders, one real vehicle.** For Alliant 2, the ceiling stated by GSA in 2022 was $75 billion (www.gsa.gov), against more than $36 billion in task order awards (www.gsa.gov); the conformed contract now states $90.75 billion (www.gsa.gov). The comparison is of a ceiling at one date with order value at another and is shown only to illustrate magnitude: it is neither a ratio nor a measure of any awardee's backlog, because the pool is shared and the order value is an award figure, not funded or unperformed work. A third-party contract tracker also labels vehicles whose ordering period has ended with a note that backlog may not be realized (www.highergov.com).

**Definitions drive the numbers.** In the annual reports in Table 2, total backlog was about 2.5 times RPO at CACI ($32.0 billion against $12.8 billion), about 2.7 times at Leidos, and about 3.6 times at SAIC, all by this report's arithmetic from the stated figures. The multiples differ because the definitions differ, as the table's treatment columns show. A reviewer comparing one firm's "backlog" to another's, or to a contract tracker's, is comparing definitions before comparing businesses.

**Coverage and gaps.** Source coverage is uneven:

- **Documented fields:** USAspending and FPDS fields are documented, new FPDS data reach USAspending two days after submission (www.usaspending.gov), and DOD data carry a 90-day delay.
- **Vehicle-level totals:** GAO documents that the overall value is not reliably available.
- **System changes:** GAO reports that GSA expects to fully retire FPDS in fiscal year 2029 (www.gao.gov), so field names and locations may change.
- **Option-exercise rates:** public sources do not report them, so that statistic is unanswered.

This report does not extract awards for any specific target or benchmark option-exercise behavior; those steps belong in the target-specific ledger described above.

## Case Studies and Real-World Examples

### (Hypothetical Example) A shared vehicle, one order, one option, one negative modification

All entities, identifiers and dollar figures below are invented to illustrate the method. No real firm or acquisition target is described. Suppose a press release says "Alder Analytics wins $250 million contract". The reviewer applies the ledger.

Facts gathered from public records at the snapshot of November 10, 2026 (hypothetical):

- Vehicle ZZ-IDIQ-0001: shared ceiling of $250 million across five awardees; guaranteed minimum of $5,000 per awardee; ordering period three years plus one two-year option.

- Order TO-0007 to Alder Analytics under the vehicle: base-and-exercised options value $8.0 million (a $4.0 million base year plus a $4.0 million exercised first option year); base-and-all-options value $12.5 million (a second option of $4.5 million not exercised).
- Obligations: $6.2 million at the September 30 snapshot; Modification 04, dated October 14, de-obligates $0.4 million, giving $5.8 million at the later snapshot.
- Potential end date is 12 months after the current end date. Award-level outlays: not yet reported.

Deduplication ledger (hypothetical): the vehicle's $250 million ceiling is one row; the five awardees' orders total $48.0 million in obligations; Alder's $5.8 million is part of that $48.0 million. Adding $250 million to $48.0 million to reach $298 million is a double count and is prohibited. Dividing $250 million by five to assign $50 million per awardee invents a number no document states.

Disclosed potential-value difference for TO-0007 (same award, same snapshot): $12.5 million minus $8.0 million = $4.5 million. It is labeled as such, not as backlog.

*Table 3* shows the ledger rows with status and next document.

| Claim as stated | Public evidence (hypothetical) | Status | Next document needed |
|---|---|---|---|
| "Alder won a $250 million contract" | $250 million is the shared vehicle ceiling across five awardees | Contradictory as an award value; supported as vehicle access | Conformed IDIQ contract and awardee list |
| "Alder holds a signed task order" | TO-0007 with parent link and signing date | Supported | Executed order and statement of work |
| "The order is worth $12.5 million" | $12.5 million is the base-and-all-options value; $8.0 million is base plus exercised | Conditional | Option-exercise modification for the second option |
| "Work continues another year" | Potential end date extends 12 months beyond the current end date | Unknown (the field assumes the option is exercised) | Signed option modification with funding |
| "$6.2 million is funded" | $6.2 million at September 30; $5.8 million after Modification 04 | Contradictory across snapshots; resolved to the later figure with a reporting-lag caveat | Modification 04 and current funding document |
| "Funded backlog is $5.8 million" | Obligation is $5.8 million; outlays not reported | Unknown | Billing, cost-incurred and revenue records |
| "Backlog is $12.5 million" (management) | No definition supplied | Unknown | Written backlog definition and waterfall |

The table shows that one headline decomposes into seven claims, only one of which is fully supported. The decision it supports is modest and appropriate for early screening: Alder plausibly has a live order, the recurring-work claim is conditional on an option, and the backlog claim stays an open diligence question with a named request list.

## Implications and Future Directions

For origination teams, the main implication is triage discipline. A ceiling headline moves a company from "unknown" to "has vehicle access" and no further. Teams that log the layer, the snapshot and the next document can rank which leads deserve a data request and which can wait. This is consistent with practitioner guidance that sellers should be ready to substantiate backlog, option periods and recompete assumptions (www.pillsburylaw.com) and that backlog tied to affected agencies or vehicles requires separate sensitivity analysis (www.crosscountry-consulting.com). It also fits a point from a defense-contracting explainer: IDIQ contracts specify a guaranteed minimum that the government must buy or pay for (news.clearancejobs.com), and a vendor guide adds that the agency may fall well short of the contract ceiling (govdash.com).

Deal structure also affects which contracts are in play. Asset deals may need a post-closing novation process with the government (www.morganlewis.com); the FAR allows recognition of a successor in interest (www.acquisition.gov), while a stock purchase generally needs no novation agreement (www.acquisition.gov). Those points belong to counsel, but a researcher should flag structure as an input.

Looking ahead, three developments deserve monitoring. First, the RFO text and agency deviations may renumber and reword ordering and option provisions, so the ledger's "governing text" column will matter. Second, the expected retirement of FPDS means field mappings may change (www.gao.gov). Third, the FY2027 appropriations path after the stopgap, which provides appropriations through December 11, 2026 (www.whitehouse.gov), as Nextgov also covered (www.nextgov.com) affects when options are exercised and funded.

## Frequently Asked Questions (FAQs)

### Is contract ceiling the same as backlog?

No. The ceiling is the stated maximum for orders (www.acquisition.gov). Backlog is a company-defined measure, and ceilings are normally excluded from unfunded backlog (rsmus.com). Some public companies exclude IDIQ estimates entirely (www.sec.gov).

### How is government contract backlog calculated?

There is no single public formula. Company definitions differ (Table 2). A funded-backlog formula in one vendor's documentation is contract funding less inception-to-date revenue (help.deltek.com), which needs revenue records. From public data alone, only the disclosed potential-value difference can be shown, and it is not backlog.

### What is funded versus unfunded backlog?

Advisory sources define funded backlog by an agency funding document (decerio.com) and unfunded backlog as work authorized but not yet funded (decerio.com). Public companies differ on whether unexercised options are in unfunded backlog (CACI and SAIC include priced options (www.sec.gov)).

### How does IDIQ ceiling compare with actual revenue?

The relationship is not fixed. Orders must stay within the contract maximum (FAR 16.505(a)(2)), GAO notes funds are obligated through orders as needed (www.gao.gov), and recognized revenue depends on performance. No public rule converts one to the other.

### How do option years affect backlog?

Options are discretionary. The FAR conditions exercise on determinations (www.acquisition.gov), and some companies count priced options at 100% (www.sec.gov) while others exclude them from remaining performance obligations (www.sec.gov). Treat a potential end date as a question (api.usaspending.gov).

### How do remaining performance obligations differ from backlog?

RPO follows accounting rules tied to enforceable rights (viewpoint.pwc.com); backlog follows management definitions. One filer states that total backlog consists of RPO plus unexercised options (www.sec.gov).

### How should a private equity team value government contract backlog?

This report does not provide a valuation method. Early screening should end with a request list: executed orders and modifications, billing and cost records, and the target's written backlog definition. Valuation and accounting treatment need qualified professionals; one valuation guide from an accounting firm describes the contract waterfall as a road map to future revenue streams (rsmcanada.com).

### What does government contractor due diligence for acquisitions involve for backlog?

At minimum: confirm identity and perimeter, task-order-level review of modifications and funding (www.vsinghcpa.com), option evidence, novation exposure (www.morganlewis.com), and sensitivity to the agencies and vehicles involved (www.crosscountry-consulting.com).

## Conclusion

A public contract announcement supports a provisional recurring-work claim only at the rung its evidence reaches. A vehicle ceiling shows access, a signed order shows an awarded layer, base-plus-exercised value shows committed contract value at a snapshot, obligations show funds committed, and potential values and end dates show questions about options. Remaining unperformed work and backlog require records the public does not hold and a definition the target controls.

The ladder and claim ledger turn that boundary into a repeatable worksheet: restate the claim, freeze identifiers, use source-native fields with their definitions, avoid summing layers, compare at one snapshot, keep negative differences visible, and name the next document for every unknown. Where the evidence runs out, the correct output is an unanswered diligence question with a named request, not an estimate. Ceilings, potential values and company backlog figures stay in separate columns, and none is converted into revenue, earnings or enterprise value by this method.

# Source links

Links cited in this article, in order of first appearance. Full addresses are provided for readers using extracted text.

1. https://www.acquisition.gov/far/16.504
2. https://www.acquisition.gov/far/16.505
3. https://www.gao.gov/assets/gao-17-329.pdf
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